



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

February 16, 2010

6 FEBRUARY 16, 2010

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

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

**APPROVE LEASE LEASE-BACK AGREEMENT
APPROVE CIVIC PARK DEVELOPMENT AGREEMENT
APPROVE FUNDING AGREEMENT AND
OTHER RELATED ACTIONS FOR THE
CIVIC PARK PROJECT
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

Approval of the recommended actions will authorize the Chief Executive Officer and the Grand Avenue Park Development, LLC to proceed with activities related to the implementation of the Civic Park Project.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Chief Executive Officer and Grand Avenue Park Development, LLC to proceed with the Civic Park Project.
2. Approve and delegate the authority to the Chief Executive Officer to sign the Lease Lease-Back Agreement attached hereto in substantially final form between the County and the Grand Avenue Park Development, LLC for the implementation of the Civic Park Project.
3. Approve and delegate the authority to the Chief Executive Officer to sign the Civic Park Development Agreement attached hereto in substantially final form between the County and the Grand Avenue Park Development, LLC for the implementation of the Civic Park Project.

"To Enrich Lives Through Effective And Caring Service"

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Intra-County Correspondence Sent Electronically Only**

4. Delegate to the Chief Executive Officer the authority to implement and enforce all of the terms of the Lease Lease-Back Agreement and the Civic Park Development Agreement and to implement the Civic Park Project, on behalf of the County.
5. Approve and delegate the authority to the Chief Executive Officer to sign the Funding Agreement attached hereto in substantially final form between the Grand Avenue Authority and the County to provide for the funding of the Civic Park Project.
6. Direct the Chief Executive Officer to initiate discussions regarding the programming, operations, and maintenance of the Civic Park with the Performing Arts Center of Los Angeles County and return to the Board with an operating agreement in final form for approval prior to the completion of the Civic Park Project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended actions will allow the County and the Grand Avenue Park Development, LLC (Developer), formerly The Related Companies, L.P., to proceed with activities relating to the implementation of the Civic Park Project (Project).

Background

The Grand Avenue Authority (Authority) was created in September 2003 through a Joint Powers Agreement between the County and the Community Redevelopment Agency of the City of Los Angeles (CRA) to oversee the development and implementation of the Grand Avenue Project. The Authority is an independent legal entity, which selected The Related Companies, L.P. (Related) as the developer for the Grand Avenue Project in September 2004 through a public selection process. The Grand Avenue Project is a mixed-use development on four County- and CRA-owned parcels that remain undeveloped on Bunker Hill, including full realization of the Civic Park along the County Mall extending from Grand Avenue to Spring Street, and streetscaping along Grand Avenue and the streets surrounding the development.

In February 2007, your Board approved various actions relative to the phased development of the Grand Avenue Project. As part of the Phase I development, Related is required to oversee the design and construction of improvements for an approximately 12-acre Civic Park, which will stretch between and among the County administrative and judicial buildings from Grand Avenue at the Music Center to City Hall at Spring Street. In July 2008, the Authority approved Related's request to assign its rights and obligations under the Civic Park Design Agreement to, and assumption by, a newly-formed entity called the

Grand Avenue Park Development, LLC, which is wholly-owned and controlled by Related. To date, Project construction documents have been completed and submitted to jurisdictional agencies for review and funding is in place. In order to implement the Project, Board approval of the Funding Agreement, Lease and Leaseback Agreement and the Civic Park Development Agreement is now required.

Project Description

The Project, an approximately 12 acre-site located at the heart of Los Angeles's civic and cultural center will remake an often overlooked public space into a spectacular community gathering space that will provide an iconic park for Los Angeles. The proposed Project includes four areas identified as the Fountain Plaza, Performance Lawn, Community Terrace, and Event Lawn.

The Fountain Plaza includes stairs, terraces, planters, accessible ramps and an elevator to accommodate a grade change of approximately 19 vertical feet from Grand Avenue to the Arthur J. Will Memorial Fountain. To achieve pedestrian interest and access to the fountain plaza, this project area will require the demolition, redesign and re-engineering of the existing vehicular ramps to the County Mall garage with garage access to remain off Grand Avenue; restoration of the historic Arthur J. Will Memorial fountain; construction of a new one-story building for the relocation of the current Starbuck's Café, as well as ATM facilities, public restrooms, and park support offices; and installation of landscaping and pathways.

The second area is the Performance Lawn and includes the demolition of the existing Starbuck's Café and existing ATM facilities; reconfiguration and enlargement of the lawn area for performances; creation of a new Olive Tree Courtyard, Children's Garden with children's play sculpture elements; and refurbishment of existing hardscape walks, stairs and site walls.

The third area is referred to as the Community Terrace and consists of the redesign of the existing Court of Flags. This area includes additional garden and planting areas as well as installation of stairs, ramps, relocated flags, and planted terraces to accommodate a grade change of approximately 15 vertical feet from the existing Court of Flags level to Broadway. If funds allow, this area will include multi-cultural botanic gardens with associated wayfinding, plant identification, and educational signage systems. This learning garden provides specimen plantings from over 100 biozones from regions around the world that represent different cultures within Los Angeles.

The final area is called the Event Lawn and includes relocation and engineering of vehicular ramp access to the secured parking at the Clara Shortridge Foltz Criminal Justice Center from Broadway; demolition of the surface parking lot; installation of an event lawn

with high-performance turf; and construction of a marketplace and event staging area to accommodate community markets, event loading, temporary parking and pedestrian pathway.

In April 2009, the CRA and your Board approved the Project schematic design. In June 2009, the Authority unanimously approved the Project schematic design and instructed the architect to proceed with the design development phase. In September 2009, the Authority approved the Project design development drawings based on the prior approval from the Chief Executive Office finding that there was no material variation from the approved schematic design drawings as outlined in the executed Civic Park Design Agreement.

Funding Agreement

As part of the terms of the Disposition and Development Agreement for the Grand Avenue Project, Related agreed to pre-pay to the Authority the leasehold rent for Phase I of the development site and part of Phase II for the purpose of advancing the development of the Project. The cost of the Project will be funded primarily by the Authority with these funds, which were received from Related in July 2007. To facilitate payment of Project expenditures incurred under the Lease Agreement and Park Development Agreement, it is recommended that your Board approve the Funding Agreement (Attachment A) between the County and the Authority. On January 25, 2010, the Funding Agreement was approved by the Authority.

Lease Lease-Back Agreement (Lease Agreement)

In accordance with the Civic Park Design Agreement dated March 2006, a separate agreement is to be entered into by the County and the Developer for construction of the Project. Pursuant to Government Code Section 25371, the County is authorized to ground lease the real property parcels to the Developer to implement the proposed Project in the most timely and cost-effective manner. Accordingly and pursuant to the Lease Agreement (Attachment B), it is recommended that the County lease the Project site to the Developer, who will contract for, manage, and supervise the construction of the Project to be performed by a general contractor retained by the Developer and approved by the County.

Upon completion of the Project, the County is entitled to either lease the Project back from the Developer for \$1.00 for the first year, or exercise an option to purchase the Project for \$1.00, the exercise of which will cause the Lease Agreement to be terminated at that time. Upon final completion of the Project, we will request your Board's approval that the purchase option be exercised, as it is in the best interests of the County to do so. Under the Lease Agreement, if the purchase option is not exercised within the first year after the lease back period commences, the County's lease back of the Project can continue for up

to four one-year extensions for a maximum lease term of five years at \$112,500 per year for Phase I, and \$37,500 per year for Phase II, or until the purchase option is exercised. It is expressly not intended for the Developer to continue as the real property lessee; therefore, it is our intent that the County, exercise its unilateral option to purchase the Project upon completion, thereby avoiding the increased annual rental amounts.

Civic Park Development Agreement (Park Development Agreement)

Although technically a separate instrument, the Park Development Agreement is an integral part of the Lease Agreement transaction and sets forth the rights and obligations of the Developer and the County concerning the design and construction of the Project. The Project will be constructed in two separate phases. Phase I consists of the Fountain Plaza, Performance Lawn, and Event Lawn currently known as the Civic Center Mall (also known as the El Paseo de los Pabladores), and the surface parking lot east of the Court of Flags and bounded by Spring Street on the east. Phase II consists of the Community Terrace currently known as the Court of Flags. Due to the limited amount of funding identified for the Project, the CEO will only authorize the Developer to commence the Phase II scope of work if there is sufficient funding remaining in the budget to complete the entire Project. The County and public will not have use of the Project site during construction except for limited purposes, including emergencies, access to Starbucks, and for facility maintenance purposes.

Under the Park Development Agreement, the Developer is required to contract for and manage the construction of the Project. In December 2009, the Developer recommended, and the County approved, four pre-qualified construction firms to provide proposals for construction of the Project. In January 2010, all four firms submitted general contractor proposals and interviews were conducted with all four firms. The County has received and accepted the Developer's recommendation to begin negotiations with one firm. Upon completion of negotiations, the Developer will deliver a proposed guaranteed maximum price for the Project to the CEO. If the guaranteed maximum price is within the approved project construction budget, the CEO will approve the guaranteed maximum price contract. If the guaranteed maximum price is not within the approved project construction budget, the CEO may reject the guaranteed maximum price contract and the Developer will cause the general contractor to seek new bids or provide additional value engineering services in an attempt to conform the guaranteed maximum price contract within the approved budget amount.

It is recommended that your Board delegate to the CEO, as the owner representative, the authority to monitor the Park Developer's performance, approve contractors and subcontractors proposed by the Developer, approve and make payments to the Developer up to the maximum amount authorized under a Funding Agreement between the County and the Authority, approve and execute amendments to agreements, approve change

orders up to \$150,000, if necessary approve cost cutting measures, reclassify line items within the approved project budget, accept the project, and make any other project approvals as required for implementation of the Park Improvements. Any change order over \$150,000 will require approval by the Authority.

The construction contract contains standard County contract language such as provisions regarding good faith efforts to recruit Community Business Enterprises, all required insurance coverage while under construction naming the County as an additional insured, non-discrimination clauses, and the standard clause for termination of services upon written notice.

It is anticipated that final construction documents will be completed in Spring 2010. Pursuant to Section 3.2 of the Civic Park Design Agreement, approval of the construction documents must be obtained from both your Board and the CRA prior to the approval of Authority. Construction is tentatively scheduled to take place over a 24-month duration to begin in Spring 2010 and end in Summer 2012. Upon the expiration or earlier termination of the Lease Agreement, ownership of the Project shall vest in the County.

The events of default under the Lease Agreement include failure of the Developer or County, respectively, to perform its obligations as set forth in the Park Development Agreement, to perform its obligations as set forth in the Lease Agreement, or the filing of a petition for reorganization or arrangement under any law related to bankruptcy. Upon written notice of a default, the Developer or County, as the case may be, has a 30 day cure period to remedy the default. In the event of continuing nonperformance of any material default by the Developer beyond the notice and 30-day cure periods, the County may elect to purchase the Project on any date, at a price equal to any earned but unpaid costs of the Project; take possession of the Project and require performance of all covenants and obligations; enter the Project and remove any and all persons or property and dispose of such property in accordance with applicable laws; or require the Developer to assign the construction contract to the County or its designee. Further, any material default and breach of the Developer to perform its obligations as set forth in the Park Development Agreement shall also constitute a default under the Disposition and Development Agreement for the Grand Avenue Project which may result in termination of the Disposition and Development Agreement by the Authority.

Civic Park Operations

Throughout the proposed Project, open spaces are being developed not only for casual sitting and leisurely strolling but also in anticipation of possible civic gatherings. The four block site is divided by two city streets and includes a challenging 18' -20' grade change between each of the four blocks. The Project ties the site together to create a connected, unified park. Using the site's severe grade change as an asset, the Project envisions generous amphitheater steps and planted terracing providing integrated accessible

pedestrian ramps where there are none, and creating space that can serve as seating. Programming for small to large events and festivals is a crucial cornerstone of the planning of the park. Gathering spaces of varying sizes are designed to support the needs of community groups, neighbors, schoolchildren, or even sponsored events. Other program spaces include the smaller Performance Lawn for more intimate events, the Fountain Plaza for possible corporate parties and the Community Terrace for multicultural feasts engaging the County's diverse population. The proposed uses can be separated into two general categories: "formal" uses, in which programming animates the park and attracts visitors for a specific event, such as a festival, concert, or farmers' market; and "informal" uses, in which visitors animate the park through a combination of their own individual activities, such as strolling, reading, or picnicking.

In order for the park to be successful, it must accommodate and encourage a wide range of formal and informal activities much like the programs offered at the four venues of the Music Center operated on behalf of the County by the Performing Arts Center of Los Angeles County. Although the Civic Park programming will be different from a theatrical venue, the proposed park and its programs will be a logical extension of the Music Center venues. It is recommended that the CEO initiate discussions with the Performing Arts Center of Los Angeles County regarding the programming, maintenance and other ongoing issues and return to the Board prior to completion of the Project with an operating agreement for the Board's approval.

FISCAL IMPACT/FINANCING

The total estimated cost of the proposed project is \$56.0 million, including \$38.0 million for hard construction costs, \$7.0 million for contingency fund, and \$11.0 million for project soft costs.

The proposed project is funded by \$50,750,000 Grand Avenue Project, \$970,000 City of Los Angeles Proposition 40 allocation, and \$4,280,000 anticipated interest income earned on the deposit of funds from the Grand Avenue Project until the proposed project completion.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Civic Park Design Agreement dated March 20, 2006 by and between the Authority and the Developer, anticipated a separate agreement governing the construction of the Park Improvements to be entered into by the County and the Developer.

The attached Lease Agreement includes various Board-mandated provisions, including but not limited to: County Lobbyist Ordinance, hiring qualified displaced County employees, Safely Surrendered Baby Law, Child Support Compliance Program, Contractor Employee Jury Service Program, and Defaulted Property Tax Reduction Program.

The attached Lease Agreement, Park Development Agreement, and Funding Agreement have been reviewed and approved by the Developer and its counsel and reviewed and approved as to form by County Counsel prior to execution by all parties.

ENVIRONMENTAL DOCUMENTATION

On February 13, 2007, acting as a responsible agency, your Board certified the Grand Avenue Project Environmental Impact Report as prepared and certified by the Grand Avenue Authority as lead agency for the Grand Avenue Project. The recommended action is within the scope of the Project in the previously certified Environmental Impact Report.

CONCLUSION

Upon approval of the recommendations, please forward an adopted copy of the Board letter to the Chief Executive Office, Capital Projects Division.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

Attachments (3)

WTJ:SK:DJT
DKM:zu

c: County Counsel
The Los Angeles Grand Avenue Authority
Grand Avenue Park Development, LLC

FUNDING AGREEMENT

THIS FUNDING AGREEMENT ("**Agreement**") is entered into as of _____, 20__ by and between the COUNTY OF LOS ANGELES, a political subdivision of the State of California ("**County**") and THE LOS ANGELES GRAND AVENUE AUTHORITY, a California joint powers authority ("**Authority**").

RECITALS:

A. Authority and Grand Avenue L.A., LLC ("**GALA**"), are parties to that certain Disposition and Development Agreement dated as of March 5, 2007 (the "**DDA**") pertaining to the development of certain real property adjacent to the Los Angeles downtown Civic Center and Music Center with retail, hotel, office and housing (including affordable housing), together with destination urban park uses and the remaking of Grand Avenue into active and inviting pedestrian uses, all as more particularly described in the DDA (collectively, the "**Grand Avenue Project**").

B. The Grand Avenue Project includes the redevelopment of an approximately twelve (12) acre area that is owned by County, which consists of the current Civic Center Mall (also known as El Paseo de los Pobladores), including the Court of Flags, and a parcel of land east of the Court of Flags and bounded by Spring Street on the east (the "**Park Parcel**").

C. GALA's affiliate, Grand Avenue Park Development, LLC, a Delaware limited liability company ("**Park Developer**") and County have entered into a Lease Lease-Back Agreement (the "**Lease-Leaseback**"), pursuant to which County is ground leasing the Park Parcel to Park Developer and authorizing Park Developer to construct certain improvements on the Park Parcel for the use and benefit of County and the Authority, as more particularly described in the Lease-Leaseback (referred to herein collectively as the "**Park Improvements**" or the "**Park**").

D. Concurrently with the Lease-Leaseback, County and Park Developer have also entered into a Civic Park Development Agreement which sets forth the rights and obligations of Park Developer and County concerning the development and construction of the Park Improvements (the "**Park Development Agreement**").

E. The budget for the design and construction of the Park Improvements is attached to the Park Development Agreement as Exhibit "C" (as it may be amended from time to time, the "**Park Budget**"). The Park Budget currently contemplates a total cost of the Park Improvements of Fifty-Six Million Dollars (\$56,000,000), which shall be funded by, (i) funds in the aggregate amount of Fifty Million Seven Hundred Fifty Thousand Dollars (\$50,750,000), including all interest accrued thereon, that were paid by GALA to Authority under the DDA and related documents in connection with the Grand Avenue Project, and (ii) Nine Hundred Seventy Thousand Dollars (\$970,000) in bond proceeds, under an agreement under Proposition 40 (i.e., the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002) with the City. The aforementioned funds for the Park Improvements, together with any additional funds that may be added to the Park Budget in the event of the disbursement by the State of California of bond proceeds under California State Proposition 1C (i.e., the California

Housing and Emergency Shelter Trust Fund Act of 2006) for the development of certain infrastructure, are referred to herein collectively as the "**Park Funds.**"

F. Pursuant to the Joint Exercise of Powers Agreement dated as of September 2, 2003 (the "**Joint Powers Agreement**") by and between the County and The Community Redevelopment Agency of the City of Los Angeles, California (the "**CRA**"), the Park Funds are held by the Los Angeles County Treasurer on behalf of Authority. Specifically, pursuant to Section 5.03 of the Joint Powers Agreement, any and all funds designated for the redevelopment of the Park Parcel are required to be maintained by the Los Angeles County Treasurer in an independent interest bearing trust account or fund. Pursuant to the Joint Powers Agreement, the Park Funds are earmarked to be utilized for the Park Improvements and shall not be used for any other purpose.

G. Authority and County desire to enter into this Agreement to set forth the procedure for Authority's authorization of the release of Park Funds to the County to fund the Park Improvements, as more particularly set forth hereinbelow. Capitalized terms used and not otherwise defined herein shall have the meaning ascribed to such terms in the Park Development Agreement.

NOW, THEREFORE, the parties agree, in consideration of the mutual covenants and agreements herein, as follows:

1. **Copies of Deliverables.**

(a) In order to keep Authority fully informed regarding the progress of the construction of the Park, Park Developer shall provide the staff of the Grand Avenue Committee or any successor thereto designated by Authority (the "**GAC**") with copies of all items that Park Developer is required to deliver to County pursuant to the Park Development Agreement and Lease-Leaseback (including, without limitation, plans, budgets, the proposed GMP, the monthly Construction Reports referenced in Section 4.6(i) of the Park Development Agreement, the Construction Contract and Change Orders) (referred to herein collectively as "**Required Deliverables**").

(b) In addition to the Required Deliverables, Park Developer shall also provide the GAC staff with copies of all other notices and correspondence provided by Park Developer to County (including, without limitation, Delay Notices and Park Developer's requests for reimbursement for Reimbursable Expenses under Section 6.2 of the Park Development Agreement).

(c) County shall copy the GAC on all notices and other deliverables given by County to Park Developer under the Park Development Agreement and the Lease-Leaseback.

2. **Funding Procedure.** Upon approval by the Chief Executive Officer of the County (the "**CEO**") of Park Developer's invoices and reimbursement requests in accordance with the procedures set forth in the Park Development Agreement, and subject at all times to the Park Budget, the CEO is authorized on behalf of Authority to draw the amount required to pay such

approved invoices and reimbursement requests from the Park Funds held by the Los Angeles County Treasurer for the benefit of Authority.

3. **Other Provisions.**

3.1 **Additional Insureds.** Park Developer shall cause the General Contractor to name Authority, County, the GAC, the City of Los Angeles and the CRA as additional insureds on the General Contractor's insurance policies.

3.2 **Third Party Beneficiaries.** Park Developer and the General Contractor are express third party beneficiaries of this Agreement.

3.3 **Indemnification Requirements.** Section 895.2 of the Government Code of the State of California imposes joint civil liability upon public entities solely by reason of such entities being parties to an agreement, as defined by Government Code Section 895.

(a) Pursuant to Government Code Sections 895.4 and 895.6, County and Authority shall each assume the full liability imposed upon it, or any of its officers, agents or employees, by law for injury caused by any negligent or wrongful act or omission occurring in the performance of this Agreement.

(b) County and Authority each indemnifies and holds harmless the other party for any loss, costs, or expenses that may be imposed upon such other party by virtue of Government Code Section 895.2.

(c) In the event of third-party loss caused by negligence, wrongful act or omission by both parties, each party shall bear financial responsibility in proportion to its percentage of fault as may be mutually agreed or judicially determined. The provisions of Civil Code Section 2778 regarding interpretation of indemnity agreements are hereby incorporated.

3.4 **Notices, Demands and Communications Between the Parties.** Formal notices, demands and communications between the parties shall be sufficiently given if, and shall not be deemed given unless, (a) dispatched by registered or certified mail, postage prepaid, return receipt requested, to the addresses for the notice party set forth below, (b) delivered by an express delivery service with a receipt showing date of delivery to the addresses for the notice party set forth below, (c) personally delivered to the intended addressee, or (d) sent during normal business hours by confirmed electronic mail or confirmed facsimile transmission. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time-to-time designate by mail. Delivery shall be deemed to have occurred upon substantiated receipt of delivery (or refusal of delivery).

If to County :

County of Los Angeles
500 W. Temple Street, Room 713
Los Angeles, California 90012
Attention: Chief Executive Officer

If to Authority or GAC:

c/o Zimmer Gunsul Frasca Architects LLP (ZGF)
515 South Flower Street, Suite 3700
Los Angeles, CA 90071
Attention: Martha Welborne, Managing Director

3.5 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

3.6 **Severability.** If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

[Remainder of Page Intentionally Left Blank]

By executing below, Park Developer hereby consents to and agrees to comply with the terms of Sections 1 (a), 1(b), and 3.1 of the Agreement.

Acknowledged and agreed this ____ day of _____, 20__.

GRAND AVENUE PARK DEVELOPMENT, LLC,
a Delaware limited liability company

By: _____
Kevin Ryan, Vice President

By: _____
Stephen F. Eimer, Vice President

PHJW DRAFT 12/17/2009

LEASE LEASE-BACK AGREEMENT
BETWEEN
THE COUNTY OF LOS ANGELES
AND
GRAND AVENUE PARK DEVELOPMENT, LLC

DATED _____, 2009

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LEASE LEASE-BACK AGREEMENT

THIS LEASE LEASE-BACK AGREEMENT (this "**Lease Agreement**") made and entered into this ____ day of _____, 2009, by and between THE COUNTY OF LOS ANGELES, a political subdivision of the State of California ("**County**"), and GRAND AVENUE PARK DEVELOPMENT, LLC, a Delaware limited liability company ("**Park Developer**").

RECITALS

A. It is the intention of County to cause a park to be built on an approximately twelve (12) acre area that is owned by County, which consists of the current Civic Center Mall (also known as El Paseo de los Pobladores), including the Court of Flags, and a parcel of land east of the Court of Flags and bounded by Spring Street on the east, a portion of which is more particularly depicted and described on Exhibit A-1 attached hereto ("**Blocks 1, 2 & 4**"), and the remaining portion of which is more particularly depicted and described on Exhibit A-2 attached hereto ("**Block 3**"; and together with Blocks 1, 2 & 4, collectively, the "**Park Parcel**").

B. It is the desire of County to ground lease the Park Parcel to Park Developer and to authorize Park Developer to contract for, and manage, the design and construction of, improvements at the Park Parcel (the "**Park Developer Work**") described in Exhibit B attached hereto, for the use and benefit of County (collectively, the "**Park Improvements**"; together with the Park Parcel, collectively, the "**Park**").

C. The Grand Avenue Authority ("**Authority**") and Park Developer's affiliate, Grand Avenue L.A., LLC ("**GALA**"), are parties to that certain Disposition and Development Agreement dated as of March 5, 2007 (the "**DDA**") pertaining to the development of certain real property adjacent to the Los Angeles downtown Civic Center and Music Center with retail, hotel, office, and housing (including affordable housing), together with destination urban park uses and the remaking of Grand Avenue into active and inviting pedestrian uses, including development of the Park Improvements on the Park Parcel, all of which improvements are collectively known as the "**Grand Avenue Project**".

D. Authority and The Related Companies, L.P., a New York limited partnership ("**Related**") entered into that certain Civic Park Design Agreement dated as of March 20, 2006 (as may be amended from time to time, the "**Civic Park Design Agreement**") pursuant to which Related is obligated to cause the design of the Park Improvements to occur within the time periods set forth therein. Pursuant to a consent letter dated as of July 28, 2008, Authority consented to Related's assignment of its obligations under the Civic Park Design Agreement to Park Developer, upon the terms and conditions set forth in such consent letter. Such consent letter provides, among other things, that all references in the DDA to GALA completing the Park may also mean completion of the Park by Park Developer on behalf of GALA.

E. This Lease Agreement, including all of the attachments that are incorporated by reference herein, sets forth the rights and obligations of Park Developer and County concerning the development, design and construction of the Park Improvements.

F. The budget for the costs associated with the design and construction of the Park Improvements is attached hereto as Exhibit C (as it may be amended from time to time, the “**Park Budget**”). The Park Budget currently contemplates a total cost of the Park Improvements in the not-to-exceed, aggregate amount of Fifty-Six Million Dollars (\$56,000,000) and shall be funded by, (i) funds in the aggregate amount of Fifty Million Seven Hundred Fifty Thousand Dollars (\$50,750,000), and all interest accrued thereon, held by County on behalf of Authority that were paid by GALA to Authority under the DDA and related documents in connection with the Grand Avenue Project, and (ii) Nine Hundred Seventy Thousand Dollars (\$970,000) in bond proceeds, under an agreement under Proposition 40 (i.e., the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002) with the City of Los Angeles (the “**City**”). Any increase in the Park Budget above the aforementioned amount is contingent upon disbursement by the State of California to the Authority of bond proceeds under California State Proposition 1C (i.e., the California Housing and Emergency Shelter Trust Fund Act of 2006) for the development of certain infrastructure.

G. It is the desire of County that Park Developer perform the Park Developer Work in accordance with the terms of that Civic Park Development Agreement (the “**Park Development Agreement**”) entered into concurrently herewith by and between County and Park Developer in the form attached hereto as Exhibit D.

H. County is authorized, pursuant to Government Code Section 25371, to ground lease the Park Parcel to Park Developer, and contract with Park Developer to perform the Park Developer Work, and lease back the completed Park from Park Developer.

I. County desires to lease to Park Developer portions of the Park Parcel in two (2) separate phases so that the Park Improvements may be constructed in corresponding phases. The first phase shall consist of Blocks 1, 2 and 4 (“**Phase One**”) and the second phase shall consist of Block 3 (“**Phase Two**”).

J. The approved Design Development Drawings as approved by Authority on September 28, 2009, portray the scope of Park Improvements which will ultimately progress into Final Construction Documents as outlined in the Civic Park Design Agreement.

K. County has designated and authorized County’s Chief Executive Office (“**CEO**”) to act as County’s representative for the purpose of monitoring Park Developer’s performance of the Park Developer Work and performing certain obligations of County. County may, from time to time, by a notice to Park Developer or as specified in this Lease Agreement, delegate in writing certain of its rights of approval and review hereunder to such other person(s) or entity(s) as County reasonably deems appropriate.

NOW, THEREFORE, in consideration of the payments and the performance of the mutual promises and agreements herein contained at the time and in the manner specified, the parties hereto agree as follows:

PART A: DEFINITIONS

1. **Definitions.** Capitalized terms used herein shall have the meanings set forth below. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Park Development Agreement and Civic Park Design Agreement.

"Acceptance Date" means, in respect of the applicable Phase, the date on which Substantial Completion is achieved for such Phase.

"Additional Rent" means all other sums due to Park Developer hereunder.

"Architect" means Rios Clementi Hale Studios, a California corporation.

"Architect's Agreement" means that certain Park Design Services Agreement/Consultant Contract for Civic Park dated as of January 13, 2009, by and between Park Developer and Architect.

"Authority" has the meaning set forth in Recital C.

"Base Rental" means, in respect of the applicable Phase, during each year of the Lease-Back Term and for the first year following Final Completion of such Phase, one dollar (\$1.00) annually, and thereafter, (i) one hundred twelve thousand five hundred dollars (\$112,500) per annum for Phase One, in equal monthly installments of nine thousand three hundred seventy-five dollars (\$9,375), and (ii) thirty-seven thousand five hundred dollars (\$37,500) per annum for Phase Two, in equal monthly installments of three thousand one hundred twenty-five dollars (\$3,125).

"Blocks 1, 2 & 4" has the meaning set forth in Recital A.

"Block 3" has the meaning set forth in Recital A.

"CEO" has the meaning set forth in Recital K.

"City" has the meaning set forth in Recital F.

"Civic Park Design Agreement" has the meaning set forth in Recital D.

"Claim(s)" has the meaning set forth in Section 19.

"County" has the meaning set forth in the Preamble.

"CRA" means the Community Redevelopment Agency of Los Angeles.

"Damages" has the meaning set forth in Section 19.

"DDA" has the meaning set forth in Recital C.

"Developer Indemnified Parties" has the meaning set forth in Section 19.

"Dispute" has the meaning set forth in Section 63.

"Effective Date" has the meaning set forth in Section 6.1.

"Final Completion" means, in respect of the applicable Phase, the date on which (i) Substantial Completion has been achieved for such Phase, (ii) the items on the Punchlist for such Phase have been completed as certified by CEO and the Architect, and (iii) all documents required to be provided to CEO pursuant to the Architect's Agreement, Park Development Agreement and Construction Contract have been delivered to CEO for such Phase.

"Fiscal Year" means July 1 through June 30.

"GAC" means the Grand Avenue Committee.

"GALA" has the meaning set forth in Recital C.

"Grand Avenue Project" has the meaning set forth in Recital C.

"Hazardous Materials" shall include, without limitation: those substances included within the definitions of "hazardous substances", "Hazardous Materials", "toxic substances", or "solid waste" in the Comprehensive Environmental Response Compensation and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.) ("CERCLA"), as amended by Superfund Amendments and Reauthorization Act of 1986 (Pub. L. 99-499 100 Stat. 1613) ("SARA"), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §§6901 et seq.) ("RCRA"), and the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 et seq., and in the regulations promulgated pursuant to said laws, all as amended; those substances listed in the United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor Agency) as hazardous substances (40 CFR Part 302 and amendments thereto); any material, waste or substance which is (A) petroleum, (B) asbestos, (C) polychlorinated biphenyls, (D) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. §§ 1251 et seq. (33 U.S.C. §§1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. §§ 1317); (E) flammable explosives; or (F) radioactive materials; any toxic or hazardous waste, material or substance or any oil or pesticide listed in, covered by, or regulated pursuant to, any state or local law, ordinance, rule or regulation applicable to the Park Parcel, as heretofore or hereafter amended; and such other substances, materials and wastes which are or become regulated as hazardous or toxic under applicable local, state or federal law, or the United States government, or which are classified as hazardous or toxic under federal, state, or local laws or regulation.

“Hazardous Materials Laws” means all applicable environmental and health and safety laws, regulations, ordinances, administrative decisions, common law decisions (whether federal, state, or local) with respect to Hazardous Materials, including those relating to soil and groundwater conditions.

“Impositions” has the meaning set forth in Section 11.4.

“Lease Agreement” has the meaning set forth in the Preamble.

“Lease-Back Term” means, in respect of the applicable Phase, the period commencing on the Acceptance Date and expiring on the Lease-Back Termination Date.

“Lease-Back Termination Date” means, in respect of the applicable Phase, the date on which the earliest of the following occurs: (i) the Option for such Phase is exercised by County, (ii) the last day in the fifth (5th) year following the Final Completion of such Phase, (ii) the Project Term expires or is terminated.

“Option” has the meaning set forth in Section 12.1.

“Option Price” means one dollar (\$1.00).

“Park” has the meaning set forth in Recital B.

“Park Budget” has the meaning set forth in Recital F.

“Park Developer” has the meaning set forth in the Preamble.

“Park Developer Work” has the meaning set forth in Recital B.

“Park Development Agreement” has the meaning set forth in Recital G.

“Park Improvements” has the meaning set forth in Recital B.

“Park Parcel” has the meaning set forth in Recital A.

“Phase” means either Phase One or Phase Two, as applicable.

“Phase One” has the meaning set for in Recital I.

“Phase Two” has the meaning set for in Recital I.

“Phase Term” has the meaning set forth in Section 6.2.

“Project Term” has the meaning set forth in Section 5.

"Punchlist" means, in respect of the applicable Phase, a list of minor touch-ups, corrections, and repairs, and completion of other minor work for such Phase required by the Final Construction Documents.

"Related" has the meaning set forth in Recital D.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing of Hazardous Materials into the environment (including the abandonment or discarding of barrels, containers, and other closed receptacles containing any Hazardous Materials).

"Substantial Completion" means, for the applicable Phase, the completion of the portion of Park Improvements applicable to such Phase as certified by CEO and the Architect that (i) such Park Improvements have been completed sufficiently that they can be used for their intended use, (ii) a certificate of occupancy (or functional equivalent) for the applicable portion of the Park for such Phase has been obtained, (iii) all applicable Construction Work for such Phase has been completed except for Punchlist items that do not materially interfere with the use of such portion of the Park.

PART B: CONSTRUCTION TERMS

2. **Park Improvements and Funding.** Pursuant to, and in accordance with, the terms of, the Park Development Agreement, (i) Park Developer shall perform the Park Developer Work, and (ii) County, and not Park Developer, shall be obligated to pay for costs associated with the Park prior to, during and after the Project Term, but not for any costs arising out of the willful misconduct of, active negligence of, or material breach of the Park Development Agreement by, Park Developer.

3. **No Title Retention Agreements.** No materials, equipment, fixtures or articles of personal property placed on the Park Parcel or constructed in the Park Improvements shall be purchased or installed under any security agreement or other agreement where the seller reserves or purports to reserve title or the right of removal or repossession, or the right to consider them personal property after their incorporation in the Park Improvements, unless authorized by County in writing.

4. **Cooperation.** The parties hereto will cooperate at all times in bringing about the timely completion of the Park Improvements, and will act in good faith to resolve all disputes arising during the performance of the Park Developer Work in a manner which will allow work to proceed expeditiously.

PART C: LEASE AND LEASE-BACK TERMS

5. **Effectiveness; Term of Lease Agreement.** This Lease Agreement shall become effective on, and the term hereof shall commence on the date upon which the applicable parties have fully executed and delivered this Lease Agreement and the Park Development Agreement (the **"Effective Date"**), and shall expire upon (i) if the NTP for Phase Two is issued prior to the Acceptance Date of Phase One, the later to occur of (a) the Lease-Back Termination Date for Phase One and (b) the

Lease-Back Termination Date for Phase Two, or (ii) if the NTP for Phase Two is not issued prior to the Acceptance Date of Phase One, the Lease-Back Termination Date for Phase One, but, in any event, no later than twenty (20) years after the Effective Date, unless terminated earlier as provided herein (the "**Project Term**"). Notwithstanding the foregoing, the actual lease and/or lease-back of any portion of the Park Parcel shall commence and expire as set forth in Section 6.

6. **Lease and Lease-Back.**

6.1 **Phasing.** County shall lease to Park Developer, and Park Developer shall lease back to County, portions of the Park Parcel in Phases as set forth below.

6.2 **Lease for Phase Term.** Commencing on the date on which the NTP for a Phase is issued pursuant to Section 4.5 of the Park Development Agreement and expiring on the Lease-Back Termination Date for such Phase unless terminated earlier as provided herein (a "**Phase Term**"), County thereby leases to Park Developer, and Park Developer thereby leases from County, the portion of the Park Parcel applicable to such Phase (i.e. either Blocks 1 & 3 or Block 2) and the improvements then existing thereon, together with a reasonable right of nonexclusive ingress and egress thereto, to carry out the terms of this Lease Agreement and the Park Development Agreement as consideration for such lease. County reserves all other right, title and interest it may have in and to such portion of the Park Parcel.

6.3 **Lease-Back Term.** Commencing on the Acceptance Date for an applicable Phase and for the duration of the Lease-Back Term for such Phase, Park Developer hereby agrees to lease back to County, and County hereby agrees to accept and rent from Park Developer, the portion of the Park applicable to such Phase, subject to Section 10.3.

6.4 **Title to Park Improvements.** Upon expiration or earlier termination of the Lease-Back Term for any Phase, the portion of the Park Improvements applicable to such Phase shall become the property of County, subject to Section 10.3.

7. **Title to the Park Parcel.** Fee simple title to the Park Parcel shall remain in County, subject to the terms and conditions of this Lease Agreement.

8. **Warranty of Park Parcel and Hazardous Substances.** The County hereby warrants and represents that it possesses unencumbered fee title to the Park Parcel and that it has no knowledge or reason to believe that Hazardous Substances, with the potential exception of materials commonly used for cleaning and maintenance used and stored in accordance with all Hazardous Materials Laws, have been released on the Park Parcel.

9. **Insurance During Lease-Back.** From and after the Acceptance Date for any Phase, County shall insure the portion of the Park applicable to such Phase consistent with County's normal practice and policies. County, at its sole option, may elect to self-insure all or any portion of such portion of the Park. Park Developer shall be named as an additional insured under any such policies of insurance obtained from insurance carriers until the Lease Back Termination Date.

10. **Alterations; Maintenance; As-Is Without Warranty.**

10.1 **Additions and Improvements.** County shall have the right, at County's expense, during the Lease-Back Term for any Phase to make any additions or improvements to the portion of the Park Improvements applicable to such Phase to attach fixtures, structures or signs, and to affix any personal property to the Park Improvements; provided, however that such additions or alterations shall not interfere with the performance of Park Developer's obligations under the Park Development Agreement. Title to all fixtures, equipment or personal property placed by County on such Park Improvements shall remain in County. The title to any personal property, improvements or fixtures placed on such Park Improvements by any sublessee or licensee of County shall be controlled by the sublease or license agreement between such sublessee or licensee and County, which sublease or license agreement shall not be inconsistent with this Lease Agreement. The County may remove, during or at the expiration or other termination of the Lease-Back Term for any Phase, all fixtures, equipment and personal property placed on, or installed in or upon the portion of the Park Improvements applicable to such Phase by County or under its authority, subject to Section 10.3.

10.2 **Post-Acceptance Obligations.** Park Developer shall not be responsible for the following:

10.2.1 **Maintenance.** All work, costs and expenses related to Park maintenance following the Acceptance Date for any Phase, including, without limitation, maintaining the Park in good condition, making all necessary renewals, replacements, additions, improvements, and repairs, ordinary or extraordinary; provided, however, Park Developer shall have the obligations set forth in Section 9.3 of the Park Development Agreement.

10.2.2 **Utilities.** All work, costs and expenses related to utility services supplied to the Park for any Phase, including, without limitation, janitor service, power, gas, telephone, light, heating, water, security service, garbage and refuse removal and all other necessary utility services.

10.2.3 **Operations.** All work, costs and expenses related to the operation of the Park, including, without limitation, establishing the Park operating entity, developing the organization of such operations, hiring a park executive director, operational staff and third parties, fund raising, event planning, operational design revisions, marketing, advertising, booking, opening functions and celebrations or any other necessary operational issues. Notwithstanding the foregoing, the Park Budget currently includes an allowance of \$865,700 in the aggregate for pre-opening costs and expenses associated with the foregoing incurred by County prior to the Acceptance Date for all Phases.

10.3 **No Warranty; As Is.** Effective as of the Effective Date and continuing throughout the Project Term and expiration or earlier termination thereof, including, without limitation, upon the commencement of the Lease-Back Term for each Phase and upon the expiration or earlier termination thereof, County hereby acknowledges and agrees that (a) Park Developer has not made, does not make and shall not make any representations or warranties of any nature as to the Park,

including any representation or warranty as to the value, physical condition, layout, square footage, rents, income, expenses, operation, zoning, merchantability, habitability, marketability, profitability, suitability or fitness for a particular purpose or use or any other matter or thing affecting or relating to the Park, (b) County is not relying upon any statement or representation made by Park Developer with respect to the Park, (c) County accepts the Park in "AS IS" condition, "WITH ALL FAULTS"; that is, the condition or state in which they exist upon the date thereof, without representation or warranty of any nature whatsoever, expressed or implied, in fact or by law, including without limitation, representations or warranties as to the value, condition, layout, square footage, rents, income, term or duration, expenses, operation, zoning, merchantability, habitability, marketability, profitability, suitability or fitness for a particular purpose or use; provided, however, Park Developer shall have the obligations set forth in Section 9.3 of the Park Development Agreement.

11. Rent.

11.1 Payment of Rent. County shall pay from legally available funds the Base Rental and Additional Rental, at the times and in the manner set forth herein, such amounts constituting in the aggregate the total of the rental payable under this Lease Agreement.

11.2 Base Rental. During a Lease-Back Term of an applicable Phase, County agrees to pay to Park Developer the Base Rental.

11.3 Timing. Rental payments to be made by County pursuant to Section 11.2, (i) annually shall be paid within fifteen (15) days after the first day of each and every year of the Lease-Back Term for each Phase provided that Park Developer has caused a claim therefor for each such year to be filed with County Auditor of County of Los Angeles prior to the first day of each year, and (ii) monthly shall be paid on the first (1st) day of each and every month.

11.4 Additional Rental. In addition to the Base Rental, County agrees to pay as Additional Rental, all taxes and assessments of any nature whatsoever, including but not limited to possessory interest taxes or similar property tax levies, excise taxes, ad valorem taxes, ad valorem and specific lien special assessments and gross receipts taxes (collectively, "Impositions"), if any, levied upon the Park Improvements or upon Park Developer's interest therein or in this Lease Agreement. Park Developer shall notify County in writing of any such levy within ten (10) days of Park Developer's receipt of such levy. Amounts constituting Additional Rental payable hereunder shall be paid by County directly to the person or persons to whom such amounts shall be payable. County shall pay all such amounts when due or within thirty (30) days after notice in writing from Park Developer to County stating the amount of Additional Rental then due and payable and the purpose thereof. Notwithstanding the foregoing, payment of all Impositions is the responsibility of County and Park Developer shall have no liability therefor.

11.5 Consideration. The payments of Base Rental and Additional Rental under this Lease Agreement for each Fiscal Year or portion thereof during the Lease-Back Term for each Phase shall constitute the total rental of such Fiscal year or portion thereof and shall be paid by County for and in

consideration of the right to the use and occupancy, and the continued quiet use and enjoyment, of the portion of the Park Improvements applicable to such Phase by County for and during such Fiscal year or portion thereof.

12. **Purchase Option.**

12.1 **Option.** During the Lease-Back Term for each Phase, County shall have an exclusive right and option, which shall be irrevocable during the term of this Lease Agreement, to purchase on behalf of itself or its designee all but not less than all of the portion of the Park Improvements applicable to such Phase at any time upon payment of the Option Price by County, but only if County is not in default under this Lease Agreement or the Park Development Agreement (each, an "**Option**").

12.2 **Option Exercise Procedure.** Said Option shall be exercised as follows: County shall cause a "Notice of Intention to Exercise Option to Purchase" covering the subject property to be published in accordance with Government Code Section 25350 or applicable statute, if any, then prevailing. The above-referenced notice shall be provided to Park Developer, and the notice and the required publication are not to be construed as any exercise of said Option, said exercise occurring only after all the statutory requirements have been properly satisfied and the Board of Supervisors of County of Los Angeles meets pursuant thereto and exercises said Option. If County fails to give such notice prior to the expiration of the Lease-Back Term, County shall be deemed to have exercised the Option on the last day of the Lease-Back Term.

12.3 **Lease Termination.** If County shall choose to exercise an Option provided in this **Section 12** prior to the expiration of the applicable Phase Term, then the Lease-Back Term shall terminate, but such termination shall not affect County's obligation to pay the Option Price on the terms set forth herein. In the event that the Option for each Phase has been exercised prior to the expiration of the Project Term, then this Lease Agreement shall terminate, but such termination shall not affect County's obligation to pay the applicable Option Price for each Option on the terms set forth herein.

13. **Right of Entry.** Representatives of Park Developer shall, subject to reasonable security precautions, have the right to enter upon the Park Improvements during reasonable business hours (and in emergencies at all times) (i) to inspect the same, (ii) for any purpose connected with the rights or obligations of Park Developer under this Lease Agreement and the Park Development Agreement or (iii) for all other lawful purposes.

14. **Liens.** During the Project Term, County shall promptly pay or cause to be paid all sums of money that may become due for any labor, services, materials, supplies or equipment alleged to have been furnished or to be furnished to or for, in upon or about the Park and which may be secured by any mechanic's, materialman's or other lien against the Park and/or the interest of Park Developer therein and for which Park Developer is not responsible, and shall cause each such lien to be fully discharged and released; provided, however, County or Park Developer may (i) contest any such

claim or lien without payment thereof so long as such non-payment and contest stays execution or enforcement of the lien, but if such lien is reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not stayed, or if stayed and the stay thereafter expires, then and in any such event County shall forthwith pay and discharge such judgment or lien; or (ii) delay payment without contest so long as and to the extent that such delay will not result in the imposition of any penalty.

15. **Quiet Enjoyment.**

15.1 **Lease.** Subject to Section 15.2, the parties hereto mutually covenant and agree that Park Developer, by keeping and performing the covenants and agreements herein contained, shall, at all times during the Phase Term for an applicable Phase, peaceably and quietly have, hold and enjoy the portion of the Park applicable to such Phase. Additionally, during the Phase Term for an applicable Phase, County and the public shall have no right to enjoyment, occupancy or use of the portion of the Park applicable to such Phase; provided, however, County and the public shall have rights of access to and from the following portions of the Park: (i) emergency exits leading from the Block One and Block Two garage stairways, (ii) emergency exits from Block One and Block Two Hall of Administration and Stanley Mosk Courthouse, (iii) the existing Starbucks building and any replacement Starbucks building, via an enclosed pedestrian walkway (this shall not be construed to provide access to Starbucks at all times; Park Developer and CEO shall work together in order to minimize the period of time between the closing of the existing Starbucks building and the opening of any replacement Starbucks building), (iv) the existing Block 4 ramp that services the Criminal Courts underground parking, (v) other County facilities for maintenance purposes, (vi) any other areas mutually agreed to by County and Park Developer.

15.2 **Lease-Back.** The parties hereto mutually covenant and agree that County, by keeping and performing the covenants and agreements herein contained, shall, at all times during the Lease-Back Term for an applicable Phase, peaceably and quietly have, hold and enjoy the Park, subject to Section 13.

16. **Incidental Rights.** In addition to rights granted to Park Developer under this Lease Agreement, County shall grant to Park Developer and its designees rights to access and perform work on County property, such as electrical and fountain pump rooms, as required in order to complete the Project Work, which rights shall be granted pursuant to agreements mutually acceptable in form and substance to County and Park Developer.

PART D: GENERAL TERMS AND CONDITIONS

17. **Hypothecation of Leasehold.** Park Developer shall not assign, transfer, hypothecate, mortgage, or grant control of its interest in this Lease Agreement or any portion thereof without County's prior written consent, subject to Section 53.

18. **Hazardous Substances.**

18.1 Notification. During the Project Term, County shall promptly notify Park Developer in writing of: (a) the discovery of any concentration or amount of Hazardous Materials on or under the Park requiring notice to be given to any governmental entity or authority under Hazardous Materials Laws; (b) any knowledge by County (after verification of the veracity of such knowledge to County's reasonable satisfaction) that the Park does not comply with any Hazardous Materials Laws; (c) the receipt by County of written notice of any Hazardous Materials claims; and (d) the discovery by County of any occurrence or condition on the Park or on any real property located within 2,000 feet of the Park Parcel that could cause the Park or any part thereof to be designated as a "hazardous waste property" or as a "border zone property" under California Health and Safety Code Sections 25220, et seq., or regulations adopted therewith.

18.2 Covenant. During the Project Term, County shall not use the Park or knowingly allow the Park to be used for the generation, manufacture, storage, disposal, or Release of Hazardous Materials in violation of Hazardous Materials Laws. County shall agree to use commercially reasonable efforts to ensure that no agent, employee, or contractor or subcontractor of County uses the Park or allows the Park to be used for the generation, manufacture, storage, disposal or Release of Hazardous Materials in violation of Hazardous Materials Laws. County's agreements and contracts with such third parties shall include covenants for compliance by such third parties with the aforementioned environmental covenants. County shall agree to comply and cause the Park to comply with Hazardous Materials Law. The storage and use, in customary amounts, of normal cleaning supplies and other items that are generally used in connection with the construction of improvements similar to the Park Improvements shall be permitted so long as such materials are used and stored in accordance with Hazardous Materials Laws.

19. Indemnification by County. County shall indemnify, defend and hold Park Developer, Related, GALA and all of their respective affiliates, officers, directors, partners, members, fiduciaries, shareholders, managers, agents, servants, attorneys and employees and their respective successors and assigns (collectively, the "**Developer Indemnified Parties**") harmless from and against any and all actions, allegations, claims, costs, damages, demands, expenses, liabilities, proceedings and suits (each, a "**Claim**" and collectively, "**Claims**"), and any and all costs, damages, expenses, fees, fines, liabilities, losses and penalties of any Developer Indemnified Party incurred in connection with any Claim (including without limitation reasonable attorneys' fees and expenses and costs of investigation, litigation, settlement and judgment) (collectively, "**Damages**"), which may arise out of or may be alleged to have occurred as a result of (i) Park Developer's performance of the Park Developer Work, (ii) Park Developer's possession and use of, and leasehold interest in, the Park pursuant to this Lease Agreement, (iii) any inaccuracy or breach of any County representation, warranty, agreement, or covenant contained in this Lease Agreement with respect to Hazardous Materials, or as a consequence of any use, generation, manufacture, storage, Release, or disposal (whether or not County knew of same) of any Hazardous Materials, and (iv) the willful misconduct of, active negligence of, or material breach of this Lease Agreement by, any County Indemnified Party; provided, however, County shall not have any obligation to indemnify, defend or hold any Developer Indemnified Party harmless from and against any Claim or Damages directly relating to or arising out of the willful misconduct of, active negligence of, or material breach of this Lease

Agreement by, Park Developer. This provision shall survive the expiration or other termination of this Lease Agreement.

20. **Indemnification by Park Developer.** Park Developer shall indemnify, defend and hold harmless County, Authority, GAC, CRA, the Board of Supervisors, and their elected and appointed officials, and their officers, directors, trustees, principals, employees, agents, partners, predecessors and successors in interest, representatives, assigns, attorneys, administrators, insurers and each of them (collectively, the "**County Indemnified Parties**"), from and against any and all Claims, and any and all Damages, which may arise out of or may be alleged to have occurred as a result of the willful misconduct of, active negligence of, or material breach of this Lease Agreement by, Park Developer; provided, however, Park Developer shall not have any obligation to indemnify, defend or hold any of the County Indemnified Parties harmless from and against any Claim or Damages directly relating to or arising out of the willful misconduct of, active negligence of, or material breach of this Lease Agreement by, any of the County Indemnified Parties. This provision shall survive the expiration or other termination of this Lease Agreement.

21. **Directors, Etc. Not Liable.** None of the directors, officers, shareholders, partners, members, consultants or representatives of Park Developer shall be personally liable for the obligations of Park Developer hereunder.

22. **Amendments.** This Lease Agreement may not be amended except by a writing signed by each of the parties hereto.

23. **Notices.** All notices under this Lease Agreement by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered by hand directly to the offices named below or sent by United States registered mail in Los Angeles County, return receipt requested, postage prepaid, or by email or FAX and addressed as follows:

23.1 **If to County:**

Chief Executive Office
Financial and Asset Management
713 Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012
Attention: Jan Takata
Email: jtakata@ceo.lacounty.gov

23.2 **If to Park Developer:**

Grand Avenue Park Development, LLC
c/o The Related Companies, L.P.
333 South Grand Avenue, Suite 4050
Los Angeles, California
Attention: Barry Widen
Email: barry.widen@related.com

With a copy to:

Grand Avenue Park Development, LLC
c/o The Related Companies, L.P.
333 South Grand Avenue, Suite 4050
Los Angeles, California
Attention: Stephen Eimer
Email: seimer@related.com

or to such other address or addresses as either party hereto may designate to the other by notice given in accordance with the provisions in this Section. Any notice given under this Lease Agreement shall also be given by the party giving such notice to the issuer of any insurance policy purchased by County insuring the payment of principal and interest with respect to evidence of indebtedness issued by County.

24. **Validity.** If any one or more of the terms, provisions, promises, covenants or conditions of this Lease Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, then each and all of the remaining terms, provisions, promises, covenants and conditions of this Lease Agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

25. **Lease Execution.** This Lease Agreement may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same Lease Agreement.

26. **Law Governing.** This Lease Agreement is made in the State of California under the Constitution and laws of the State and is to be so construed.

27. **Estoppel Certificate.** Either party shall at any time upon not less than thirty (30) days' prior written notice from the other party execute, acknowledge and deliver to the requesting party a statement in writing (a) certifying that this Lease Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease Agreement, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (b) acknowledge that there are not to the declarant's knowledge, any uncured defaults on the part of either party hereunder, or specifying such defaults if any are claimed, or acts which with the passage of time and no cure would become defaults. Any

such statement may be conclusively relied upon by a prospective purchaser or encumbrancer of the Park Improvements or any other interested party. Failure to deliver such statement within such time shall be conclusive evidence (a) that this Lease Agreement is in full force and effect without modification except as may be represented by the requesting party in the written request for the certificate, (b) that there are no uncured defaults in either party's performance, and (c) that no more than one month's rent has been paid in advance.

28. **Eminent Domain.** If the Park, or so much thereof as to render the remainder of the Park unusable for County's purposes under this Lease Agreement shall be taken under the power of eminent domain, then this Lease Agreement shall terminate as of the day possession shall be so taken, or, if County is the condemnor, then this Lease Agreement shall terminate as of the date of entry of the interlocutory judgment. If less than all of the Park shall be taken under the power of eminent domain, and the remainder of the Park is usable for County purposes, then this Lease Agreement shall continue in full force and effect as to such portion and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary. Any award made in eminent domain proceedings for the taking of any portion of the Park shall be paid to County and Park Developer as their interests may appear.

29. **Assignment and Sublease.** No interest of County herein shall be mortgaged, pledged, assigned or transferred by County by voluntary act or by operation of law, or otherwise without the prior written consent of Park Developer, which consent shall not be unreasonably withheld; provided, however, that County may sublease all or any portion of the Park, and may grant concessions to others involving the use of any portion of the Park, whether such concessions purport to convey a leasehold interest or a license to use a portion of the Park. The County shall at all times remain liable for the performance of the covenants and conditions on its part to be performed under this Lease Agreement, notwithstanding any subletting or granting of concessions which may be made. Nothing herein contained shall be construed to relieve County from its obligation to pay Base Rental and Additional Rental as provided in this Lease Agreement or relieve County from any other obligations contained herein.

30. **Default and Remedies.**

30.1 **Defaults.** The occurrence of any of the following shall constitute a material default and breach of this Lease Agreement:

30.1.1 A failure by Park Developer or County, as the case may be, to perform its material obligations as set forth in the Park Development Agreement when such failure continues for thirty (30) days after prior written notice thereof to Park Developer or County, as the case may be; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such thirty (30) day period, Park Developer or County, as the case may be, shall not be deemed to be in default if Park Developer or County, as the case may be, shall within such period commence such cure and thereafter diligently prosecute the same to completion. In addition to the remedies available to County hereunder, a material default and breach of this Section 30.1.1 by Park

Developer beyond the foregoing notice and cure periods shall also constitute a default under the DDA, and Authority shall have the right to pursue remedies against GALA available thereunder.

30.1.2 A failure by Park Developer or County, as the case may be, to observe and perform any provisions of this Lease Agreement when such failure continues for thirty (30) days after prior written notice thereof to Park Developer or County, as the case may be; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such thirty (30) day period, Park Developer or County, as the case may be, shall not be deemed to be in default if Park Developer or County, as the case may be, shall within such period commence such cure and thereafter diligently prosecute the same to completion.

30.1.3 The making by Park Developer or County, as the case may be, of any general assignment for the benefit of Park Developer's or County's creditors, as the case may be; or the filing of a petition to have Park Developer or County, as the case may be, adjudicated a bankrupt, or the filing of a petition for reorganization or arrangement under any law relating to bankruptcy unless, in the case of a petition filed against Park Developer or County, as the case may be, the same is dismissed within sixty (60) days; or the appointment of a trustee or receiver to take possession of substantially all of Park Developer's or County's assets located at the Park or Park Developer's or County's interest in this Lease Agreement, when possession is not restored to Park Developer or County, as the case may be, the within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Park Developer's or County's interest in this Lease Agreement, when such seizure is not discharged within sixty (60) days.

30.2 Remedies. If Park Developer or County, as the case may be, defaults under this Lease Agreement, Park Developer or County, as the case may be, shall, in addition to any other remedies available by law or equity, have one or more of the following remedies at Park Developer's or County's, as the case may be, election:

30.2.1 In addition to the other rights and remedies of County under this Lease Agreement or applicable law, in the event of a material breach by Park Developer or any successor or assignee of Park Developer of Section 17, County may elect to purchase the Park Improvements on any date, at a price equal to any earned but unpaid portions of Park Developer's Reimbursable Expenses, and the principal portion of the unpaid rent under this Lease Agreement, subject to Section 10.3. In the event County exercises its right to purchase the Park Improvements under this Section 30.2.1, County shall not be precluded from exercising or pursuing any other right or remedy it may have under this Lease Agreement or applicable law.

30.2.2 Without barring later election of any other remedy and without terminating Park Developer's or County's, as the case may be, right to possession of the Park, or any part thereof, Park Developer or County, as the case may be, may require strict performance of all covenants and obligations herein as the same shall accrue or become due, without terminating this Lease Agreement and have the right of action therefor without awaiting the end of the Phase Term or Lease-Back Term, as the case may be.

30.2.3 If County obtains a judgment of possession of the Park Improvements pursuant to the Forcible Entry and Detainer provisions of Sections 1159 et seq of the Code of Civil Procedure (unless Park Developer obtains relief under Section 1179 of that Code) or if County, by giving thirty (30) days prior written notice, declares this Lease Agreement to be terminated because of a breach of this Lease Agreement, then County may enter upon the Park and remove any and all persons and or property whatsoever situated thereon, and place all or any portion of said property in storage at the expense of Park Developer and dispose of such property in accordance with applicable laws. County shall be entitled to recover the following in one or more awards or judgment from Park Developer: Any amount to compensate County for all the detriment proximately caused by Park Developer's failure to perform Park Developer's obligations under this Lease Agreement or which in the ordinary course of things would be likely to result therefrom. Such other amount shall include, but not be limited to (i) such reasonable, out-of-pocket expenses (including reasonable attorney's fees) as County may have paid, assumed, or incurred in recovering possession of County's land, (ii) placing County's land in good order and condition, (iii) preparing or altering County's land for reletting, and (iv) reletting County's land during any part of time for which a rental concession, if any, had been given by County.

30.2.4 The Park Developer or County, as the case may be, may deduct the cost of curing the other party's default from any amounts owing.

30.2.5 The remedies provided for in this Paragraph are in addition to and not a limitation on the remedy provided Park Developer or County, as the case may be, in Section 30.1.1, relative to the material failure of Park Developer or County, as the case may be, to perform its obligations under the Park Development Agreement.

30.2.6 If any such default by Park Developer occurs prior to the Acceptance Date for any Phase, following all applicable notice and grace periods, during the pendency of such default County may require the Park Developer to assign the Construction Contract for such Phase to County or its designee.

30.3 Equitable Relief. Nothing contained herein shall affect, change, or constitute a waiver of any rights of County or Park Developer to obtain equitable relief when such relief is otherwise appropriate, or to obtain the relief provided by Chapter 4 (commencing with Section 1159) of Title 3 of Part 3 of the Code of Civil Procedure, relating to actions for unlawful detainer, forcible entry, and forcible detainer.

30.4 Cumulative Remedies. The remedies of Park Developer and County as provided above are cumulative and in addition to, rather than exclusive of, any other remedy of Park Developer and County herein given or that may be permitted by law. Any lawful reentry as provided for herein shall not make Park Developer or County liable in damages or guilty of trespass because of any such lawful reentry.

31. **Anti-Discrimination.** The following provisions are required by Section 4.32.010 et seq. of the Los Angeles County Code:

- Park Developer certifies and agrees that all persons employed by Park Developer, its affiliates, subsidiaries, or holding companies are, and will be, treated equally by Park Developer without regard to or because of race, religion, ancestry, national origin, or sex, and in compliance with state and Federal anti-discrimination laws. Park Developer further certifies and agrees that it will deal with its subconsultants, bidders, and vendors without regard to or because of race, religion, ancestry, national, origin, or sex. Park Developer agrees to allow access to its employment records during regular business hours to verify compliance with the foregoing Provisions when so requested by County.
- Park Developer specifically recognizes and agrees that if County finds that any of the foregoing provisions have been violated, the same shall constitute a material breach of the Lease upon which County may determine to cancel, terminate, or suspend the Lease. While County reserves the right to determine individually that the anti-discrimination provision of the Lease has been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that Park Developer has violated state or Federal anti-discrimination laws shall constitute a finding by County that Park Developer has violated the anti-discrimination provisions of the Lease.
- At its option, and in lieu of canceling, terminating, or suspending the Lease, County may impose damages for any violation of the anti-discrimination provisions of this paragraph, in the amount of Two Hundred Dollars (\$200) for each violation found and determined. County and Park Developer specifically agree that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and the nature of the violation, it is impracticable and extremely difficult to fix actual damages.

32. **Independent Contractor Status.** This Lease Agreement is by and between County and Park Developer and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Park Developer. Park Developer understands and agrees that all persons furnishing services to County pursuant to this Lease Agreement are, for purposes of Workers' Compensation liability, employees solely of Park Developer and not of County. Park Developer shall bear the sole responsibility and liability for furnishing workers' compensation benefits to any person for injuries arising from, or connected with, services performed on behalf of Park Developer pursuant to this Lease Agreement.

33. **County's Quality Assurance Plan.** County, or its agent, will evaluate Park Developer's performance under this Lease Agreement on not less than an annual basis. Such evaluation will include assessing Park Developer's compliance with all Lease Agreement terms and performance

standards. Park Developer deficiencies which County determines are severe or continuing, and that may place performance of this Lease Agreement in jeopardy if not corrected, will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by County and Park Developer. If improvement does not occur consistent with the corrective action measures, County may terminate this Lease Agreement or impose other penalties as specified in this Lease Agreement.

34. **Conflict of Interest.** No County employee in a position to influence the award of this Lease Agreement or any competing agreement, and no spouse or economic dependent of such employee, shall be employed in any capacity by Park Developer herein, or have any other direct or indirect financial interest in this Lease Agreement.

35. **Prohibition From Involvement in Bidding Process.** Park Developer understands and agrees that neither it nor its subsidiaries shall be involved in any way in the bidding process on any Request for Proposal developed or prepared by or with the assistance of Park Developer's services rendered pursuant to this Lease Agreement, either as a prime Contractor or subcontractor, or as a Park Developer to any other prime Contractor or subcontractor. Any such involvement by Park Developer shall result in the rejection by County of the bid by the prime contractor in question.

36. **Lobbying.** Park Developer and each County lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by Park Developer, shall fully comply with County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Park Developer or any County lobbyist or County lobbying firm retained by Park Developer to fully comply with County Lobbyist Ordinance shall constitute a material breach of this Lease Agreement, upon which County may immediately terminate or suspend this Lease Agreement.

37. **Gratuities.** It is improper for any County officer, employee, or agent to solicit consideration, in any form, from Park Developer with the implication, suggestion, or statement that Park Developer's provision of the consideration may secure more favorable treatment for Park Developer in the award of the Lease or that Park Developer's failure to provide such consideration may negatively affect County's consideration of Park Developer's submittal. Park Developer shall not offer or give, either directly or through an intermediary, consideration, in any form, to a County officer, employee, or agent for the purpose of securing favorable treatment with respect to the award of the Lease. Park Developer shall immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report shall be made either to County manager charged with the supervision of the employee, or to County Auditor-Controller's Employee Fraud Hotline, at (213) 974-0914 or (800) 544-6861. Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

38. **Employment of Laid-Off County Employees.** Should Park Developer, or any subconsultant performing more than \$250,000 of this Lease Agreement value, require additional or replacement personnel to perform services under this Lease Agreement other than the performance of

a skilled trade, Park Developer shall give first consideration for such employment openings to qualified County employees who are targeted for layoff or qualified former County employees who are on a re-employment list.

39. **Park Developer's Warranty of Adherence to County's Child Support Compliance Program.** Park Developer acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contract are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers. As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Park Developer's duty under this Lease Agreement to comply with all applicable provisions of law, Park Developer warrants that it is now in compliance and shall during the term of this Lease Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or DISTRICT Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b). Failure of Park Developer to maintain compliance with these requirements shall constitute a default by Park Developer under this Lease Agreement. Without limiting the rights and remedies available to County under any other provision of this Lease Agreement, failure to cure such default within 90 days of notice by the Los Angeles County Child Support Services Department shall be grounds upon which County Board of Supervisors may terminate this Lease Agreement.

40. **Park Developer's Acknowledgment of County's Commitment to Child Support Enforcement.** Park Developer acknowledges that County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Park Developer understands that it is County's policy to encourage all County Park Developers to voluntarily post County's L.A.'s Most Wanted: Delinquent Parents poster in a prominent position at Park Developer's place of business. The County of Los Angeles Child Support Services Department will supply Park Developer with the poster to be used.

41. **Termination For Improper Consideration.** County may, by written notice to Park Developer, immediately terminate the right of Park Developer to proceed under this Lease Agreement if it is found that consideration, in any form, was offered or given by Park Developer, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing the Lease or securing favorable treatment with respect to the award, amendment, or extension of the Lease or the making of any determinations with respect to Park Developer's performance pursuant to the Lease. In the event of such termination, County shall be entitled to pursue the same remedies against Park Developer as it could pursue in the event of default by Park Developer. Park Developer shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to County manager charged with the supervision of the employee or to County Auditor-Controller's Employee Fraud Hotline at

(213) 974-0914 or (800) 544-6861. Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

42. **Consideration of GAIN/GROW Program Participants for Employment.** Should Park Developer require additional or replacement personnel after the effective date of this Lease Agreement, Park Developer shall give consideration for any such employment openings to participants in County's Department of Public Social Services' Greater Avenues for Independence (GAIN) or General Relief Opportunity for Work (GROW) Program who meet Park Developer's minimum qualifications for the open position. County will refer GAIN/GROW participants by job category to Park Developer.

43. **Notice to Employees Regarding the Federal Earned Income Credit.** Park Developer shall notify its employees that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirement set forth in Internal Revenue Service Notice 1015.

44. **Reduction of Solid Waste.** Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at County landfills, Park Developer agrees to use recycled-content paper to the maximum extent possible on the project.

45. **County Rights.** The County and Park Developer may employ, either during or after performance of this Lease Agreement, any right of recovery such party may have against the other party by any means it deems appropriate including, but not limited to, set-off, action at law or in equity, withholding, recoupment, or counterclaim. The rights and remedies of County and Park Developer under this Lease Agreement are in addition to any right or remedy provided by California law.

46. **Fair Labor Standards Act.** Park Developer shall comply with all applicable provisions of the Federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless County, its agents, officers and employees from any and all liability including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising as a result of Park Developer's failure to comply with any wage and hour law as they may apply to Park Developer's employees, including, but not limited to, the Federal Fair Labor Standards Act for services performed by Park Developer's employees for which County may be found jointly or solely liable.

47. **Prevailing Wage Requirements.** Park Developer shall comply with all applicable prevailing wage requirements including as set forth in greater detail in the Park Development Agreement. The subject project is a public work as defined in Section 1720 of the California Labor Code.

48. **Employment Eligibility Verification.** Park Developer warrants that it fully complies with all Federal statutes and regulations regarding employment of aliens and others, and that all its employees performing services hereunder meet the citizenship or alien status requirements contained

in Federal statutes and regulations. Park Developer shall obtain, from all covered employees performing services hereunder, all verifications and other documentation of employment eligibility status required by Federal statutes and regulations as they currently exist and as they may be hereafter amended. Park Developer shall retain such documentation for all covered employees for the period prescribed by law. Park Developer shall indemnify, defend, and hold harmless County, its officers and employees from employer sanctions and any other liability which may be assessed against County in connection with any alleged violation of Federal statutes or regulations pertaining to the eligibility for employment of persons performing services under this Lease Agreement.

49. **Contractor Responsibility and Debarment.** A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors. Park Developer is hereby notified that, in accordance with Chapter 2.202 of County Code, if County acquires information concerning the performance of Park Developer on this or other contracts which indicates that Park Developer is not responsible, County may, in addition to other remedies provided in the Lease, debar Park Developer from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Park Developer may have with County. The County may debar a contractor if the Board of Supervisors finds, in its discretion, that Park Developer has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County; (2) committed an act or omission which negatively reflects on Park Developer's quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity. If there is evidence that Park Developer may be subject to debarment, the Department will notify Park Developer in writing of the evidence which is the basis for the proposed debarment and will advise Park Developer of the scheduled date for a debarment hearing before the Contractor Hearing Board. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Park Developer and/or Park Developer's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether Park Developer should be debarred, and, if so, the appropriate length of time of the debarment. Park Developer and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board. If Park Developer has been debarred for a period longer than five years, that Park Developer may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of

debarment or terminate the debarment if it finds that Park Developer has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of County. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) Park Developer has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board. These terms shall also apply to subconsultants of County Park Developers.

50. **Compliance with Jury Service Program.** This Lease Agreement is subject to provisions of County's ordinance entitled Contractor Employee Jury Service (Jury Service Program) as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code. Unless Contractor has demonstrated to County's satisfaction either that Contractor is not a Contractor as defined under the Jury Service Program (Section 2.203.020 of County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service. For purposes of this Section, Contractor means a person, partnership, corporation or other entity which has a contract with County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. Employee means any California resident who is a full-time employee of Contractor. Full-time means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for County under the Lease, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract AGREEMENT and a copy of the Jury Service Program shall be attached to the Lease. If Contractor is not required to comply with the Jury Service Program when the Lease commences, Contractor shall have a

continuing obligation to review the applicability of its exception status from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of Contractor or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Lease and at its sole discretion, that Contractor demonstrate to County's satisfaction that Contractor either continues to remain outside the Jury Service Program's definition of Contractor and/or that Contractor continues to qualify for an exception to the Program. Contractor's violation of this Section of the Lease may constitute a material breach of the Lease. In the event of such material breach, County may, in its sole discretion, terminate the Contractor and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

51. **No Payment for Services Provided Following Expiration/Termination of Lease.** Park Developer shall have no claim against County for payment for any money or reimbursement, of any kind whatsoever, for any service provided by Park Developer after the expiration or other termination of this Lease Agreement. Should Park Developer receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Lease Agreement shall not constitute a waiver of County's right to recover such payment from Park Developer. This provision shall survive the expiration or other termination of this Lease Agreement.

52. **Notice to Employees Regarding the Safely Surrendered Baby Law.** The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and how to safely surrender a baby. The fact sheet is available on the Internet at www.babysafela.org for printing purposes. The Contractor acknowledges that County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is County's policy to encourage all County Contractors to voluntarily post County's Safely Surrendered Baby Law poster in a prominent position at the Contractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used.

53. **Assignment by Park Developer.**

53.1 **Assignment.** Park Developer shall not assign its rights or delegate its duties under the Lease, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, County consent shall require a written amendment to the Lease, which is formally approved and executed by the parties. Any payments by County to any approved delegate or assignee on any claim under the Lease shall be deductible, at County's sole discretion, against the claims which Park Developer may have against County.

53.2 **Change of Control.** Shareholders, partners, members, or other equity holders of Park

Developer may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Park Developer to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Lease, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Lease Agreement.

53.3 **Delegation.** Except as provided in the Park Development Agreement, any assumption, assignment, delegation, or takeover of any of Park Developer's duties, responsibilities, obligations, or performance of same by any entity other than Park Developer, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Lease which may result in the termination of the Lease. In the event of such termination, County shall be entitled to pursue the same remedies against Park Developer as it could pursue in the event of default by Park Developer.

54. **Waiver.** The waiver by Park Developer or County of any term, covenants or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition herein contained.

55. **Marginal Headings.** The Section titles in this Lease Agreement are not part of this Lease Agreement and shall have no effect upon the construction or interpretation of any part hereof.

56. **Time.** Time is of the essence of this Lease Agreement and of each and all of its provisions in which performance is a factor.

57. **Prior Agreements.** This Lease Agreement, including all of the documents and attachments incorporated by reference herein, contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease Agreement and no prior agreements or understanding pertaining to any such matter shall be effective for any purpose. This Lease Agreement, and any amendments thereto, shall not be effective or binding on any party until fully executed by all parties hereto.

58. **Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall wherever possible be cumulative with all other remedies at law or in equity.

59. **Warranties or Guarantees.** In the event that any of the items built or installed in the Park Improvements herein are protected by warranties or guarantees County shall be entitled to the full benefit of such protection as if it were the original purchaser thereof.

60. **Approvals.** Whenever this Lease Agreement requires or permits an act, decision, approval, request, consent or the like of either party, such act, decision, approval, request, consent or the like shall not be unreasonably withheld conditioned or delayed, except where stated to be in County's or Park Developer's discretion or sole discretion.

61. **Venue.** Park Developer hereby agrees to submit to the jurisdiction of the courts of the State of California. The exclusive venue of any action brought by Park Developer on its behalf which arises from this Lease Agreement shall be deemed to be in the courts of the State of California located in Los Angeles County, California.

62. **Warranty of Authority.** Park Developer hereby represents and warrants to County that this Lease Agreement is duly authorized, executed and delivered by, and is binding upon, Park Developer.

63. **Disputes.** Any and all claims, disputes, or other matters in controversy arising out of or related to this Lease Agreement (a "**Dispute**") are subject to a non-binding dispute resolution process in accordance with this **Section 63.**

63.1 **Mediation.** The parties shall endeavor to resolve their Disputes by non-binding mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of this Lease Agreement. A request for mediation shall be made in writing, delivered to the other party to this Lease Agreement, and filed with the person or entity administering the mediation. The parties shall share the mediator's fee and any filing fees equally.

63.2 **Pendency of Dispute.** Without limiting any other right or obligation of County or Park Developer hereunder or under the Park Development Agreement, County and Park Developer shall continue to perform their obligations hereunder during the pendency of a Dispute.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, County and Park Developer have caused this Lease Agreement to be executed as of the day and year first above written.

"COUNTY"

THE COUNTY OF LOS ANGELES,
a subdivision of the State of California

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

Robert Kalunian
Acting County Counsel

By: _____
Deputy

"PARK DEVELOPER"

GRAND AVENUE PARK DEVELOPMENT,
LLC, a Delaware limited liability company

By: _____
Bill Witte, Vice President

By: _____
Stephen F. Eimer, Vice President

The undersigned hereby executes this Lease Agreement to consent to the provisions of Section 30.1.1, and to acknowledge that a breach of this Lease Agreement by Park Developer may result in termination of the DDA at the election of Authority:

GRAND AVENUE L.A., LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A-1

DESCRIPTION AND DEPICTION OF BLOCKS 1, 2 & 4

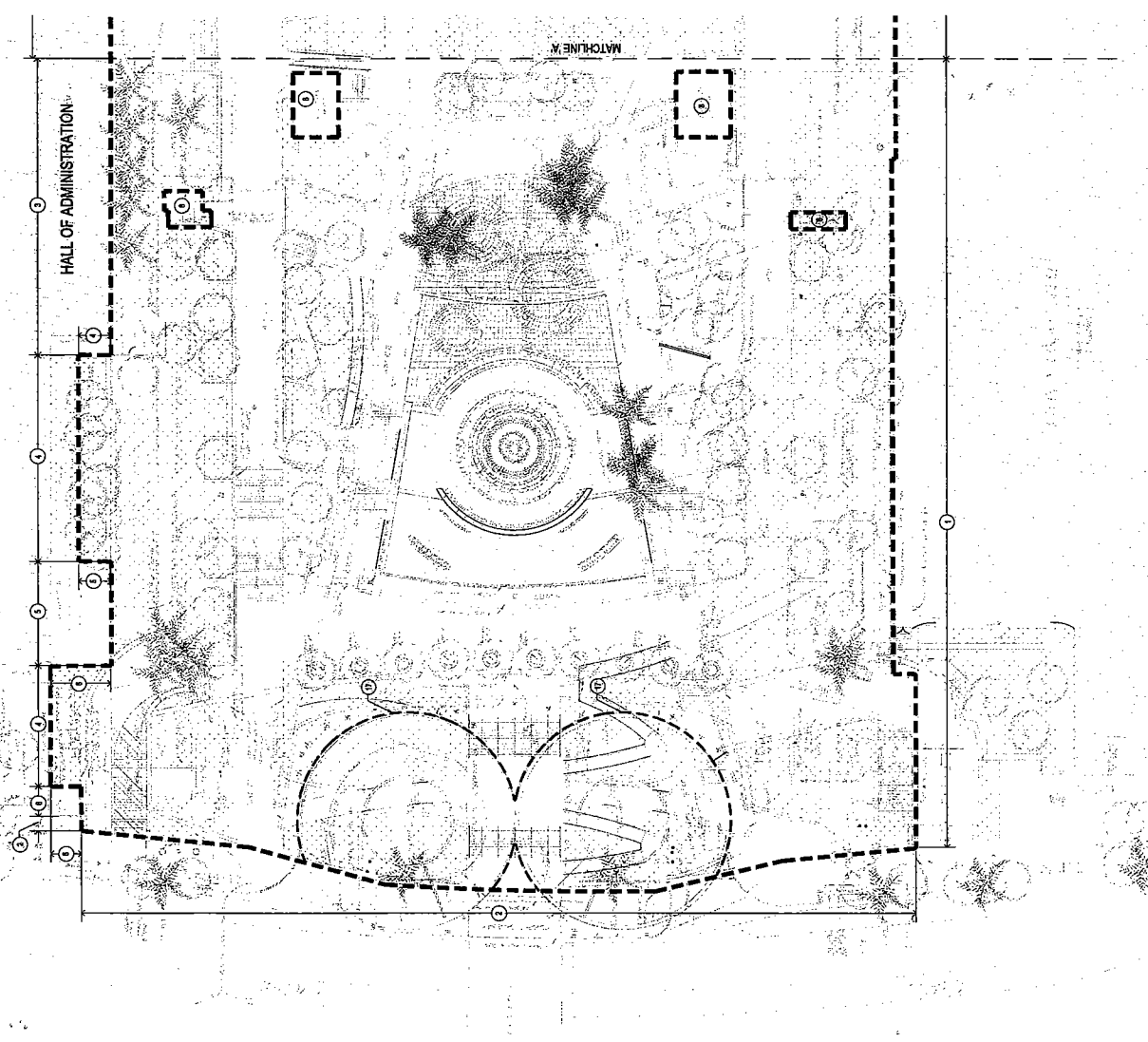
[to be attached]

- LEGEND
- ① EXISTING PROPERTY LINE
 - ② 20' EAST OF EXISTING FACE OF CURB
 - ③ FACE OF EXISTING BUILDING
 - ④ FACE OF EXISTING WALL
 - ⑤ EDGE OF EXISTING PAVING
 - ⑥ FACE OF EXISTING PLACQUÉ PLATFORM
 - ⑦ ALIGN WITH EXISTING PLACQUÉ PLATFORM
 - ⑧ EXISTING ELEVATION, ESCALATION AND STAIRWAYS ARE ENCLOSED
 - ⑨ BACK OF EXISTING SIDEWALK
 - ⑩ OUTSIDE FACE OF EXISTING WALL
 - ⑪ ALIGN WITH FACE OF EXISTING WALL
 - ⑫ FACE OF EXISTING BASEMENT WALL
 - ⑬ TOP OF EXISTING BASEMENT SLOPE
 - ⑭ OUTSIDE FACE OF EXISTING ROOF
 - ⑮ ALIGN WITH EXISTING ADJACENT PAVING
 - ⑯ EAST EDGE OF EXISTING STAIRS
 - ⑰ EXISTING WALL OF EXISTING DAMP

--- AREA WITHIN THIS BOUNDARY INCLUDED IN PARK SURFACE ONLY

--- AREA WITHIN THIS BOUNDARY EXCLUDED FROM PARK SURFACE TO ELEVATION 1918

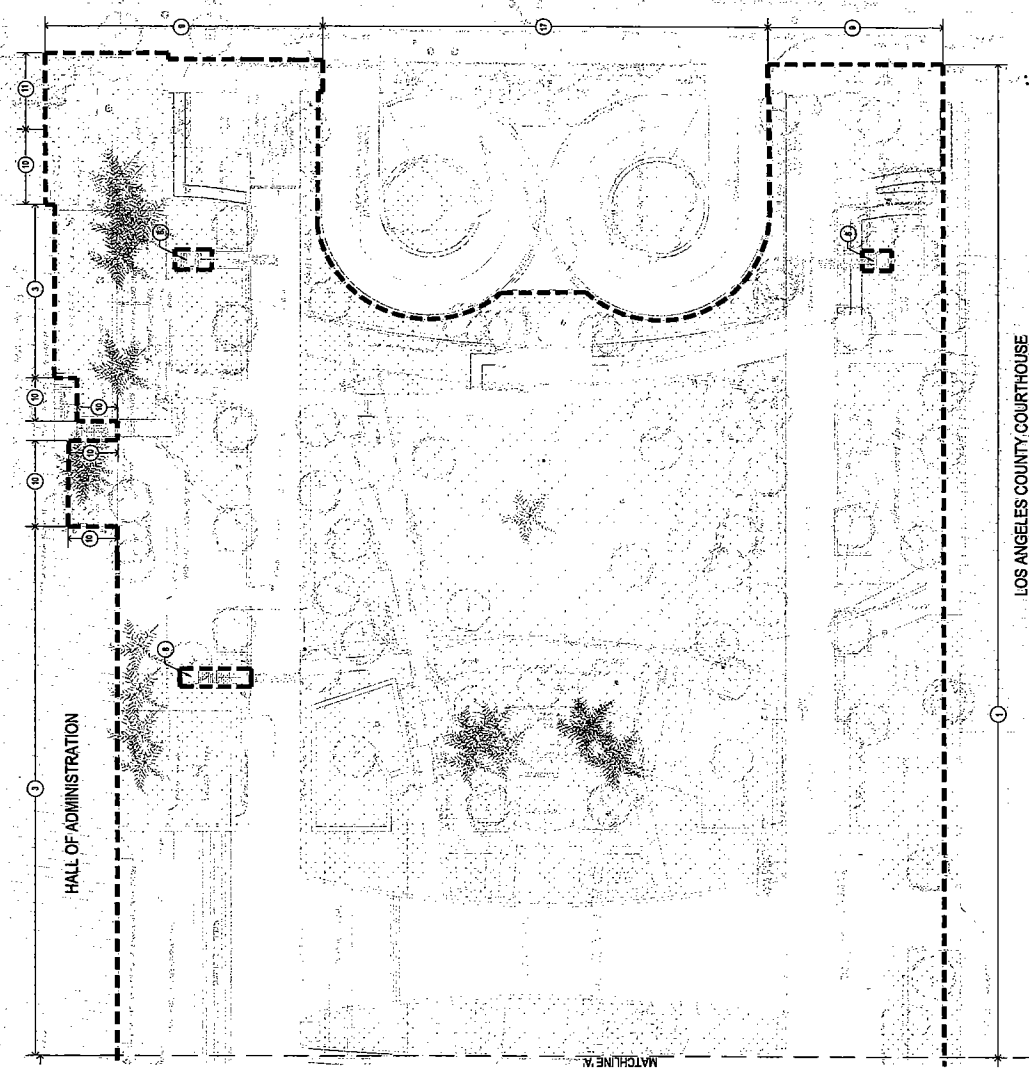
SCALE: 1" = 30'



- LEGEND
- 1 EXISTING PROPERTY LINE
 - 2 WEST FACE OF EXISTING FACE OF CURB
 - 3 EAST FACE OF EXISTING BUILDING
 - 4 FACE OF EXISTING BUILDING
 - 5 EAST FACE OF EXISTING WALL
 - 6 EAST FACE OF EXISTING WALL
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 - 8 EAST FACE OF EXISTING WALL
 - 9 EAST FACE OF EXISTING WALL
 - 10 EAST FACE OF EXISTING WALL
 - 11 EAST FACE OF EXISTING WALL
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 - 96 EAST FACE OF EXISTING WALL
 - 97 EAST FACE OF EXISTING WALL
 - 98 EAST FACE OF EXISTING WALL
 - 99 EAST FACE OF EXISTING WALL
 - 100 EAST FACE OF EXISTING WALL

AREA WITHIN THIS BOUNDARY INCLUDES EXISTING PAVING SURFACE ONLY

AREA WITHIN THIS BOUNDARY EXTENDS FROM EXISTING PAVING SURFACE TO ELEVATION 100



- LEGEND**
- ① EXISTING PROPERTY LINE
 - ② 2' EAST OF EXISTING FACE OF CURB
 - ③ FACE OF EXISTING BUILDING
 - ④ FACE OF EXISTING WALL
 - ⑤ EDGE OF EXISTING PAVING
 - ⑥ FACE OF EXISTING PAVING
 - ⑦ ALUM WITH EXISTING FLANKLED PLATFORM
 - ⑧ EXISTING BLANKET, LOCAL FORM AND STAIRWAYS ARE EXCLUDED
 - ⑨ BACK OF EXISTING SIDEWALK
 - ⑩ OUTSIDE FACE OF EXISTING WALL
 - ⑪ ALUM WITH FACE OF EXISTING WALL
 - ⑫ FACE OF EXISTING BASEMENT WALL
 - ⑬ TOP OF EXISTING PAVED SLOPE
 - ⑭ OUTSIDE FACE OF EXISTING SLOPE
 - ⑮ ALUM WITH EXISTING ADJACENT PAVING
 - ⑯ EAST EDGE OF EXISTING STAIR
 - ⑰ EXISTING WALL OF EXISTING RAMP

--- AREA WITHIN THE BOUNDARY INCLUDES (E) PANE BRIDGE ONLY

--- AREA WITHIN THE BOUNDARY EXCLUDES FROM (E) PANE BRIDGE TO ELEVATION 215

SCALE: 1"=30'

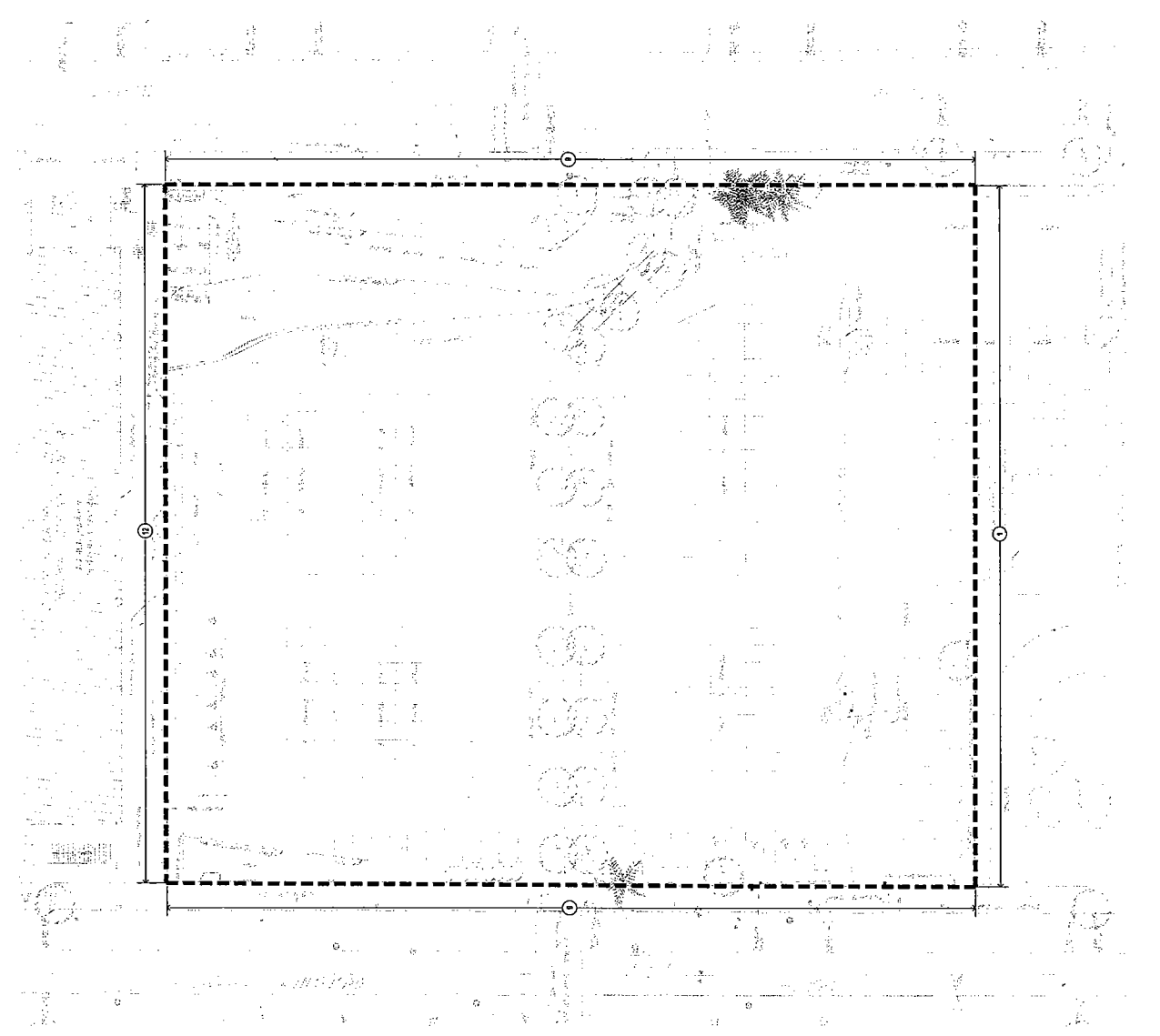


EXHIBIT A-2

DESCRIPTION AND DEPICTION OF BLOCK 3

[to be attached]

- LEGEND**
- (1) EXISTING PROPERTY LINE
 - (2) 30' EAST OF EXISTING FACE OF CURB
 - (3) FACE OF EXISTING BUILDING
 - (4) FACE OF EXISTING WALL
 - (5) TOP OF EXISTING PAVING
 - (6) FACE OF EXISTING FLAGPOLE PLATFORM
 - (7) ALUM WITH EXISTING FLAGPOLE PLATFORM
 - (8) EXISTING ELEVATORS, ESCALATORS AND STAIRWAYS ARE EXCLUDED
 - (9) BACK OF EXISTING SIDEWALK
 - (10) OUTSIDE FACE OF EXISTING WALL
 - (11) ALUM WITH FACE OF EXISTING WALL
 - (12) FACE OF EXISTING MANSION WALL
 - (13) TOP OF EXISTING PAVED SLOPE
 - (14) OUTSIDE FACE OF EXISTING ROOF
 - (15) ALUM WITH EXISTING ALUMINUM PAVING
 - (16) EAST SIDE OF EXISTING STAIRS
 - (17) EXISTING WALL OF EXISTING RAMP

--- AREA WITHIN THIS BOUNDARY INCLUDES EXISTING PAVING SURFACE ONLY

--- AREA WITHIN THIS BOUNDARY EXCLUDES EXISTING PAVING SURFACE TO ELEVATION 250.0

SCALE 1"=20'

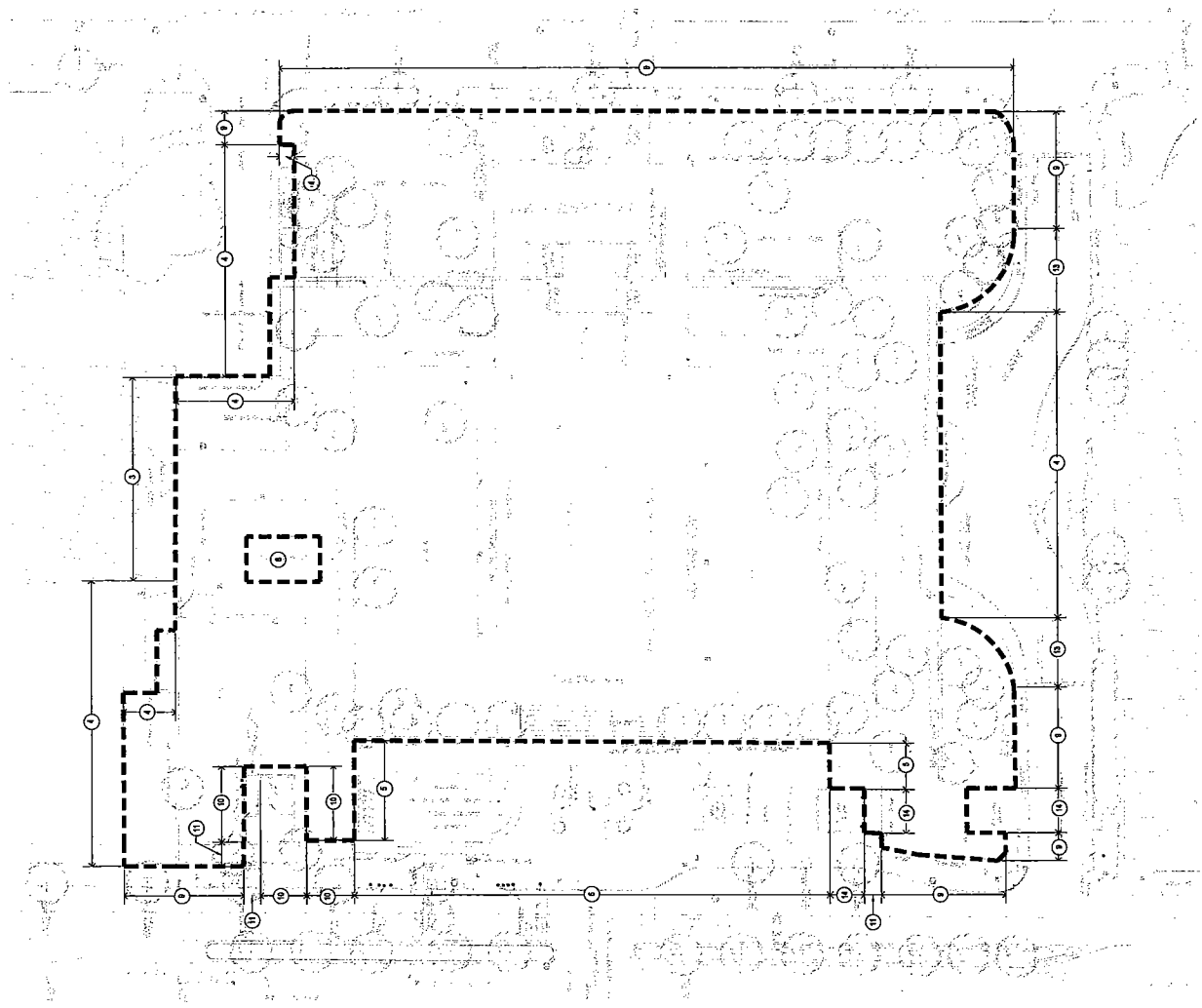


EXHIBIT B

PARK IMPROVEMENTS

Park Improvements are defined by the following:

1	<u>Design Development Drawings</u>	<u>Date</u>
	Drawings indicating alternates are only included if listed in Item 5 below:	
	Cover Sheet	07/10/09
	T0.00, T1.00, T3.00, T3.01, T3.10, T3.11, T4.00, T4.01, T4.10, T4.11	
	Civil	07/10/09
	C0.00, C1.10 - C1.40, C2.10 - C2.40, C4.10 - C4.12, C4.20, C4.30, C4.40, C5.10 - C5.40, C6.11, C6.22, C6.41, C7.10, C7.40, C8.10 - C8.40, C9.00, C9.01, C4.20A - C4.40A, C5.30A, C5.40A, C7.40A	
	Landscaping	07/10/09
	L0.00, L0.01, L1.10 - L1.40, L2.10 - L2.40, L3.10 - L3.12, L3.20, L3.30, L3.31, L3.40, L4.10 - L4.17, L4.20, L4.21, L4.30 - L4.33, L4.41 - L4.43, L5.10 - L5.13, L5.20, L5.21, L6.10 - L6.40, L7.10 - L7.30, L8.01, L8.02, L8.10 - L8.40, L0.00A, L1.30A, L2.10A - L2.40A, L3.20A, L8.03A, L8.20A, L8.30A, L8.40A	
	Architectural	07/10/09
	A1.10, A2.10 - A2.14, A2.30, A2.40, A2.41, A3.10, A3.11, A3.40, A4.10, A4.11, A4.40, A5-1 - A5-4, A6-1 - A6-2, A7-1 - A7-4, A8-1 - A8-3, A9-1 - A9-2, A11-1 - A11-2, A2.41A, A3.40A, A7.6A	
	Structural	07/10/09
	S0.01 - S0.07, SL2.10 - SL2.40, SL2.11, SL2.21, SL2.31, SL2.12, SL2.22, SL2.32, SL2.13, SL2.23, SL2.33, SL3.10, SL3.11, SL3.30, SL3.31, SL3.40, SL4.11 - SL4.13, SL4.30 - SL4.32, SL4.41, SA2.11, SA2.12, SA2.41, SL2.10A - SL2.40A, SA2.41A	
	Water Fountain	07/10/09
	W0.10, W0.11, W0.12, W1.10, W1.11, W2.10, W2.11, W3.10, W4.10, W5.10 - W5.12, W6.10 - W6.12, W7.10, W7.11, W8.10, W9.10, W1.10A, W2.10A, W3.10A, W5.12A, W6.1-A, W7.10A, W9.10A	
	Mechanical	07/10/09
	M0.10, M0.20, M1.10, M2.10, M2.30, M3.10 - M3.30, M4.00	
	Plumbing	07/10/09

	P0.01, P2.10 - P2.12, P2.20 - P2.22, P2.30, P2.31, P2.40, P2.40A	
Electrical	E0.01, E1.10, E1.30, E1.40, E1.1C, E1.2C, E1.3A, E2.10 - E2.40, E3.10 - E3.40, E4.1 - E4.3	07/10/09
Technology	TE0.00, TE0.01, TE1.10 - TE1.40, TE4.00, TE1.10A - TE1.40A	07/10/09
Telecommunications	TC000, TC001, TC1.10 - TC1.40, TC201, TC202, TC301	07/10/09
Lighting	LD1.10 - LD1.40, LD1.2A, LD1.20A, LD1.40A	07/10/09
Waterproofing	WP1.00, WP1.20, WP2.20	07/10/09
Signage	SG0.00, SG2.00 - SG2.04, SG2.10 - SG2.40, SG0.00A, SG2.10A - SG2.40A	07/10/09
2	<u>Project Manual and Outline Specification, 100% Design Development</u>	07/10/09
3	<u>Basis of Design, 100% Design Development</u>	07/27/09
4	<u>Value Engineering/ Cost Cutting</u>	
	The following revisions will be included in the Construction Documents in order to reduce costs: 1) revise lighting; 2) reevaluate the best re-use of granite; 3) reduce quantity of demolished trees; 4) reduce quantity of media hydrants to 24; 5) Reduce thickness of 24-inch sire walls; 6) simplify concrete paving; 7) reduce price of furniture; 8) simplify elevator enclosure; 9) install directional flags on light poles; 10) simplify signage; 11) alternate structural scheme for Block 4 ramp; 12) alternate fountain finish materials; 13) simplify event technology; 14) alternate paving in garden areas.	
5	<u>Alternates</u>	
	The following alternates will be included in the Construction Documents (all other alternates are not included): 1) Block 2 Children's Garden; 2) alternate planting in Block 3; 3) Block 4 Broadway terrace extension; 4) expanded technology; 5) Block 4 light towers; 6) replace existing paving; 7) interactive jets and lights in membrane pool (grotto waterfall is not included).	
6	<u>Exclusions</u>	
	The following items are excluded from the Park Improvements: 1) Starbucks tenant improvements; 2) LEED certification; 3) kiosks; 4) Equipment, low voltage system, furniture for office, maintenance, security, park support or other interior spaces; 5) gas systems; 6) parking equipment or systems; 7) Hill Street Parking Booth; 8) new cross walks and signalization work.	

EXHIBIT C
PARK BUDGET

HARD COSTS (\$45,000,000.00)

Hard Cost	\$44,200,000.00
County Costs	\$800,000.00

SOFT COSTS (\$11,000,000.00)

Pre-Development	\$1,111,347.84
Professional Fees	\$4,749,830.00
Project Management	\$2,000,000.00

Staff, office rent, office
supplies and equipment only

Other Soft Costs	\$1,585,122.16
------------------	----------------

Testing, inspection, legal,
presentation materials,
reimbursable expenses
(includes Developers insurance
and reimbursable expenses)

Soft Cost Contingency	\$430,000.00
Grand Avenue Committee funding	\$258,000.00
Pre-Opening	<u>\$865,700.00</u>

TOTAL BUDGET	\$56,000,000.00
--------------	-----------------

EXHIBIT D

PARK DEVELOPMENT AGREEMENT

[to be attached]

CIVIC PARK DEVELOPMENT AGREEMENT

BETWEEN

THE COUNTY OF LOS ANGELES

AND

GRAND AVENUE PARK DEVELOPMENT, LLC

DATED _____, 2009

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CIVIC PARK DEVELOPMENT AGREEMENT

THIS CIVIC PARK DEVELOPMENT AGREEMENT (this "**Agreement**" or the "**Park Development Agreement**") is dated as of the ____ day of _____, 2009, by and between THE COUNTY OF LOS ANGELES ("**County**"), a political subdivision of the State of California and GRAND AVENUE PARK DEVELOPMENT, LLC, a Delaware limited liability company ("**Park Developer**").

RECITALS:

A. The Grand Avenue Project includes the redevelopment of an approximately twelve (12) acre area that is owned by County, which consists of the current Civic Center Mall (also known as El Paseo de los Pobladores), including the Court of Flags, and a parcel of land east of the Court of Flags and bounded by Spring Street on the east, a portion of which is more particularly depicted and described on Exhibit A-1 attached hereto ("**Blocks 1, 2 & 4**"), and the remaining portion of which is more particularly depicted and described on Exhibit A-2 attached hereto ("**Block 3**"; and together with Blocks 1, 2 & 4, collectively, the "**Park Parcel**").

B. The purpose of this Agreement is to set forth the rights and obligations of Park Developer and County concerning the design and construction of the improvements at the Park Parcel described on Exhibit B (the "**Park Improvements**"; and together with the Park Parcel, collectively, the "**Park**").

C. Concurrently herewith, County and Park Developer are entering into that certain Lease Lease-Back Agreement (the "**Lease**"), whereby Park Developer shall lease the Park Parcel from County pursuant to the terms and conditions therein for the purpose of facilitating the constructing of the Park Improvements in two (2) separate phases. The first phase shall consist of Blocks 1, 2 & 4 ("**Phase One**") and the second phase shall consist of Block 3 ("**Phase Two**").

D. The budget for hard and soft costs associated with the design and construction of the Park Improvements is attached hereto as Exhibit C (as it may be amended from time to time, the "**Park Budget**"). The Park Budget currently contemplates a total cost of the Park Improvements in the not-to-exceed, aggregate amount of Fifty-Six Million Dollars (\$56,000,000) and shall be funded by, (i) funds in the aggregate amount of Fifty Million Seven Hundred Fifty Thousand Dollars (\$50,750,000), including all interest accrued thereon, held by County on behalf of Authority that were paid by GALA to Authority under the DDA and related documents in connection with the Grand Avenue Project, and (ii) Nine Hundred Seventy Thousand Dollars (\$970,000) in bond proceeds, under an agreement under Proposition 40 (i.e., the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002) with the City of Los Angeles (the "**City**"). Any increase in the Park Budget above the aforementioned amount is contingent upon disbursement by the State of California to Authority of bond proceeds under California State Proposition 1C (i.e., the California Housing and Emergency Shelter Trust Fund Act of 2006) for the development of certain infrastructure.

E. County desires to engage Park Developer to contract for, and manage the design and construction process of, the Park Improvements (the "**Park Developer Work**"), specifically

set forth herein, and Park Developer desires to undertake the Park Developer Work on the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree, in consideration of the mutual covenants and agreements herein, as follows:

ARTICLE 1. DEFINITIONS

1.1 Capitalized Terms. Capitalized terms used herein shall have the meanings set forth below. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Lease and Civic Park Design Agreement.

"Acceptance Date" means, in respect of the applicable Phase, the date on which Substantial Completion is achieved for such Phase.

"Agreement" has the meaning set forth in the Introduction.

"Architect" means Rios Clementi Hale Studios, a California corporation.

"Architect's Agreement" means that certain Park Design Services Agreement/Consultant Contract for Civic Park dated as of January 13, 2009, by and between Park Developer and Architect.

"Authority" means the Grand Avenue Authority.

"Blocks 1, 2 & 4" has the meaning set forth in the Recitals.

"Block 3" has the meaning set forth in the Recitals.

"CEO" means the Chief Executive Office of the County designated and authorized by County to act as County's representative for the purpose of performing certain of County's obligations set forth hereunder and under the Lease.

"Change Order" has the meaning set forth in Section 4.1(f).

"City" has the meaning set forth in the Recitals.

"Claim" and **"Claims"** each has the meaning set forth in Section 11.1.

"Construction Contract" has the meaning set forth in Section 4.1(b)(2).

"Construction Report" has the meaning set forth in Section 4.6(i).

"Construction Work" means construction of the Park Improvements and other incidental work related thereto.

"Contingency Amount" means the amount of the Hard Cost Line Item remaining after subtracting the GMP from the Hard Cost Line Item, which amount may be used to pay for any

approved Change Orders pursuant to Section 4.1(f)(3). Any funds used therefor shall further reduce the Contingency Amount.

“Contractually Require” means that (i) Park Developer shall include a provision in the Construction Contract that requires the General Contractor to perform the applicable obligations specified in this Agreement, and (ii) Park Developer shall use its commercially reasonable efforts to manage the General Contractor’s performance of such obligations under, and in accordance with, any such provision.

“County Indemnified Parties” has the meaning set forth in Section 11.2.

“County Project Representative” has the meaning set forth in Section 5.2.

“County” has the meaning set forth in the Introduction.

“CRA” means the Community Redevelopment Agency of Los Angeles.

“Damages” has the meaning set forth in Section 11.1.

“Data” has the meaning set forth in Section 13.11.

“DDA” means that certain Disposition and Development Agreement dated as of March 5, 2007, by and between GALA and Authority.

“Dedicated Team” has the meaning set forth in Section 4.3.

“Delay Notice” has the meaning set forth in Section 4.7(b)

“Developer Indemnified Parties” has the meaning set forth in Section 11.1.

“Dispute” has the meaning set forth in Section 14.1.

“Effective Date” has the meaning set forth in Section 2.1.

“EIR” has the meaning set forth in Section 4.6(g)

“Excusable Delay” has the meaning set forth in Section 4.7(a).

“Final Completion” means, in respect of the applicable Phase, the date on which (i) Substantial Completion has been achieved for such Phase, (ii) the items on the Punchlist for such Phase have been completed as certified by CEO and the Architect, and (iii) all documents required to be delivered to CEO pursuant to the Architect’s Agreement and Construction Contract have been delivered to CEO for such Phase.

“General Contractor” has the meaning set forth in Section 4.1(b)(2)

“GAC” means the Grand Avenue Committee.

“GALA” means Grand Avenue L.A., LLC, a Delaware limited liability company.

“**GMP**” means, in respect of the applicable Phase, the guaranteed maximum price for the Construction Work required for such Phase.

“**Governing Entities**” has the meaning set forth in Section 4.1(d)

“**Ground Lease**” means that certain Phase I Ground Lease dated as of March 5, 2007, by and between GALA and Authority.

“**Hard Cost Line Item**” means the line item in the Park Budget under Hard Costs entitled “Hard Cost” that describes the amount to be paid for the Construction Work.

“**Hazardous Materials Laws**” has the meaning set forth in Section 12.1(a)

“**Hazardous Materials**” has the meaning set forth in Section 12.1(c)(d).

“**Lease**” has the meaning set forth in the Recitals.

“**Major Change Orders**” has the meaning set forth in Section 4.1(f)(2)

“**Major Trade Subcontractors**” has the meaning set forth in Section 4.1(b)(4)(i)

“**Maximum Reimbursable Amount**” means the maximum, aggregate amount payable, pursuant to this Agreement, to Park Developer for Reimbursable Expenses. The Maximum Reimbursable Amount equals the total of the following line items in the current Park Budget: Hard Cost Line Item, Pre-Development, Professional Fees, Project Management, Other Soft Costs and Soft Cost Contingency. The Park Budget and the Maximum Reimbursable Amount may be amended as provided herein.

“**Nondiscrimination Factors**” has the meaning set forth in Section 4.8(b).

“**Non-Major Trade Subcontractors**” has the meaning set forth in Section 4.1(b)(4)(ii).

“**NTP**” has the meaning set forth in Section 4.5.

“**Park**” has the meaning set forth in the Recitals.

“**Park Budget**” has the meaning set forth in the Recitals.

“**Park Developer Costs**” has the meaning set forth in Section 6.2.

“**Park Developer Work**” has the meaning set forth in the Recitals.

“**Park Developer**” has the meaning set forth in the Introduction.

“**Park Developer’s Agents**” has the meaning set forth in Section 4.4.

“**Park Development Agreement**” has the meaning set forth in the Introduction.

“**Park Improvements**” has the meaning set forth in the Recitals.

“Park Parcel” has the meaning set forth in the Recitals.

“Phase” means either Phase One or Phase Two, as applicable.

“Phase One” has the meaning set for in the Recitals.

“Phase One GMP” has the meaning set forth in Section 4.1(b)(5).

“Phase Two” has the meaning set for in the Recitals.

“Phase Two GMP” has the meaning set forth in Section 4.1(b)(5).

“Professional Standard” has the meaning set forth in Section 4.4.

“Project GMP” has the meaning set forth in Section 4.1(b)(5).

“Project Management Line Item” means the line item in the Park Budget entitled “Project Management” that describes the amount to be paid for the Park Developer Costs.

“Project Work” means, collectively, the Construction Work and the Park Developer Work.

“Proposed Revised Park Budget” has the meaning set forth in Section 4.1(g).

“Punchlist” means, in respect of the applicable Phase, a list of minor touch-ups, corrections, and repairs, and completion of other minor work required by the Final Construction Documents.

“Reimbursable Expenses” has the meaning set forth in Section 6.2.

“Release” has the meaning set forth in Section 12.1(c)(5)(e).

“Schedule” has the meaning set forth in Section 4.1.

“Substantial Completion” means, in respect of the applicable Phase, the completion of the portion of Park Improvements applicable to such Phase as certified by the CEO and Architect that (i) such Park Improvements have been completed sufficiently that they can be used for their intended use, (ii) a certificate of occupancy (or functional equivalent) for the applicable portion of the Park has been obtained, and (iii) all applicable Construction Work for such Phase has been completed except for Punchlist items that do not materially interfere with the use of such portion of the Park.

ARTICLE 2. EFFECTIVE DATE; TERM

2.1 Effectiveness. This Agreement shall become effective on the date upon which the applicable parties have fully executed and delivered (i) this Agreement and (ii) the Lease (the **“Effective Date”**).

2.2 Term. This Agreement shall terminate concurrently with the termination or expiration of the Lease.

ARTICLE 3. APPOINTMENT OF PARK DEVELOPER; PROJECT WORK

3.1 Park Developer Appointment. County hereby hires Park Developer, as an independent contractor, to perform the Park Developer Work in accordance with this Agreement, and Park Developer hereby accepts such engagement as an independent contractor to County on the terms and conditions set forth herein.

3.2 Performance of Park Developer Work. Park Developer shall use commercially reasonable efforts to perform the Park Developer Work in accordance with the terms and conditions as set forth in this Agreement, which obligations are expressly conditioned upon the County satisfying its funding obligations to Park Developer as set forth herein.

ARTICLE 4. CONSTRUCTION MATTERS

4.1 Duties and Responsibilities. Park Developer, County and CEO, as applicable, have the responsibilities and are authorized, to undertake the following tasks, in compliance with the Schedule of Performance attached hereto as Schedule 1 and incorporated herein (the "Schedule"), subject to modifications thereto as permitted herein and Excusable Delays described in Section 4.7:

(a) **General Contractor Recommendations and Approval.** The contractor(s) shall be selected by Park Developer pursuant to a competitive process whereby the ultimate selection of the contractor(s) is based upon a combination of the contractor(s)' qualifications and fee quote, as evaluated by Park Developer and approved by CEO. The final selection of the contractor(s) is conditioned upon the approval by CEO. Park Developer shall determine and recommend to CEO how to proceed with contracting for the construction of the Park Improvements, and whether to proceed with one general contractor for the entire project, or to use one general contractor for the relocation and redesign of the Ramps and a separate general contractor for the balance of the Park Improvements. CEO shall review such recommendations of Park Developer, and following such review, CEO shall approve or request revisions of Park Developer's recommendations. Once CEO has approved the approach to contracting for the Construction Work, which determination CEO shall make within twenty (20) business days following the submission by Park Developer to CEO of its recommendation, Park Developer will then proceed to seek qualified general contractors for construction of the Park Improvements, or, if it is determined that separate general contractors should be engaged for the Ramps and for the balance of the Construction Work, then Park Developer will seek qualified general contractors for each such portion of the Construction Work. Within the time established in the Schedule, subject to any Excusable Delays, Park Developer will then present to CEO for review, comment and approval the qualifications and records of at least three (3) licensed general contractors (to the extent that there are three (3) contractors that are qualified for the Construction Work at issue, in the reasonable, good faith judgment of Park Developer), per applicable portion of the Park Improvements, that are acceptable to Park Developer, who have recognized expertise and experience relative to performing the applicable portion of the Park Improvements. Within

fifteen (15) business days of receiving such information from Park Developer, CEO shall approve or disapprove any or all of such proposed general contractors.

(b) Bidding and Contracting. The bidding and contracting process shall continue as follows:

(1) Soliciting Bids and Contract Award. Following CEO's approval of at least two (2) of the proposed general contractors per applicable portion of the Park Improvements, and upon completion of approved Design Development Drawings for the Park Improvements pursuant to the Civic Park Design Agreement, Park Developer shall request bids from such approved general contractors for the overhead, fees and general conditions charges (including any mark-up on third-party costs and the cost of assisting Park Developer and County on value engineering) to be applied to the construction of the applicable portion of the Park Improvements. Park Developer shall provide to CEO copies of the bids, an analysis of the bidding and a recommendation as to which bid should be accepted within the time established in the Schedule, subject to any Excusable Delays. Within ten (10) business days of receiving such recommendation from Park Developer, based on such recommendation, CEO shall approve or disapprove of a contract award to a general contractor for each portion or all of the Park Improvements. Park Developer shall not award or enter into any contract with any general contractor without CEO's prior written approval.

(2) Construction Contract. Upon CEO's approval of a contract award to a general contractor for a portion of the Park Improvements, Park Developer shall negotiate and enter into a contract or contracts with such approved general contractor (individually and collectively, the "**General Contractor**") in a final form approved in advance by CEO for Park Developer's signature (individually and collectively, the "**Construction Contract**"). The Construction Contract shall be in a form approved in advance by CEO and Park Developer, which shall also include standard County terms and conditions set forth on Exhibit D attached hereto. CEO shall review and approve, disapprove or comment upon the Construction Contract within the time period after submission thereof established in the Schedule. Notwithstanding anything to the contrary in this Agreement, once the Construction Contract has been approved by County pursuant to this Section 4.1(b)(2), Park Developer's obligations to Contractually Require any provision shall be limited to the provisions actually included in such Construction Contract.

(3) Separate Agreements. If requested by Park Developer and subject to approval and negotiation of terms approved in advance by CEO, Park Developer may enter into a separate agreement with a contractor to provide pre-construction services for the applicable portion of the Construction Work, including assistance in "value-engineering" the design coordination of the phasing of the construction, estimating, scheduling, preparation of trade bid packages and other pre-construction work, for an agreed upon fee acceptable to CEO.

(4) Subcontracting. Upon completion of construction documents for the Park Improvements by the Architect, Park Developer shall Contractually Require the following to occur with respect to the General Contractor's solicitation of bids from subcontractors:

(i) With respect to subcontractors for work costing more than \$150,000 ("**Major Trade Subcontractors**"), Park Developer shall submit the qualifications of at least

three (3) Major Trade Subcontractors (two (2) for fountain Construction Work) to CEO for review. Within ten (10) business days of receipt of such qualifications, CEO shall review such qualifications and approve or disapprove the Major Trade Subcontractors from whom to solicit bids; and

(ii) Once CEO has approved the Major Trade Subcontractors, the General Contractor shall solicit bids from the Major Trade Subcontractors approved by CEO and, with respect to all other trades ("**Non-Major Trade Subcontractors**"), Park Developer shall Contractually Require the General Contractor to solicit bids from at least three (3) qualified Non-Major Trade Subcontractors where feasible, and Park Developer shall analyze such bids. In no event shall Park Developer approve any bids from Major Trade Subcontractors or Non-Major Trade Subcontractors without the prior approval of CEO.

(5) **GMP Determination.** Park Developer will Contractually Require the General Contractor to prepare the GMP for Phase One (the "**Phase One GMP**") and the GMP for Phase Two (the "**Phase Two GMP**"; together with the Phase One GMP, collectively, the "**Project GMP**"), including any additive alternates, based on the subcontractor bids for each trade together with the overhead, general conditions, contingency and fee amounts bid by the General Contractor as described more fully in Section 4.1(c). If the Project GMP is in excess of the Hard Cost Line Item, Park Developer and the General Contractor will prepare a list of cost cutting measures to bring the Project GMP within the Hard Cost Line Item. Thereafter, CEO shall select items in an effort to bring the Project GMP within the Hard Cost Line Item and shall request Park Developer to instruct the General Contractor to prepare and resubmit a revised Project GMP for such Construction Work.

(c) **Approval of the GMP.** Once Park Developer is ready to accept the proposed Project GMP provided by the General Contractor, Park Developer shall deliver the proposed Project GMP to CEO. The CEO shall review the proposed Project GMP, and make a determination regarding approval of the proposed Project GMP. If CEO does not approve the proposed Project GMP ten (10) business days after submission thereof by Park Developer, which approval shall be in CEO's sole discretion, Park Developer shall Contractually Require the General Contractor to seek new bids from additional subcontractors and/or to provide additional value engineering services in an attempt to reduce the Project GMP. Park Developer shall then submit a revised proposed Project GMP to CEO based on such rebidding and/or value engineering (including cost cutting), and the foregoing process shall be repeated until CEO has approved the Project GMP. If CEO does not approve the Project GMP after the submission of the first revised Project GMP, and the Project GMP is within the Hard Cost Line Item, Park Developer shall be granted an Excusable Delay. In no event shall Park Developer approve a proposed Project GMP without the prior written approval thereof by CEO. The Construction Contract shall include an obligation that, once the Project GMP has been approved pursuant to this Section 4.1(c), the General Contractor and Park Developer shall execute a supplement, amendment, modification or restatement of the Construction Contract setting forth the approved Project GMP. The Construction Contract shall provide that the approved Project GMP may be subject to increase, only after written approval by CEO and Authority, as applicable, and only to the extent it does not exceed the Hard Cost Line Item, in connection with (i) force majeure events (to be defined in the Construction Contract), (ii) Change Orders approved by CEO (or Authority, as applicable, pursuant to Section 4.1(f)) after the issuance of the approved Project

GMP, and (iii) changes in governmental requirements applicable to the Construction Work that were not known or could not reasonably have been known by the General Contractor or Park Developer at the time of submission of the GMP to CEO.

(d) Park Developer's Employees. Park Developer shall hire and retain as employees or independent contractors of Park Developer or cause to be hired and retained as employees or independent contractors of Park Developer, and not as employees or independent contractors of County, GAC, the Authority, the CRA, or the City (collectively, the "Governing Entities"), such personnel as may be required to properly perform the Park Developer Work. Subject to and without limiting County's obligation to reimburse Park Developer for costs for approved personnel under ARTICLE 6 of this Agreement, such employees' compensation, retention and performance shall be controlled exclusively by Park Developer, and Park Developer shall be responsible for such employees' compensation, retention and performance and for complying with all laws and regulations affecting such employment, including the provision of any benefits or compensation required by statute or contract.

(e) Documents. Park Developer shall deliver to County the originals of all guaranties and warranties, and provide copies of the Construction Contract, and Change Orders received by Park Developer.

(f) Change Orders. Prior to Park Developer's execution of the Construction Contract, Park Developer shall develop and submit to CEO for approval, in its sole discretion, and thereafter shall implement, a procedure for change orders to the Construction Contract (each, a "Change Order").

(1) Park Developer's Recommendation. During the course of the Construction Work, as Park Developer reasonably determines is necessary, Park Developer shall (i) make recommendations to CEO concerning necessary or desirable changes to the Construction Work under the Construction Contract, (ii) review requests for Change Orders from the General Contractor or CEO or Authority, (iii) submit recommendations to CEO concerning requested Change Orders, and (iv) negotiate the terms and conditions of proposed Change Orders prior to CEO or, if necessary under this Section 4.1(f), Authority's review and approval of Change Orders. Change Orders may be proposed by Park Developer or CEO or Authority, provided that in any case the cost of such Change Order does not cause the cost of the Construction Work to exceed the Hard Cost Line Item, subject to Section 4.1(f)(3).

(2) Procedure. The procedure for the approval of Change Orders shall (i) require that all Change Orders be submitted to CEO on an approved written Change Order request form, (ii) provide that, with respect to any Change Orders of more than \$150,000 ("Major Change Orders"), CEO shall review such Change Orders and make a recommendation regarding approval thereof to Authority, and if Authority determines, in its sole discretion, to approve such Major Change Orders within ten (10) business days of receipt for such request, such approval shall be evidenced by the execution by Authority or its authorized representative of a document approving the Major Change Order, (iii) provide that, with respect to Change Orders that are not Major Change Orders, CEO shall determine whether, in its sole discretion, to approve such Change Orders, and that approval thereof shall be evidenced by the execution by CEO of a document approving the Change Order within five (5) business days of receipt for such

request, and (iv) once approved in writing by CEO or Authority or its authorized representative, provide for processing of such approved Change Orders in a manner consistent with the applicable Construction Contract.

(3) Contingencies; Cost and Expense. If the cost and expense of a proposed Change Order is entirely covered by the Contingency Amount, upon CEO's and/or Authority's, as applicable, approval of such Change Order, such proposed Change Order may be charged to the Hard Cost Line Item. If the cost and expense of a proposed Change Order is not entirely covered by the Contingency Amount, Park Developer shall prepare and submit to CEO for its review and approval pursuant to Section 4.1(g), a Proposed Revised Park Budget showing the changes to the applicable line items affected by such proposed Change Order. The Authority's and CEO's approval of (i) such Proposed Revised Park Budget and (ii) any additional funding source that may be required will be conditions precedent to approval of such additive Change Order. If any such proposed Change Order is necessary to achieve Final Completion for such Phase, then Park Developer may give notice that it is proposing cost-cutting measures to bring Reimbursable Expenses, including the costs and expenses related to such Change Order, within the Hard Cost Line Item and Maximum Reimbursable Amount, or if necessary, that it is ceasing further Park Developer Work (or, as applicable, that it will cease further Park Developer Work at such time that the aggregate Reimbursable Expenses exhaust the Maximum Reimbursable Amount, or applicable portion thereof), unless and until Park Developer receives assurances from CEO, to Park Developer's reasonable satisfaction, that such cost-cutting measures are approved or that additional funds will be available to pay for the projected increased amount of Reimbursable Expenses due to such Change Order. Currently, the Park Improvements and Park Budget do not include Project Work and associated costs or expenses related to the following:

(i) Existing Conditions. Conditions existing as of the Effective Date not specifically shown on the Construction Document Drawings (including, without limitations, Hazardous Materials).

(ii) Waterproofing. Reviewing, analyzing, repairing and/or replacing existing waterproofing, with the exception of (i) the area of the new Grand Avenue ramps, (ii) specific locations where new structures directly connect to the existing park garage structure; and (iii) the fountain basin, as and where necessary.

(iii) Structural Issues. Structural analysis and/or structural upgrades to any existing structure. Notwithstanding the foregoing, because the Construction Work will occur on or near existing structures, (i) where the new loading on an existing structure is less than or equal to the existing loading, no further analysis is required, and (ii) where new loading exceeds the existing loading conditions, the affected structural components and related load path will be evaluated to ensure that the existing capacities are not exceeded. The new loading conditions on the existing structures will be analyzed to comply with Los Angeles County Building Code 2008, Chapter 34. The estimated additional loads are not expected to increase the seismic forces by more than 10%. Therefore, a global seismic analysis of the existing structure will not be performed.

(g) Park Budget and Amendments. Subject to ARTICLE 6, the total fees and costs payable to Park Developer for the Project Work cannot exceed the Maximum Reimbursable

Amount, as such Maximum Reimbursable Amount, together with the Park Budget, may be amended from time to time by written approval of Authority and CEO pursuant to this Section 4.1(g). All expenses in connection with the Project Work shall be charged to the proper line item in the Park Budget and, unless otherwise approved by CEO, no Park Budget line item expense may be classified or reclassified except as shown on the Park Budget. If (i) CEO determines that there are additional sources of funds available to augment the Park Budget, or (ii) otherwise required herein, upon request, Park Developer shall prepare and submit to CEO and Authority for their review and approval a revised version of the Park Budget and a revised Schedule to reflect any applicable proposed changes (a "**Proposed Revised Park Budget**"). The Proposed Revised Park Budget shall include proposed fees, if any, and costs payable to Park Developer for the Project Work, including Park Developer's incurred and projected Reimbursable Expenses aggregated to equal the Maximum Reimbursable Amount. Any Proposed Revised Park Budget which is approved in writing by Authority and CEO shall replace the then current Park Budget.

(h) Payment to the General Contractor. Park Developer shall Contractually Require the General Contractor to invoice Park Developer directly with a copy of such invoice simultaneously delivered to CEO. Upon receipt of each such invoice, Park Developer shall submit to CEO (i) recommendations as to whether (and to what extent) each invoice shall be paid, (ii) confirmation as to whether the Construction Work for which payment is requested has been performed satisfactorily, and (iii) a conditional lien release upon progress payment executed by the General Contractor related to such invoice and an unconditional lien release upon progress payment executed by the General Contractor related to the immediately preceding invoice. Within five (5) business days of receipt of payment for each invoice from CEO pursuant to ARTICLE 6, Park Developer shall pay the General Contractor accordingly.

4.2 Approvals. Each reference in this Agreement to the "approval" by County means the approval of the items in question by the Board of Supervisors of County acting in its sole discretion, except in those cases where the Board of Supervisors of County has delegated such approval authority to CEO, in which case approval by CEO of the items in question will constitute approval by County. Each reference in this Agreement to the "approval" by CEO means that the Board of Supervisors has delegated such approval authority to CEO. Each reference in this Agreement to "approval" by Authority means that County and Authority have agreed that such approval authority is allocated to and resides, at least in part, with Authority, in addition to CEO, as applicable.

4.3 Standard of Performance; Dedicated Team. Park Developer shall devote adequate and sufficient time and resources and shall Contractually Require the General Contractor to devote adequate and sufficient time and resources, to efficiently perform its duties under this Agreement and shall exercise the level of skill and efficiency that is reasonably equivalent to the level of skill and efficiency customarily exercised by first class and reputable developers in County of Los Angeles working on large-scale Class A projects. Without limiting the foregoing, Park Developer shall cause William Witte, Steve Eimer and Barry Widen (or their respective replacements that have experience in similar projects should one or more of such individuals be assigned to another project that is managed by any affiliate of Park Developer or are no longer employed by Park Developer or its affiliates) to be the responsible senior executives in charge of the Park Developer Work for Park Developer ("**Dedicated Team**") throughout the term of this

Agreement. Park Developer acknowledges that County has engaged Park Developer to perform the Park Developer Work hereunder based on Park Developer's reputation and experience in developing large scale Class A projects which include public areas comparable in quality and scope to the planned Park Improvements.

4.4 Professional Standard. From the inception of the Park Developer Work until the completion of the Park Developer Work, Park Developer shall perform, and require, and use commercially reasonable efforts to cause, the consultants engaged directly by Park Developer (such consultants directly retained by Park Developer (excluding the General Contractor and its subcontractors of any tier), to be known collectively as "**Park Developer's Agents**") to perform the Project Work hereunder by rendering services of a standard and quality that prevails among similar developers, and among similar consultants and engineers engaged in practice throughout the United States under the same or similar circumstances involving the construction of a project having characteristics that are similar to the Park (including, without limitation, the public nature, comparable scope, quality and schedule) (the "**Professional Standard**").

4.5 Conditions Precedent to Issuance of NTP; Phasing. The Park Improvements shall be constructed in two (2) separate phases, Phase One and Phase Two; although, if approved in advance by CEO, the Phases may overlap. Park Developer shall not authorize the General Contractor to commence any construction activities (including, without limitation, demolition or grading) for any Phase until CEO issues a notice to proceed (an "**NTP**") authorizing such action for such Phase. Notwithstanding anything to the contrary herein, (i) the NTP for Phase One shall be issued prior to the NTP for Phase Two, (ii) the NTP for Phase Two shall be issued only if it is determined, at the time the NTP for Phase Two is issued, that there are sufficient funds projected to be available in the Park Budget to achieve Final Completion for Phase Two, and (iii) the NTP for Phase Two must be issued by the Phase One Acceptance Date. Additionally, the issuance of an NTP is conditioned upon the occurrence or satisfaction of all of following conditions precedent:

(a) **Starbucks and ATMs.** CEO shall have made arrangements causing the existing Starbucks and automatic teller machines' presence and operations to be discontinued or continued in a manner that will not materially impede or impair the progress of the applicable Construction Work.

(b) **Bonds.** Park Developer shall have Contractually Required the General Contractor to deliver to County copies of labor and material payment bonds and payment and performance bonds, each in an amount not less than one hundred percent (100%) of the amount of the Construction Contract and naming County as obligee, to the extent commercially feasible. Said bonds shall be issued by a surety company licensed to do business in the State of California and named in the current list of "Surety Companies Acceptable on Federal Bonds" as published in the Federal Register of the U.S. Treasury Department.

(c) **Insurance.** Park Developer shall have Contractually Required the General Contractor to submit evidence of its compliance with the insurance requirements set forth in the Construction Contract.

(d) Permits. Park Developer shall have Contractually Required General Contractor to secure, any and all permits which may be required by County or any other governmental agency with jurisdiction over the applicable portion of the Construction Work, as provided in and in compliance with Section 4.6(d).

(e) List of Contractors. Only if requested by County, Park Developer shall have furnished to County for informational purposes only a list in a form acceptable to County of all contractors and subcontractors employed in connection with the Construction Work. If any Contractor is added to those so employed, Park Developer shall notify County in writing as provided above and as to the impact, if any, this addition will have on the Schedule.

4.6 Supervision of General Contractor; Manner of Construction.

(a) Schedule of Performance. Park Developer shall Contractually Require the General Contractor to construct the Park Improvements as provided in the Schedule and any schedule set forth in the applicable Construction Contract, subject to (i) modifications to the Schedule under Section 4.1(g) and elsewhere in this Agreement, and (ii) Excusable Delays under Section 4.7. In addition, County in writing, may modify the Schedule prior to or during the Project Work.

(b) Supervision of General Contractor. Subject to the limitations set forth in Sections 4.7 and 4.8, ARTICLE 5, ARTICLE 9, Park Developer shall Contractually Require the General Contractor (i) upon the issuance by CEO of the NTP (as defined in Section 4.5); to proceed diligently to perform the applicable Construction Work based on the applicable portion of the Final Construction Documents and in accordance with this Agreement (including, without limitation, Section 4.6(g)), (ii) once the General Contractor has commenced the applicable Construction Work, to diligently pursue each stage of such Construction Work to Final Completion, and (iii) to begin and complete all applicable Construction Work in accordance with the applicable portions of the Final Construction Documents within the times specified in the Schedule, subject to any Excusable Delays, or such necessary extension of said dates as may be granted by CEO in its reasonable discretion, or as provided in this Agreement.

(c) Permits. Park Developer shall Contractually Require the General Contractor to secure any and all permits that may be required by County or any other governmental agency with jurisdiction over the applicable Construction Work. The parties acknowledge that County is a permitting agency for the Park. County shall use commercially reasonable efforts to provide prompt, reasonable, and diligent assistance to Park Developer and the General Contractor in securing such permits, as applicable. It is contemplated that permits may separately be obtained for each Phase.

(d) Certificate of Occupancy. Park Developer shall Contractually Require the General Contractor to obtain one or more Certificates of Occupancy for the applicable portion of the Park.

(e) Construction Safeguards. Park Developer shall Contractually Require the General Contractor to erect and properly maintain at all times, as required by the conditions and the

progress of the Construction Work performed by or on behalf of the General Contractor, all reasonably necessary safeguards for the protection of workers and the public.

(f) Notice to County; Damage to Public Improvements. Park Developer shall use commercially reasonable efforts to keep CEO fully apprised of the progress of the Construction Work so that CEO staff may timely inspect the Park Parcel to assure proper safeguarding of any publicly-owned improvements existing on or around the Park Parcel, including but not limited to underground conduits and utility lines. If any such publicly-owned improvements are damaged in connection with said construction activity, Park Developer shall Contractually Require the General Contractor to repair such damage immediately at no cost or expense to County, per the terms and conditions of the Construction Contract or, in the event that General Contractor fails to effectuate such repair within five (5) business days after written notice from Park Developer or CEO (or such longer period as may be reasonably required to complete such repair so long as the General Contractor commences such repair within five (5) business days and thereafter diligently prosecutes same to completion), then Park Developer shall notify CEO who may cause such repairs to be made itself at the cost of the General Contractor (without waiving any other rights, remedies or claims that County may have at law or in equity).

(g) EIR Compliance. Prior to County's execution of this Agreement, Authority, as lead agency, and the CRA and County, as responsible agencies, have considered and certified an Environmental Impact Report (the "EIR") and a Mitigation and Monitoring Program and related conditions of approval. Park Developer shall Contractually Require the General Contractor to comply with the requirements governing the development and construction of the Park Improvements contemplated in the EIR and Mitigation and Monitoring Program, which are attached hereto as Exhibit E.

(h) Construction Signs. Park Developer shall Contractually Require the General Contractor to provide construction site signs in accordance with the requirements of County, identifying the project and giving recognition to the public agencies and officials as approved by CEO. Such construction site signs shall be erected on the Park Parcel at the time provided in the Schedule, subject to any Excusable Delays, and in locations mutually acceptable to Park Developer and CEO.

(i) Construction Reports. While the Construction Work is continuing, Park Developer shall Contractually Require the General Contractor to provide to Park Developer and CEO a monthly construction report which shall describe the applicable Construction Work completed to date, the causes for any delays, and the applicable Construction Work that is anticipated for the following month (the "Construction Report"). Each Construction Report shall be in substantially the form agreed to by Park Developer and CEO, and shall include a reasonable number of construction photographs taken since the last Construction Report was submitted by the General Contractor.

4.7 Force Majeure, Excusable Delays, Extension of Times of Performance.

(a) Excusable Delays. Performance by Park Developer shall not be deemed to be in default where delays or defaults are due to causes beyond the reasonable control of Park Developer to the extent such causes materially impact the performance of the Park Developer

Work or the Construction Work, which may include, as applicable: (i) war, (ii) insurrection, (iii) suspension or abandonment of work through strikes, labor disputes, boycotts or walkouts, (iv) riots, (v) acts of God (including floods, earthquakes, fires and other major catastrophes), (vi) acts of the public enemy, (vii) failure of or delay in the availability of any public utility, (viii) shortages encountered in transportation, fuel or material, (ix) governmental restrictions or priority, (x) unusually severe weather, (xi) delay by any Governing Entity in rendering decisions, recommendations or approvals or disapprovals beyond the time periods required by the Schedule or otherwise, (xii) undisclosed, concealed conditions, or (xiii) the actively negligent or wrongful acts or omissions of any Governing Entity (an "**Excusable Delay**"), subject to **Section 4.7(b)**. In the event an Excusable Delay occurs, then the deadline shall be extended for performance by Park Developer of each of its subsequent obligations hereunder on a day-for-day basis for each day that the Excusable Delay is occurring. If Park Developer is entitled to a payment pursuant to the terms of the Lease or this Agreement and County fails to timely make such payment, such failure to pay shall constitute an Excusable Delay. Any delay in Park Developer's performance of the Park Developer Work hereunder directly caused by the actions required by County to remedy or otherwise address conditions described in **ARTICLE 12** shall constitute an Excusable Delay. All actual and reasonable costs associated with an Excusable Delay shall be deemed a Reimbursable Expense.

(b) **Procedures.** Park Developer shall deliver notice to CEO specifically identifying any claimed Excusable Delay ("**Delay Notice**") as soon as reasonably practicable upon learning of the basis for such claimed Excusable Delay (which may include an accumulation of events which taken as a whole would constitute an Excusable Delay), but in any event no later than ten (10) business days after learning of the basis for such claimed Excusable Delay. An extension of time for an Excusable Delay shall be on a day-for-day basis for each day that the Excusable Delay is occurring, which period shall commence to run from the time of the commencement of the cause of the Excusable Delay. For purposes of this **Section 4.7**, a cause shall be beyond the reasonable control of the party whose performance would otherwise be due only if and to the extent such cause would prevent or hinder the performance of an obligation by any reasonable person similarly situated and shall not apply to causes peculiar to the party claiming the benefit of this Section.

(c) **Exceptions.** Any delays resulting from breach, non-performance, active negligence, or malfeasance on the part of Park Developer in the course of the performance of its duties hereunder shall not constitute Excusable Delays. Accordingly, Park Developer shall not be entitled to any extension of its time for performance under this Agreement due to such breach, non-performance, active negligence or malfeasance.

(d) **Unforeseen Obstacles.** If, during the course of the Construction Work, the General Contractor discovers defects in or problems with the garage structure on which some of the Park Improvements will be constructed, or other existing conditions materially affecting the Construction Work that are not currently known to Park Developer, then any delay in the performance of Park Developer's obligations hereunder directly related thereto shall constitute an Excusable Delay provided that Park Developer delivers the notice required by **Section 4.7(b)** to CEO.

4.8 Compliance with Applicable Laws and County Policies. Park Developer shall include the following provisions of this Section 4.8 in the Construction Contract; provided, however, that (i) with respect to the provisions set forth in Sections 4.8(b), (e) and (f) CEO shall monitor and enforce compliance with such provisions by the General Contractor or any other subcontractor or materialman performing the Construction Work or furnishing supplies to the Park, (ii) with respect to the provisions set forth in and Section 4.8(c), the CRA shall monitor and enforce compliance with such provisions by the General Contractor or any other subcontractor or materialman performing the Construction Work or furnishing supplies to the Park, and (iii) upon becoming actually aware of any violations of the following by General Contractor or any other subcontractor or materialman performing the Construction Work or furnishing supplies to the Park, Park Developer shall notify CEO.

(a) Local, State and Federal Laws. The General Contractor shall construct the Park Improvements in conformity with all applicable laws.

(b) Non-Discrimination During Construction; Equal Opportunity. The General Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, creed, national origin, ancestry, disability, medical condition, age, marital status, domestic partner status, sex, sexual preference/orientation, Acquired Immune Deficiency Syndrome (AIDS) acquired or perceived, or retaliation for having filed a discrimination complaint ("Nondiscrimination Factors"); the General Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated without regard to the Nondiscrimination Factors during employment including, but not limited to, activities of: upgrading, demotion, or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship; the General Contractor will post in conspicuous places, available to employees and applicants for employment, the applicable nondiscrimination clause set forth herein; the General Contractor will ensure that its solicitations or advertisements for employment are in compliance with the Nondiscrimination Factors; and the General Contractor shall cause the foregoing provisions to be inserted in all contracts and subcontracts for the Construction Work entered into after the Effective Date; provided, however, that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

(c) CRA/Local Hiring Requirements. The General Contractor shall comply with the local hiring requirements of the CRA/Authority regarding construction employers on CRA assisted projects attached hereto as Exhibit F. Notwithstanding anything to the contrary set forth in the Construction Contract, in the event of a default by the General Contractor under Exhibit E, the remedies set forth in Exhibit F shall apply to such default, and such default, alone, shall not entitle County to any other remedies under the Construction Contract.

(d) Forum Selection. The General Contractor shall submit to the jurisdiction of the courts of the State of California. The exclusive venue of any action brought by General Contractor, on General Contractor's behalf or on the behalf of any subconsultant or subcontractor, which arises from the Construction Contract or is concerning or connected with services performed pursuant to the Construction Contract, shall be deemed to be in the courts of the State of California located in County of Los Angeles, California.

(e) Prevailing Wages. The General Contractor shall comply with the following prevailing wage requirements with respect to the Park Improvements, pursuant to which General Contractor shall pay all workers employed in connection with the construction of the Park Improvements, not less than the prevailing rates of wages, as provided in the statutes applicable to County's public work contracts, including without limitation Sections 1770-1880 of the California Labor Code. The General Contractor, if determined by CEO to have violated any of these prevailing wage requirements provisions, shall forthwith pay the following as a penalty to County:

(1) Payment of less than prevailing wages: \$50 per calendar day, or portion thereof, for each worker paid less than prevailing wages.

(2) Failure to provide all reasonably requested records and/or provide access to job site or workers: \$5,000 per day, or portion thereof.

(3) If the construction work covered under this Agreement is financed in whole or in part with assistance provided under a program of the U.S. Department of Housing and Urban Development or some other source of Federal funding, General Contractor shall comply with or cause its contractor and all subcontractors to comply with the requirements of the Davis-Bacon Act (40 U.S.C. 276 et seq.). The Davis-Bacon Act requires the payment of wages to all laborers and mechanics at a rate not less than the minimum wage specified by the Secretary of Labor in the periodic wage rate determinations as described in the Federal Labor Standards Provisions (HUD-4010) available from CEO's Compliance Division.

(4) Prior to the commencement of grading work in connection with the Construction Work, and as soon as practicable in accordance with the Schedule, Park Developer shall contact CEO to schedule a pre-construction orientation meeting with CEO and with the General Contractor to explain such matters as the specific rates of wages to be paid to workers in connection with the Construction Work, preconstruction conference requirements, record keeping and reporting requirements necessary for the evaluation of General Contractor's compliance with this Section 4.8(e).

(5) The General Contractor shall monitor and enforce the prevailing wage requirements imposed on its contractors and subcontractors, including withholding payments to those contractors or subcontractors who violate these requirements. The General Contractor shall submit to the Park Developer, on a not-less-than monthly basis, certified payrolls for all persons working on the Park Improvements, and the Park Developer shall deliver such certified payrolls to CEO.

(6) Any contractor or subcontractor who is at the time of bidding debarred by the Labor Commissioner pursuant to Section 1777.1 of the California Labor Code is ineligible to bid on the construction of the Park Improvements or to receive any contract or subcontract for the Construction Work. Any contractor or subcontractor who is at the time of the contract listed in the List of Parties Excluded From Federal Procurement or Nonprocurement Programs issued by the U.S. General Services Administration pursuant to Section 3(a) of the Davis-Bacon Act is ineligible to receive a contract for the Construction Work.

(7) The General Contractor shall certify that it is not a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24. The General Contractor shall include, or cause to be included, the above provision, to be applicable to contractors and subcontractors, in each contract and subcontract for the Construction Work.

(8) For the purposes of assuring compliance with the provisions of this Section 4.8(e), representatives of County and Authority shall have the reasonable right of access and inspection, without charges or fees and at normal construction hours, to any construction trailer located on the Park Parcel (or elsewhere) where relevant records are kept by the General Contractor.

(9) The General Contractor shall include the requirements of this Section 4.8(e) in all bid specifications for the Construction Work and to be applicable to all contractors and subcontractors, in each contract and subcontract for the Construction Work.

(10) The General Contractor shall indemnify, hold harmless and defend (with counsel reasonably acceptable to CEO) County Indemnified Parties (defined below) against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of the General Contractor to pay prevailing wages as determined pursuant to Labor Code Sections 1720 et seq. and implementing regulation or comply with the other applicable provisions of Labor Code Sections 1720 et seq. and implementing regulations of the Department of Industrial Relations in connection with the Construction Work.

(f) Proposition 1C. The General Contractor must meet the requirements of Proposition 1C to the extent that Proposition 1C bond revenues are used for the development of the Park Improvements.

ARTICLE 5. CEO RESPONSIBILITIES

5.1 General Duties. County, acting through CEO, shall properly perform CEO's duties set forth herein and cooperate with Park Developer in an effort to facilitate the Project Work.

5.2 County Project Representative. In order to expedite County reviews, comments, correspondence and approvals associated with the Park, CEO shall appoint one person to be the single contact person for all County (the "**County Project Representative**") involvement in the Park. The County Project Representative shall (i) be responsible for all communication within County with regard to the Park and (ii) coordinate County reviews, comments, correspondence and approvals associated with the Park. CEO shall notify Park Developer in writing of the identity, place of business, and business telephone number of the County Project Representative. The County and Park Developer shall meet periodically, but not less than weekly to discuss the progress of the Construction Work and the timetable for Substantial Completion of the Construction Work. Park Developer may rely on any information provided by the County Project Representative with regard to the Park as conclusive without further duty to investigate the validity thereof.

5.3 Reports. CEO shall prepare and distribute monthly accounting records documenting cash flow, interest (both actual and projected), expenditures of all funds associated with the Park Budget.

5.4 Permits. CEO shall use commercially reasonable efforts to expedite the issuance of any necessary permits by County.

5.5 Meetings. Commencing on the first calendar month following the Effective Date, monthly meetings shall be held between CEO and Park Developer to review the status of the Park Improvements. CEO shall coordinate and arrange for such meetings.

5.6 Punch List Coordination. County Project Representative shall coordinate all County departments and individuals to facilitate compilation of the Punchlist for each applicable Phase so that it includes all County identified Punchlist items.

5.7 Defects. CEO shall inspect the Park for, and respond to requests from Park Developer regarding, warranty and potential construction defect issues; provided, however, that Park Developer shall perform its obligations set forth in Section 9.3.

5.8 Fees. County and CEO fees, permit fees, management, quality control, testing, inspections and other costs are set forth in the Park Budget under Hard Costs, as the County Costs.

5.9 Inspection. CEO shall have on the Park, at appropriate times, as determined by CEO, during the Construction Work, one or more inspectors for County who shall have a right of access to such Construction Work to ascertain that such Construction Work is being performed in accordance with applicable codes and the Construction Contract. CEO shall report any non-conformance to Park Developer and the General Contractor in writing promptly after any discovery thereof. Upon becoming actually aware of any construction defects or non-conformance with the Construction Documents prior to the Acceptance Date of the applicable Phase, Park Developer shall notify CEO and the General Contractor, and Contractually Require the General Contractor to remedy the same. Upon becoming actually aware of any material issue or problem related to the quality or performance of the Construction Work prior to the Acceptance Date of the applicable Phase, Park Developer shall notify CEO and the General Contractor of such.

5.10 Close-Out Matters. Upon receipt of all documents required to be delivered to CEO pursuant to the Construction Contract in connection with Final Completion of a Phase, CEO shall promptly deliver a written acknowledgement thereof to Park Developer.

ARTICLE 6. PARK BUDGET FUNDING; REIMBURSEMENTS

6.1 Funding by County. Except as expressly set forth herein, County, and not Park Developer, shall be obligated to pay for all costs associated with the Park, including, without limitation, all Project Work, but not for costs that relate to or arise out of the willful misconduct of, active negligence of, or material breach of this Agreement by, Park Developer.

(a) Funding. County confirms to Park Developer that County has budgeted up to Fifty-Six Million Dollars (\$56,000,000) of funds available for all costs (whether incurred prior to or after the Effective Date) associated with the Project Work, including, but not limited to, all Reimbursable Expenses payable to Park Developer pursuant to this ARTICLE 6.

(b) Exhaustion of Funds. If the dates for the commencement and completion of any Park Improvements are delayed substantially beyond the dates set forth in the Schedule as a result of any Excusable Delay, and, as a result, Park Developer incurs or reasonably anticipates that it may incur aggregate Reimbursable Expenses in excess of the Maximum Reimbursable Amount, then Park Developer may give notice that it is proposing cost-cutting measures to bring such Reimbursable Expenses within the Maximum Reimbursable Amount, or if necessary, that it is ceasing further Park Developer Work (or, as applicable, that it will cease further Park Developer Work at such time that the aggregate Reimbursable Expenses exhaust the Maximum Reimbursable Amount, or applicable portion thereof), unless and until Park Developer receives assurances from CEO, to Park Developer's reasonable satisfaction, that such cost-cutting measures are approved or that additional funds will be available to pay for the projected increased amount of Reimbursable Expenses.

(c) State Funding. To the extent that bond revenues under State Proposition 1C are used for the development of the Park Improvements, (i) Park Developer shall comply with the requirements of State Proposition 1C governing the use of such state bond revenues and (ii) Park Developer shall be entitled to a reasonable fee for the Park Developer Work applicable to the use of such bond revenues; however, Park Developer and County shall mutually agree on the amount of such fee in writing as an amendment hereto.

6.2 Reimbursement of Park Developer. Park Developer shall perform its duties and obligations under this Agreement, including the Park Developer Work, without any development or other fee or profit payment, subject to Section 6.1(c), but as its exclusive compensation for its services hereunder, Park Developer shall be reimbursed for all Reimbursable Expenses incurred by Park Developer in performing its services under this Agreement and the Lease. "Reimbursable Expenses" means, and is limited to, Park Developer's actual incremental costs incurred for the Project Work, without any markup for fee or profit, which costs are included in the Park Budget, except line items for County Costs, Grand Avenue Committee funding and Pre-Opening. Such Reimbursable Expenses shall include, without limitation, (a) the allocated portion of Park Developer's costs incurred by Park Developer at its Los Angeles or New York (limited to one accountant) office (or at the jobsite office on or near the Park Parcel) to the extent such costs are directly allocable to Park Developer's performance of the Park Developer Work (including, without limitation, the allocated portion of Park Developer's office space expense and office supplies and equipment), but excluding any allocation of salaries or other employment costs of executives of Park Developer above the level of senior vice president (the "Park Developer Costs"), (b) any authorized third-party costs directly allocable to the Project Work, including, without limitation, any fees or expenses payable to Park Developer's Agents and all amounts payable to the General Contractor, (c) the incremental cost of the insurance maintained by Park Developer pursuant to Section 11.5 for Park Developer's activities under this Agreement, (d) any and all costs incurred by Park Developer in connection with its possession and use of, and leasehold interest in, the Park pursuant to the Lease, including, without limitation, any Impositions and insurance costs, (e) any other costs incurred by Park Developer

subject to reimbursement by County provided herein. Unless otherwise agreed to by County in writing, in no event shall County be obligated to reimburse Park Developer for Park Developer Costs in excess of the Project Management Line Item, and Park Developer shall be solely responsible for such excess Park Developer Costs, except as expressly provided herein.

6.3 Procedure for Reimbursement. CEO on behalf of County shall reimburse Park Developer for Reimbursable Expenses in compliance with Section 6.2 on a monthly basis as follows:

(a) **Mechanism.** Park Developer shall deliver to CEO, on behalf of County: (i) a request for payment of all Reimbursable Expenses incurred in a commercially reasonable form, showing the cost summary; (ii) if applicable, invoices from all of Park Developer's Agents for the amounts to be reimbursed (whether previously paid by Park Developer or to be paid by Park Developer from the funds to be disbursed by CEO to Park Developer); and (iii) all other information related to such Reimbursable Expenses reasonably requested by CEO, to the extent available. Within fifteen (15) business days after such submission, and conditioned upon CEO having received and approved all of the information described in items (i) through (iii) above, CEO shall deliver a check to Park Developer, in payment of the lesser of: (A) the amounts so requested by Park Developer, as set forth in this Section 6.3(a), above, and (B) the balance of the Maximum Reimbursable Amount, provided that County does not reasonably dispute any request for reimbursement, including, but not limited to, based on Park Developer's breach of this Agreement, or due to any unsatisfactory or incomplete work by Park Developer's Agents, if applicable, or for any other reason. CEO's payment of such amounts on behalf of County shall not be deemed CEO's approval or acceptance of the Project Work performed as set forth in Park Developer's reimbursement request. With respect to any withholding of payment by CEO because CEO disputes all or any portion of such request for reimbursement, CEO shall describe in writing to Park Developer within ten (10) business days after submission by Park Developer of the disputed request and CEO agrees to pay to Park Developer the amount not in dispute and to use its best efforts to promptly resolve the disputed request.

(b) **Timing.** CEO, on behalf of County, shall be under no obligation to reimburse Park Developer for any Park Developer Costs submitted after the date that is over two (2) months after the date on which Final Completion for the applicable Phase is achieved.

6.4 Employee and Office Expenses. Park Developer shall employ, as Park Developer's employees or consultants, the Dedicated Team as are reasonably deemed necessary by Park Developer to adequately perform its duties hereunder. It is anticipated that Park Developer will employ individuals to perform in the following capacities for the Park Developer Work: project manager, including an assistant to support the construction of the Park Improvements. Members of the Dedicated Team and all other employees and independent contractors of Park Developer involved in performing the Park Developer Work shall have the right to perform other work for Park Developer and/or its affiliates, and they do not need to be devoted exclusively to the Park Developer Work. Prior to charging for any of its personnel or consultants as a Reimbursable Expense, Park Developer shall first inform CEO of the assignment of specified personnel or consultants to specified tasks in connection with the Park Developer Work and of the hourly billing rates (or other formula for allocation of personnel costs to the Park Developer Work that is acceptable to CEO) for each of Park Developer's personnel or consultants to be charged by

Park Developer to County as Reimbursable Expenses. Park Developer shall be responsible for the salaries, benefits, unemployment and other taxes, and other expenses directly or indirectly related to such employees and such individuals shall not be deemed, for any purpose, to be employees or consultants of the Governing Entities. In addition, Park Developer shall provide its own office space and office supplies and equipment. In no event shall the amount of the Park Developer Costs exceed the amount therefor set forth in the Park Budget, as such Park Budget may be amended pursuant to Section 4.1(g).

6.5 Survival. The provisions of this ARTICLE 6 shall survive for three (3) months following the termination or expiration of this Agreement.

ARTICLE 7. LIMITATIONS

7.1 Prohibited Acts. It is expressly agreed that Park Developer is not an agent of County. Park Developer shall not take any action, expend any sum, make any decision, give any consent, approval or authorization, or incur any obligation with respect to any proposed material change in the design of the Park Improvements, or in the plans and specifications therefor as previously approved by CEO, or in the cost thereof, or any other change which would adversely affect the design, cost, value or quality of the Park in a material manner, even if such change does not otherwise require the approval of CEO, unless the same has been approved in writing in advance by CEO.

7.2 Limited Authority. Park Developer is authorized to make only those expenditures and incur those obligations which (i) if required by this Agreement, are previously approved by CEO, (ii) are specifically provided for in this Agreement; and (iii) are provided for in the approved Park Budget. Park Developer shall not have the authority to make any other expenditure or incur any other obligation and such unauthorized expenditures or obligations shall not bind County.

7.3 Market Consideration. Park Developer shall not expend more than the amount that Park Developer in good faith believes is the fair and reasonable market value of any services that are engaged in connection with the Park Improvements.

ARTICLE 8. LIQUIDATED DAMAGES

8.1 Fixed Damages. All time limits stated in the Construction Contract shall be of the essence, and therefore, should the General Contractor fail to complete the applicable Construction Work required to be done on or before the date of Substantial Completion as set forth in the Construction Contract and in the Schedule for any Phase of construction, plus any extensions of time allowed by the Construction Contract, it is mutually understood and agreed by and between County and Park Developer that the use by County and the public of that Phase of the Park Improvements will be correspondingly delayed, and that by reason thereof, County and the public will necessarily suffer great damages; that such damages from the nature of the project will be extremely difficult and impractical to fix; and that County has endeavored to fix the amount of said damages in advance as follows:

(a) **Substantial Completion.** The sum of (i) \$3,000 a day for each day's delay in Substantial Completion of a Phase during the first thirty (30) days beyond the date specified for Substantial Completion, plus any extensions of time allowed by the Construction Contract, and

(ii) \$5,000 a day for each day's delay in Substantial Completion of a Phase after the first thirty (30) days following the date specified for Substantial Completion, which sum Park Developer and CEO shall use commercially reasonable efforts to cause to be deducted from any progress payments due to the General Contractor by CEO, on behalf of the County.

8.2 General Contractor Liability. In the event the General Contractor fails to substantially complete the applicable Construction Work of any Phase within the time specified in the Schedule, plus any extensions of time allowed by the Construction Contract, County may serve written notice on Park Developer that liquidated damages applicable to the General Contractor have commenced, in which event Park Developer shall use commercially reasonable efforts to assess liquidated damages against the General Contractor. Park Developer shall not be liable for any liquidated damages; however, Park Developer shall Contractually Require the General Contractor to be responsible for and to pay liquidated damages in the amounts, and subject to the requirements stated herein. All amounts assessed against the General Contractor for liquidated damages shall be payable to County, and Park Developer shall Contractually Require the General Contractor to pay to County any such assessed liquidated damages.

ARTICLE 9. POST-ACCEPTANCE OBLIGATIONS; WARRANTIES

9.1 Obligations. County shall, at its own expense, solely be responsible for the following:

(a) **Maintenance.** All work, costs and expenses related to Park maintenance following the Acceptance Date for any Phase, including, without limitation, maintaining the Park in good condition, making all necessary renewals, replacements, additions, improvements, and repairs, ordinary or extraordinary, except for any repair work to be done under warranties provided for the benefit of County pursuant to the Construction Contract.

(b) **Utilities.** All work, costs and expenses related to utility services supplied to the Park following the Acceptance Date for any Phase, including, without limitation, janitor service, power, gas, telephone, light, heating, water, security service, garbage and refuse removal and all other necessary utility services.

(c) **Operations.** All work, costs and expenses related to the operation of the Park, including, without limitation, establishing the Park operating entity, developing the organization of such operations, hiring a park executive director, operational staff and third parties, fund raising, event planning, operational design revisions, marketing, advertising, booking, opening functions and celebrations or any other necessary operational issues. Notwithstanding the foregoing, the Park Budget currently includes an allowance of \$865,700 in the aggregate for pre-opening costs and expenses associated with the foregoing incurred by County prior to the Acceptance Date for all Phases.

9.2 Warranties. Park Developer shall Contractually Require the General Contractor to provide written warranties in favor of the County that the Park Improvements, including, but not limited to, the exposed and concealed plumbing, sewer and storm and drain system, shall be fully operational and free of defects for a period of one (1) year from the Acceptance Date for each Phase, except the heating, ventilating and air conditioning system and its operating components, in any building that is a Park Improvement, which shall be free of defects for a period of

two (2) years from the Acceptance Date for each Phase. Park Developer agrees to Contractually Require the General Contractor to obligate any general contractor, subcontractor or vendor hired by the General Contractor to provide warranties and guarantees of workmanship and/or merchantability consistent with the terms herein. Park Developer shall also Contractually Require the General Contractor to obtain a written five (5) year warranty on any roof of any Park Improvement building and a written two (2) year warranty on the parts and labor for the air conditioning system of any Park Improvement building, each from the Acceptance Date of each Phase. Notwithstanding anything to the contrary herein, Park Developer shall not be required to directly provide any warranty with respect to the Park, and upon taking possession of the Park from Park Developer on the Acceptance Date of each Phase or as otherwise provided pursuant to the Lease, County shall accept the Park vis-à-vis Park Developer only in "AS IS" condition, "WITH ALL FAULTS"; that is, the condition or state in which they exist upon the date thereof, without representation or warranty from Park Developer of any nature whatsoever, expressed or implied, in fact or by law, including without limitation, representations or warranties as to the value, condition, layout, square footage, rents, income, term or duration, expenses, operation, zoning, merchantability, habitability, marketability, profitability, suitability or fitness for a particular purpose or use; provided, however, Park Developer shall have the obligations set forth in Section 9.3.

9.3 Post-Acceptance Warranty Enforcement. In the event defects occur within the period of one (1) year or two (2) years, as applicable under Section 9.2, from the Acceptance Date for an applicable Phase, upon written request by CEO to Park Developer, Park Developer shall Contractually Require the General Contractor to remedy any defects described in such notice; provided, however that County shall reimburse Park Developer for all reasonable costs and expenses incurred by Park Developer to perform under this Section 9.3.

ARTICLE 10. ACCOUNTING

10.1 Accounting and Financial Services. Park Developer shall perform or cause to be performed those accounting and financial services as CEO may reasonably require in connection with the Park Developer Work. Upon request, Park Developer shall also provide CEO with external and internal audit coordination and compliance coordination and analysis in a manner and form mutually agreeable to CEO and Park Developer, subject to Section 10.4.

10.2 Books and Records. Park Developer shall keep proper books and records of all transactions it undertakes pursuant hereto and certify in all material respects as true, accurate and complete all statements with respect to the Park Developer Work as required by CEO. Park Developer shall reasonably cooperate with the accountants retained by County, Authority, City, or CRA in any inspection and audit of relevant documents, under Sections 10.3 and 10.4, respectively, and the preparation of financial statements and tax returns. Should any such inspection or audit discover weaknesses or errors in record keeping, Park Developer shall promptly undertake to correct these weaknesses or errors. Park Developer shall use commercially reasonable efforts to ensure sufficient control over accounting and financial transactions as is reasonably required to protect County's, Authority's, CRA's, and City's assets directly under Park Developer's control from theft, material error or fraudulent activity on the part of Park Developer's members, associates or employees. Losses arising from such instances shall be borne by Park Developer.

10.3 Inspection. County and its representatives, including County's, City's, Authority's, or CRA's accountants, shall have the right, upon not less than twenty-four (24) hours' notice, of access to, and inspection, copying and audit of, the agreements with Park Developer's Agents and other documents relative to the Park Developer Work and performance of Park Developer's duties under this Agreement during Park Developer's business hours for the term of this Agreement and for four (4) years following the Acceptance Date of the applicable Phase or the earlier termination of this Agreement and for any other applicable retention period required by law or by governmental authorities having jurisdiction. Originals of such documents shall be kept for such purposes at Park Developer's address stated herein during the term hereof and for four (4) years following the Acceptance Date of the applicable Phase or the earlier termination of this Agreement.

10.4 Audit Rights. From time to time, Park Developer shall make its records pertaining to the Park Developer Work available to County, CRA, City, and/or Authority for inspection and audit by independent auditors engaged by County, CRA, City, and/or Authority in order to verify the amount of Reimbursable Expenses. This Section 10.4 shall survive the expiration or termination of this Agreement for four (4) years.

10.5 Expenses for Accounting and Audits. Expenses incurred by Park Developer under this ARTICLE 10 shall be Reimbursable Expenses; provided, however, that if the correct amount of the Reimbursable Expenses determined pursuant to any audit performed under Section 10.4 is more than three percent (3%) less than the amount of such Reimbursable Expenses for which Park Developer has requested reimbursement from County, then Park Developer shall pay for the cost of such audit as well as the amount of such discrepancy, which it shall promptly repay. Park Developer shall engage independent auditors to conduct audits associated with the Project Work, and those who perform it, as frequently as required by CEO, to ensure conformance to contract specifications and to evaluate quality of performance, the cost for which shall be a Reimbursable Expense. Copies of these audits shall be filed at the project manager's office for review by County or its representatives.

ARTICLE 11. INDEMNIFICATION; INSURANCE

11.1 Indemnification by County. County shall indemnify, defend and hold Park Developer, Related, GALA and all of their respective affiliates, officers, directors, partners, members, fiduciaries, shareholders, managers, agents, servants, attorneys and employees and their respective successors and assigns (collectively, the "**Developer Indemnified Parties**") harmless from and against any and all actions, allegations, claims, costs, damages, demands, expenses, liabilities, proceedings and suits (each, a "**Claim**" and collectively, "**Claims**"), and any and all costs, damages, expenses, fees, fines, liabilities, losses and penalties of any Developer Indemnified Party incurred in connection with any Claim (including without limitation reasonable attorneys' fees and expenses and costs of investigation, litigation, settlement and judgment) (collectively, "**Damages**"), which may arise out of or may be alleged to have occurred as a result of (i) Park Developer's performance of the Park Developer Work, (ii) Park Developer's possession and use of, and leasehold interest in, the Park pursuant to the Lease, (iii) the presence, use, generation, manufacture, storage, Release, or disposal of any Hazardous Materials on any portion of the Park, and (iv) the willful misconduct of, active negligence of, or material breach of this Agreement by, any County Indemnified Party; provided, however,

County shall not have any obligation to indemnify, defend or hold any Developer Indemnified Party harmless from and against any Claim or Damages directly relating to or arising out of the willful misconduct of, active negligence of, or material breach of this Agreement by, Park Developer. This provision shall survive the expiration or other termination of this Agreement.

11.2 Indemnification by Park Developer. Park Developer shall indemnify, defend and hold harmless County, Authority, GAC, CRA, the Board of Supervisors, and their elected and appointed officials, and their officers, directors, trustees, principals, employees, agents, partners, predecessors and successors in interest, representatives, assigns, attorneys, administrators, insurers and each of them (collectively, the "**County Indemnified Parties**"), from and against any and all Claims, and any and all Damages, which may arise out of or may be alleged to have occurred as a result of the willful misconduct of, active negligence of, or material breach of this Agreement by, Park Developer; provided, however, Park Developer shall not have any obligation to indemnify, defend or hold any of the County Indemnified Parties harmless from and against any Claims or Damages directly relating to or arising out of the willful misconduct of, active negligence of, or material breach of this Agreement by, any of the County Indemnified Parties. This provision shall survive the expiration or other termination of this Agreement.

11.3 Directors, Etc. Not Liable. None of the directors, officers, shareholders, partners, members, consultants or representatives of Park Developer shall be personally liable for the obligations of Park Developer hereunder.

11.4 Indemnity by General Contractor. Park Developer shall include in the Construction Contract the obligation for the General Contractor, to defend, indemnify and hold harmless the County Indemnified Parties, from and against any and all Claims, and any and all Damages, which may arise out of or may be alleged to have occurred as a result of the Construction Contract and the construction of the Park Improvements; provided, however, the General Contractor shall not have any obligation to indemnify, defend or hold any of the County Indemnified Parties harmless from and against any Claims or Damages directly relating to or arising out of the willful misconduct or active negligence of any of the County Indemnified Parties. County agrees to provide prompt notice to Park Developer and the General Contractor of any Claims filed against County which are subject to the provisions hereof. Park Developer shall Contractually Require the General Contractor to name County as an indemnitee under any indemnity provisions contained in the Construction Contract.

11.5 Insurance During Construction.

(a) **Errors and Omissions.** Park Developer shall procure professional errors and omissions insurance for the Project Term including a three (3) year tail provision with a limit of liability of \$2,000,000 per claim and \$5,000,000 in the aggregate, to insure against liability associated with the Park Developer Work.

(b) **Added Coverage.** Notwithstanding anything herein to the contrary, subject to the reasonable approval of CEO, Park Developer may procure any additional insurance related to the Project Work beyond the insurance expressly required herein, the costs and expense for which shall be deemed a Reimbursable Expense.

(c) General Contractor Insurance. During the period of construction, Park Developer shall Contractually Require the General Contractor to provide the following forms and amounts of insurance as part of the GMP. Such insurance shall be primary to and not contributing with any other insurance maintained by County, and shall name County as an additional insured, and shall include, but not be limited to:

(1) Builders All-Risk insurance, including earthquake (and flood if the Project is located in a designated flood area) coverage, covering the entire scope of Construction Work against loss or damage until Final Completion. Insurance shall be in an amount of 100% of the replacement cost of the Park Improvements and endorsed for broad form property damage, breach of warranty, demolition costs and debris removal. Earthquake coverage shall have a sublimit as determined by the Probable Maximum Loss (PML) and that is established by an independent third-party firm. The maximum deductible for non-earthquake loss shall not exceed 5% of the Project GMP plus any authorized Change Orders. The maximum deductible for loss due to earthquake shall be 10% unless Park Developer can demonstrate that such a deductible is not reasonably available in the usual commercial market, in which case County will accept a higher deductible which is reasonably available in the usual commercial market.

(2) Commercial General Liability insurance, written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate	\$2 million
Products/Completed Operations Aggregate	\$1 million
Personal and Advertising Injury	\$1 million
Each Occurrence	\$1 million

(3) Comprehensive Auto Liability endorsed for all owned, non-owned and hired vehicles or any auto with a limit of liability of at least \$1,000,000 per occurrence.

(4) Construction Workers' Compensation insurance providing workers compensation benefits, as required by the Labor Code of the State of California including Employer's Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease-policy limit:	\$1 million
Disease-each employee:	\$1 million

(5) Excess (Umbrella) Liability: Shall be written on no less than a follow form basis (no more restrictive than the underlying insurance) with a Limit of Liability of \$5,000,000 per occurrence and in the aggregate.

(6) Application of Insurance Proceeds. Proceeds of insurance received in respect of destruction of or damage to the Park Improvements by fire, earthquake or other casualty or event shall be paid as directed by County for the expenses of restoration or repair consistent with the provisions herein. In no event shall any lender having a security interest in the Park Improvements be entitled to receive the proceeds of insurance required by this Agreement and apply such proceeds to the reduction of its indebtedness unless County waives in writing its rights herein to cause the repair or reconstruction of the Park Improvements.

ARTICLE 12. ENVIRONMENTAL MATTERS

12.1 Hazardous Materials. Park Developer shall include the following provisions of this Section 12.1 in the Construction Contract:

(a) Notice. The General Contractor shall agree to notify Park Developer and CEO in writing during the term of this Agreement within three (3) days of: (a) the discovery of any concentration or amount of Hazardous Materials on or under the Park requiring notice to be given to any governmental entity or authority under all applicable environmental and health and safety laws, regulations, ordinances, administrative decisions, common law decisions (whether federal, state, or local) with respect to Hazardous Materials, including those relating to soil and groundwater conditions ("Hazardous Materials Laws"); (b) any knowledge by the General Contractor (after verification of the veracity of such knowledge to the General Contractor's reasonable satisfaction) that the Park does not comply with any Hazardous Materials Laws; (c) the receipt by the General Contractor of written notice of any Hazardous Materials claims; and (d) the discovery by the General Contractor of any occurrence or condition on the Park or on any real property located within 2,000 feet of the Park that could cause the Park or any part thereof to be designated as a "hazardous waste property" or as a "border zone property" under California Health and Safety Code Sections 25220, et seq., or regulations adopted therewith.

(b) Covenant. The General Contractor shall agree not to use the Park or knowingly allow the Park to be used for the generation, manufacture, storage, disposal, or Release of Hazardous Materials in violation of Hazardous Materials Laws. General Contractor shall agree to use commercially reasonable efforts to ensure that no agent, employee, or contractor or subcontractor of General Contractor uses the Park or allows the Park to be used for the generation, manufacture, storage, disposal or Release of Hazardous Materials in violation of Hazardous Materials Laws. General Contractor's agreements and contracts with such third parties shall include covenants for compliance by such third parties with the aforementioned environmental covenants. General Contractor shall agree to comply and cause the Park to comply with Hazardous Materials Law. The storage and use, in customary amounts, of normal cleaning supplies and other items that are generally used in connection with the construction of improvements similar to the Park Improvements shall be permitted so long as such materials are used and stored in accordance with Hazardous Materials Laws.

(c) Indemnity. The General Contractor shall agree to defend, indemnify, and hold County Indemnified Parties and Park Developer free and harmless against any claims, demands, administrative actions, litigation, liabilities, losses, damages, response costs, and penalties, including all costs of legal proceedings and reasonable attorney's fees, that County Indemnified Parties may actually and directly sustain or suffer based on out-of-pocket costs as a consequence of any inaccuracy or breach of any General Contractor representation, warranty, agreement, or covenant contained in this Agreement with respect to Hazardous Materials, or as a consequence of any use, generation, manufacture, storage, Release, or disposal (whether or not General Contractor knew of same) of any Hazardous Materials occurring during General Contractor's construction of the Park Improvements on the Park Parcel, provided that the terms of the foregoing indemnity shall not apply to conditions that existed on the Park Parcel prior to the date of commencement of construction of the Park Improvements, conditions that commence after the earlier of the issuance of a final Certificate of Occupancy for the Park or the termination of this

Agreement as provided herein, nor shall the terms of the foregoing indemnity apply to matters caused by County Indemnified Parties.

(d) **"Hazardous Materials"** shall include, without limitation:

(1) Those substances included within the definitions of "hazardous substances", "Hazardous Materials", "toxic substances", or "solid waste" in the Comprehensive Environmental Response Compensation and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.), as amended by Superfund Amendments and Reauthorization Act of 1986 (Pub. L. 99-499 100 Stat. 1613), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §§6901 et seq.), and the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 et seq., and in the regulations promulgated pursuant to said laws, all as amended;

(2) Those substances listed in the United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor Agency) as hazardous substances (40 CFR Part 302 and amendments thereto);

(3) Any material, waste or substance which is (A) petroleum, (B) asbestos, (C) polychlorinated biphenyls, (D) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. §§ 1251 et seq. (33 U.S.C. §§1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. §§ 1317); (E) flammable explosives; or (F) radioactive materials;

(4) Any toxic or hazardous waste, material or substance or any oil or pesticide listed in, covered by, or regulated pursuant to, any state or local law, ordinance, rule or regulation applicable to the Park, as heretofore or hereafter amended; and

(5) Such other substances, materials and wastes which are or become regulated as hazardous or toxic under applicable local, state or federal law, or the United States government, or which are classified as hazardous or toxic under federal, state, or local laws or regulation.

(e) **"Release"** means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment (including the abandonment or discarding of barrels, containers, and other closed receptacles containing any Hazardous Materials).

(f) In the event "Hazardous Material" is encountered, the following coverage shall be procured:

Contractor's Pollution Liability Insurance: Contractor's Pollution Liability insurance, as applicable to the work to be performed, covering claims from third-party injury and property damage as a result of pollution conditions emanating on-site, under site or off site, arising out of its operations and completed operations. Minimum liability limits, including Excess Liability coverage, shall be \$5,000,000 each occurrence and \$5,000,000 in the aggregate.

ARTICLE 13. GENERAL PROVISIONS

13.1 Independent Contractor. It is expressly understood and agreed that Park Developer is an independent contractor under this Agreement. County shall not and does not by this Agreement in any way or for any purpose become a partner of Park Developer in the conduct of its business, or otherwise, or a joint venture of or a member of a joint enterprise with Park Developer. It is expressly understood and agreed by the parties hereto that either party may engage in any other business or investment, and that the other party hereto shall have no rights in and to any such business or investment or the income or profit derived therefrom.

13.2 Notices, Demands and Communications Between the Parties. Formal notices, demands and communications between the parties shall be sufficiently given if, and shall not be deemed given unless, (a) dispatched by registered or certified mail, postage prepaid, return receipt requested, to the addresses for the notice party set forth below, (b) delivered by an express delivery service with a receipt showing date of delivery to the addresses for the notice party set forth below, (c) personally delivered to the intended addressee, or (d) sent during normal business hours by confirmed electronic mail or confirmed facsimile transmission. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time-to-time designate by mail. Delivery shall be deemed to have occurred upon substantiated receipt of delivery (or refusal of delivery).

If to County :

County of Los Angeles
500 W. Temple Street, Room 713
Los Angeles, California 90012
Attention: Jan Takata, Chief Executive Office
Fax #: 213-626-7827
Email: jtakata@ceo.lacounty.gov

If to Authority or GAC:

c/o Zimmer Gunsul Frasca Architects LLP (ZGF)
515 South Flower Street, Suite 3700
Los Angeles, California 90071
Attention: Martha Welborne, Managing Director
Email: martha.welborne@zgf.com

With a copy to:

The Community Redevelopment Agency of the City of Los Angeles, California
354 South Spring Street
Los Angeles, California 90013
Attention: David Riccitiello, Regional Administrator
Email: driccitiello@cra.lacity.org

If to CEO:

County of Los Angeles
500 W. Temple Street, Room 713
Los Angeles, California 90012
Attention: Dawn McDivitt, Chief Executive Officer
Email: dmcdivitt@ceo.lacounty.gov

If to Park Developer:

Grand Avenue Park Development, LLC
c/o The Related Companies, L.P.
333 South Grand Avenue, Suite 4050
Los Angeles, California
Attention: Barry Widen
Email: barry.widen@related.com

With a copy to:

Grand Avenue Park Development, LLC
c/o The Related Companies, L.P.
333 South Grand Avenue, Suite 4050
Los Angeles, California
Attention: Stephen Eimer
Email: seimer@related.com

13.3 Non-Assignability. This Agreement and the rights and obligations hereunder, shall not be assignable by either party hereto, voluntarily or by operation of law, without the written consent of the other, except (i) an assignment from County to Authority or Authority to County, to a successor of Authority or to a non-profit organization established to operate the Park upon completion thereof or other entity chosen by County for such purpose, or (ii) an assignment from Park Developer to an affiliate of Park Developer that is approved by County, which approval shall not be unreasonably withheld (provided that it shall be reasonable for County to withhold such approval if Park Developer's affiliate does not have adequate net worth and liquidity to perform the financial obligations of Park Developer hereunder, or if the required personnel of Park Developer performing services under this Agreement do not meet the experience standards required of Developer (including, without limitation, those set forth in Section 4.3) or would not be the employees of such affiliate upon such assignment of this Agreement). As used herein, "affiliate" of Park Developer means an entity that is directly or indirectly majority-owned and controlled by Related. "Control" means the ability, through the ownership of a majority of the outstanding voting securities of a corporation, being the sole general partner of a partnership, being the sole manager of a limited liability company, or to control the management of such entity. Upon any such assignment of this Agreement by Park Developer to its affiliate that is approved by County, Park Developer will be released from further liability or obligations under this Agreement occurring or coming due after the date of such assignment; provided, however, that the Dedicated Team and the other personnel of Park Developer that are performing the Park Developer Work prior to such assignment must remain involved in the Park Developer Work throughout the term of this Agreement. Park Developer may not subcontract with any third parties to perform substantial obligations of Park Developer hereunder (without limiting Park Developer's right to contract with Park Developer's Agents) unless Park Developer has obtained the prior written approval of County to such subcontract, which County may withhold in its sole discretion.

13.4 Entire Agreement; Amendments. This Agreement and the Lease set forth the entire agreement of the parties hereto and thereto, respectively, concerning the subject matter hereof

and thereof. Nothing in this Agreement shall be deemed to modify or amend the DDA or the Ground Lease, including the requirements of the DDA regarding Park Completion and issuance of a Certificate of Completion for the Phase I Improvements (as such terms are defined in the DDA). This Agreement can be amended only in writing executed by both parties.

13.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

13.6 Cooperation. Should any claim, demand, action or other legal proceeding arising out of matters covered by this Agreement be made or instituted by any third party against a party to this Agreement, the other party to this Agreement shall furnish such information and reasonable assistance in defending any such proceeding as may be requested by the party against whom such proceeding is brought.

13.7 Waiver of Rights. The failure of County or Park Developer to seek redress for violation, or to insist upon the strict performance of any covenant, agreement, provision or condition of this Agreement, shall not constitute a waiver of the terms of such covenant, agreement, provision or condition at any subsequent time, or of the terms of any other covenant, agreement, provision or condition contained in this Agreement.

13.8 Successors and Assigns. This Agreement and each of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, in cases where assignment is permitted and, if and as required hereunder, approved.

13.9 Severability. If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

13.10 Limitation on Damages and Liability. Park Developer and County each waive any rights or claims relating to loss of anticipated profits arising out of this Agreement.

13.11 Confidentiality. Park Developer in the course of its duties may have access to confidential data of Authority, GAC, CRA, County, or their employees or other private individuals. Park Developer covenants that all data, documents, discussion, or other information developed or received by Park Developer or provided for performance of this Agreement ("Data"), unless released by County or otherwise made public, are deemed confidential and shall not be disclosed by Park Developer without written authorization by County. Authority shall grant such authorization if disclosure is required by law. All Data shall be returned to County upon the termination of this Agreement. Park Developer's covenant under this Section shall survive the termination of this Agreement.

13.12 Additional Construction Workplace Requirements.

(a) **Social Security and Taxes.** Park Developer shall pay all withholding and other taxes required by any local, state or federal law with respect to Park Developer's employees and shall accept the exclusive liability for such taxes. Park Developer shall indemnify, defend,

protect and hold County Indemnified Parties harmless against any such tax or penalty which may be assessed against any such party with respect to Park Developer's employees.

(b) Unemployment Insurance. Park Developer shall pay any required contribution under federal and state unemployment insurance laws with respect to Park Developer's employees, and shall accept the exclusive liability for said contributions. Park Developer shall indemnify, defend, protect and hold County Indemnified Parties harmless against any such contribution that may be assessed against any of them.

13.13 Rebates, Kickbacks, Etc. Park Developer represents and warrants that it has neither paid, agreed to pay, nor will pay any sums or any other consideration to any director, officer, shareholder, partner, manager, member, employee, agent or other representative of any County Indemnified Party or any affiliate thereof in connection with this Agreement, nor has any such payment or agreement for payment been requested or solicited by any such director, officer, shareholder, partner, member, manager, employee, agent or representative. Park Developer hereby acknowledges that it understands that any such payment or agreement would violate County's firm and undeviating policy, and that this representation and warranty constitutes a material inducement upon which County is relying in entering into and performing this Agreement.

13.14 Publicity. Any publicity, press releases, advertising, printed materials, or display materials with respect to the Park shall be under the sole direction and control of County and Authority, and no contact or discussions by Park Developer or its subcontractors or consultants regarding the Park shall be had with the public press or media representatives without prior written consent by County and Authority, in their sole discretion.

13.15 Estoppels. Within fifteen (15) days after the written request by either County or CEO, on the one hand, or Park Developer, on the other hand, the party receiving such request will provide the requesting party and its lenders or investors with an estoppel certificate stating (i) whether this Agreement is in good standing, and, (ii) to the knowledge of such party, whether the requesting party is in default hereunder (or whether any event has occurred, which with passage of time, and after any notice required hereunder, would become a default) or whether there is any basis for termination of this Agreement by such party (or whether any event has occurred, which with passage of time, and after any notice required hereunder, would become a basis for termination of this Agreement by such party).

13.16 Protection of County and Authority.

(a) Posting Notices. CEO shall have the right at all times and places to post and, as appropriate, keep posted, on the Park Parcel any notices which CEO may deem necessary for the protection of County, Authority, the Park from mechanics' liens or other claims.

(b) Prompt Payment; Liens. With respect to monies due or owing to any third party for any Project Work which are a Reimbursable Expense, Park Developer shall (i) make, or cause to be made, prompt payment of all such monies and (ii) keep the Park free and clear of all mechanics' liens and other liens arising out of such Project Work; provided, however, that (a) such obligations are conditioned upon County first reimbursing Park Developer for such

Reimbursable Expenses as provided herein and (b) Park Developer shall have the right to contest any such amount.

13.17 Incidental Rights. In addition to rights granted to Park Developer under the Lease, County shall grant to Park Developer and its designees rights to access and perform work on County property, such as electrical and fountain pump rooms, as required in order to complete the Project Work, which rights shall be granted pursuant to agreements mutually acceptable in form and substance to County and Park Developer.

ARTICLE 14. DISPUTE RESOLUTION

14.1 Disputes. Any and all claims, disputes, or other matters in controversy arising out of or related to this Agreement (a "**Dispute**") are subject to a non-binding dispute resolution process in accordance with this **ARTICLE 14.**

14.2 Mediation. The parties shall endeavor to resolve their Disputes by non-binding mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of this Agreement. A request for mediation shall be made in writing, delivered to the other party to this Agreement, and filed with the person or entity administering the mediation. The parties shall share the mediator's fee and any filing fees equally.

14.3 Pendency of Dispute. Without limiting any other right or obligation of County or Park Developer hereunder or under the Lease, County and Park Developer shall continue to perform their obligations hereunder during the pendency of a Dispute.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, County and Park Developer have caused this Lease Agreement to be executed as of the day and year first above written.

“COUNTY”

APPROVED AS TO FORM:

THE COUNTY OF LOS ANGELES,
a subdivision of the State of California

Robert Kalunian
Acting County Counsel

By: _____
Name: _____
Title: _____

By: _____
Deputy

“PARK DEVELOPER”

GRAND AVENUE PARK DEVELOPMENT,
LLC, a Delaware limited liability company

By: _____
Bill Witte, Vice President

By: _____
Stephen F. Eimer, Vice President

EXHIBIT A-1

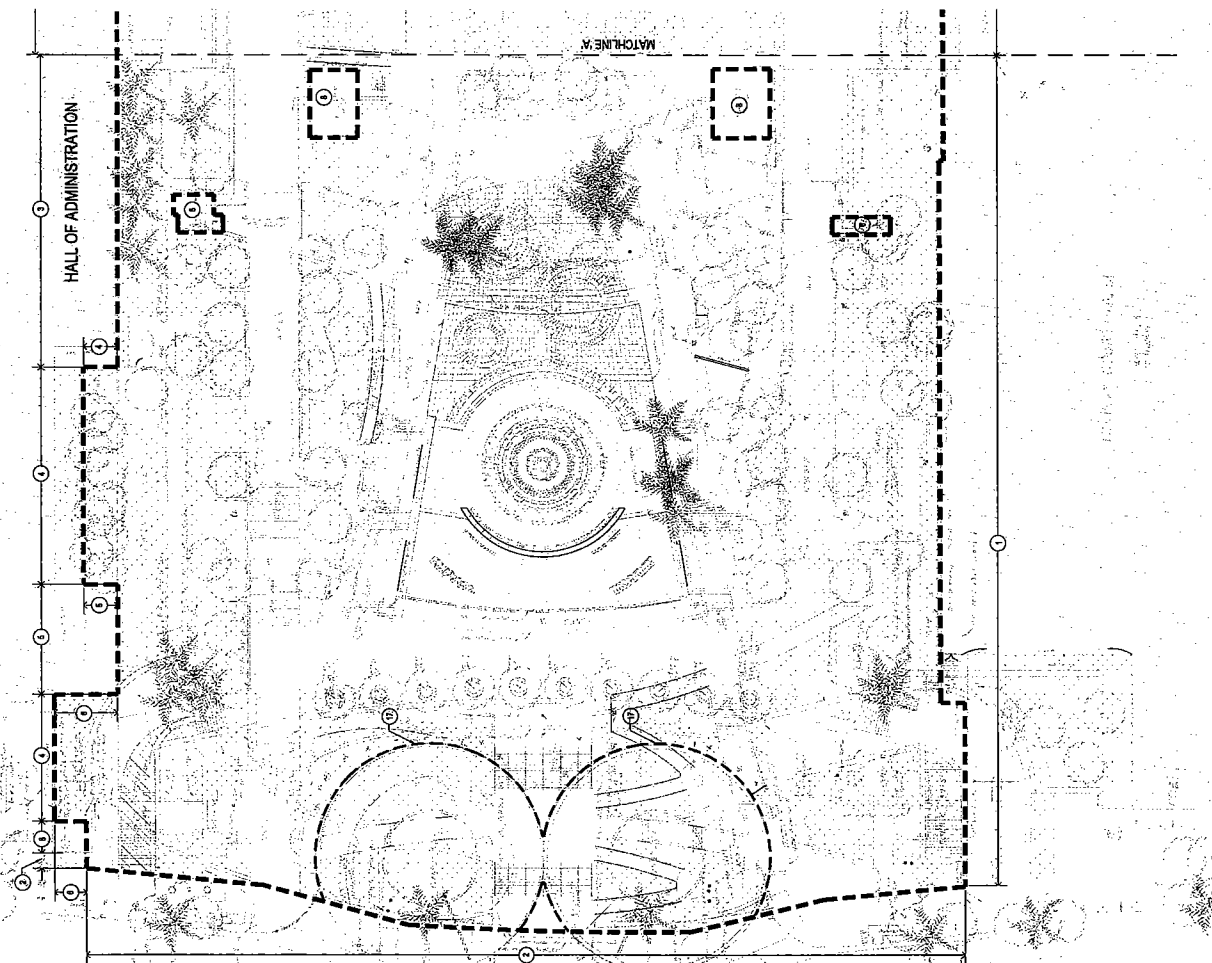
DESCRIPTION AND DEPICTION OF BLOCKS 1, 2 & 4

[to be attached]

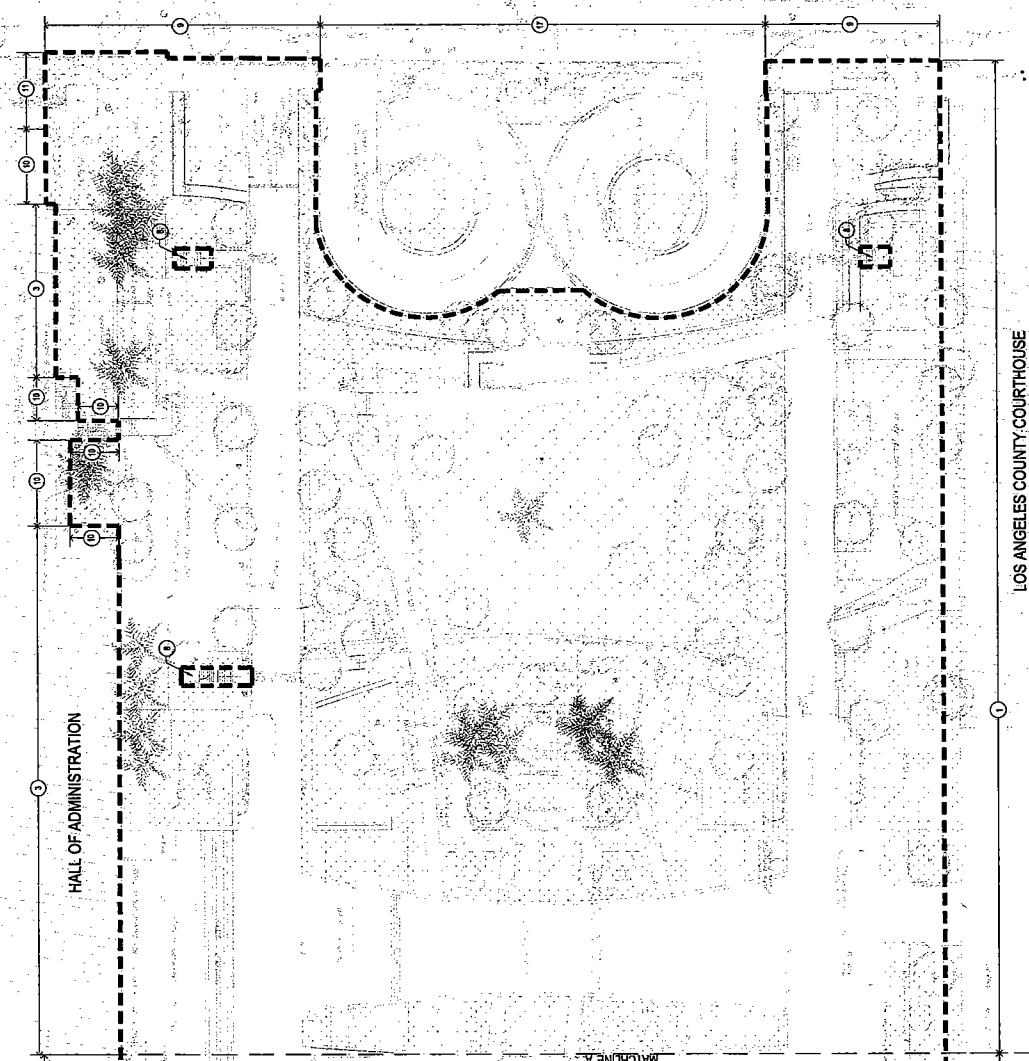
- LEGEND
- ① EXISTING PROPERTY LINE
 - ② EAST FACE OF EXISTING FACE OF CURB
 - ③ FACE OF EXISTING BUILDING
 - ④ FACE OF EXISTING WALL
 - ⑤ CORNER OF EXISTING BUILDING
 - ⑥ FACE OF EXISTING PLANTING
 - ⑦ EXISTING ELEVATION (LOCALITIES AND STATIONS ARE EXCLUDED)
 - ⑧ FACE OF EXISTING DRIVEWAY
 - ⑨ OUTSIDE FACE OF EXISTING WALL
 - ⑩ ALONG WITH FACE OF EXISTING WALL
 - ⑪ FACE OF EXISTING ADJACENT WALL
 - ⑫ TOP OF EXISTING DRIVE BLADE
 - ⑬ OUTSIDE FACE OF EXISTING DRIVE
 - ⑭ ALONG WITH EXISTING ADJACENT DRIVE
 - ⑮ EAST END OF EXISTING DRIVE
 - ⑯ EXISTING WALL OF EXISTING DRIVE

AREA WITHIN THE BOUNDARY INCLUDED IN PARK SPACE ONLY

AREA WITHIN THE BOUNDARY EXCLUDED FROM PARK SPACE TO ELEVATION 300



SCALE: 1" = 20'



LEGEND

- ① EXISTING PROPERTY LINE
- ② 30' EAST OF EXISTING FACE OF CURB
- ③ FACE OF EXISTING BUILDING
- ④ FACE OF EXISTING WALL
- ⑤ EDGE OF EXISTING PAVING
- ⑥ FACE OF EXISTING PLACER/FLYSPREAD
- ⑦ ALIGNED WITH EXISTING PLACER/FLYSPREAD
- ⑧ EXISTING ELEVATION, ELEVATION AND STAIRWAYS ARE COLLIDED
- ⑨ BACK OF EXISTING SIDEWALK
- ⑩ OUTSIDE FACE OF EXISTING WALL
- ⑪ ALIGNED WITH FACE OF EXISTING WALL
- ⑫ FACE OF EXISTING BASEMENT WALL
- ⑬ TOP OF EXISTING PAVED SLOPE
- ⑭ OUTSIDE FACE OF EXISTING SLOPE
- ⑮ ALIGNED WITH EXISTING ADJACENT PAVING
- ⑯ EAST EDGE OF EXISTING STAIRS
- ⑰ EXISTING WALL OF EXISTING RAMP

--- AREA WITHIN THIS BOUNDARY INCLUDES (P) PAVED SURFACE ONLY

--- AREA WITHIN THE BOUNDARY EXCLUDES (P) PAVED SURFACE TO ELEVATION 250

SCALE 1"=30'

EXHIBIT A-2

DESCRIPTION AND DEPICTION OF BLOCK 3

[to be attached]

- LEGEND
- EXISTING PROPERTY LINE
 - FACE OF EXISTING FACE OF CONE
 - FACE OF EXISTING BUILDING
 - FACE OF EXISTING WALL
 - FACE OF EXISTING FENCE
 - FACE OF EXISTING PLANTER PLATFORM
 - FACE OF EXISTING PLANTER PLATFORM
 - EXISTING BELLEVUE EXCAVATIONS AND EXCAVATIONS ARE EXCLUDED
 - BACK OF EXISTING SIDEWALK
 - OUTSIDE FACE OF EXISTING WALL
 - ALUM WITH FACE OF EXISTING WALL
 - FACE OF EXISTING BASEMENT WALL
 - TOP OF EXISTING PAVED ALPINE
 - OUTSIDE FACE OF EXISTING VEST
 - ALUM WITH EXISTING ADJACENT PAVING
 - DATE EDGE OF EXISTING STAIRS
 - EXTERIOR WALL OF EXISTING RAMP

AREA WITHIN THIS BOUNDARY INCLUDES IN THIS SURFACE ONLY

AREA WITHIN THIS BOUNDARY EXCLUDES FROM THIS SURFACE TO EXISTING WALL

SCALE 1" = 10'

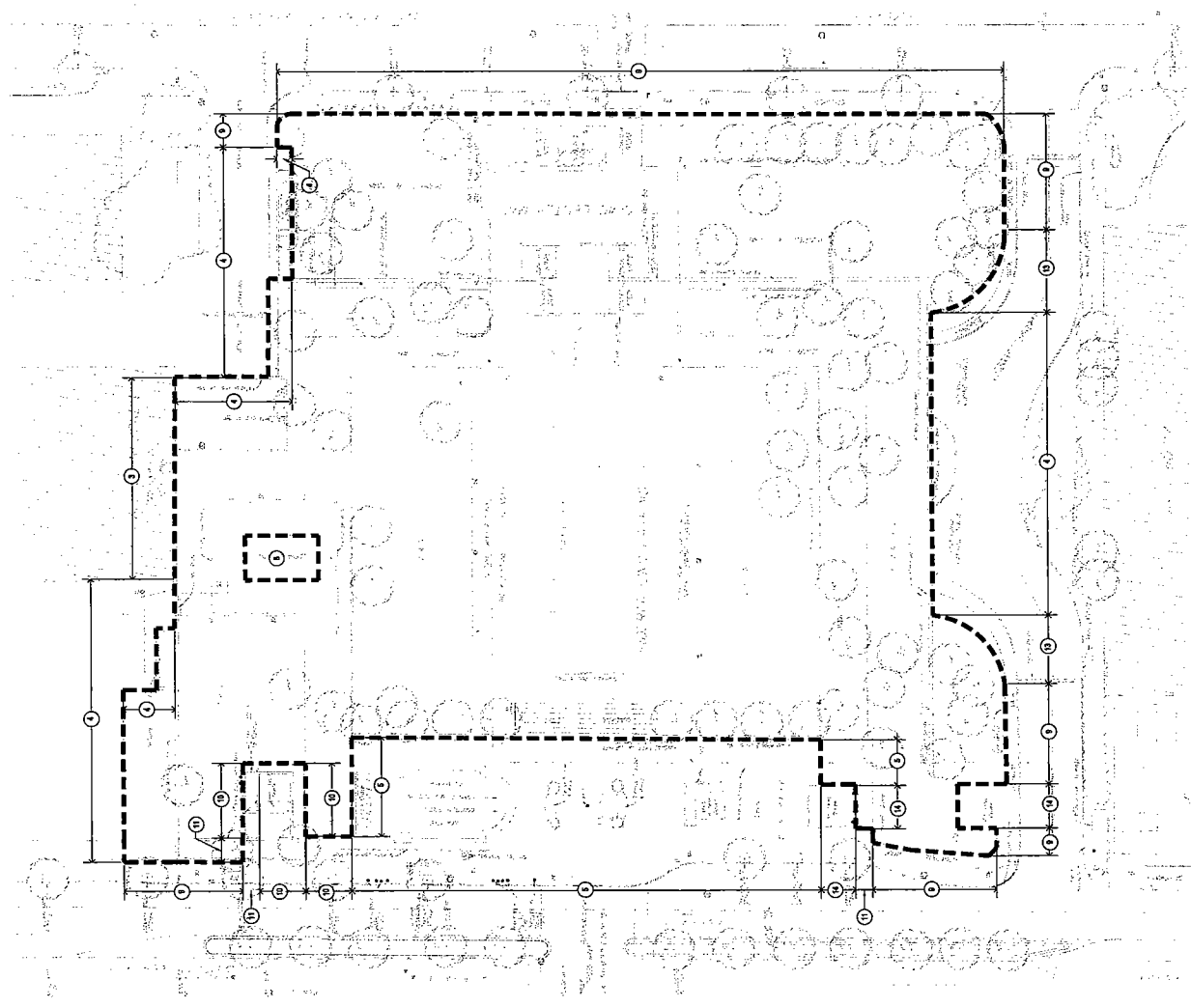


EXHIBIT B

PARK IMPROVEMENTS

Park Improvements are defined by the following:

1 <u>Design Development Drawings</u>	<u>Date</u>
Drawings indicating alternates are only included if listed in Item 5 below:	
Cover Sheet	07/10/09
T0.00, T1.00, T3.00, T3.01, T3.10, T3.11, T4.00, T4.01, T4.10, T4.11	
Civil	07/10/09
C0.00, C1.10 - C1.40, C2.10 - C2.40, C4.10 - C4.12, C4.20, C4.30, C4.40, C5.10 - C5.40, C6.11, C6.22, C6.41, C7.10, C7.40, C8.10 - C8.40, C9.00, C9.01, C4.20A - C4.40A, C5.30A, C5.40A, C7.40A	
Landscaping	07/10/09
L0.00, L0.01, L1.10 - L1.40, L2.10 - L2.40, L3.10 - L3.12, L3.20, L3.30, L3.31, L3.40, L4.10 - L4.17, L4.20, L4.21, L4.30 - L4.33, L4.41 - L4.43, L5.10 - L5.13, L5.20, L5.21, L6.10 - L6.40, L7.10 - L7.30, L8.01, L8.02, L8.10 - L8.40, L0.00A, L1.30A, L2.10A - L2.40A, L3.20A, L8.03A, L8.20A, L8.30A, L8.40A	
Architectural	07/10/09
A1.10, A2.10 - A2.14, A2.30, A2.40, A2.41, A3.10, A3.11, A3.40, A4.10, A4.11, A4.40, A5-1 - A5-4, A6-1 - A6-2, A7-1 - A7-4, A8-1 - A8-3, A9-1 - A9-2, A11-1 - A11-2, A2.41A, A3.40A, A7.6A	
Structural	07/10/09
S0.01 - S0.07, SL2.10 - SL2.40, SL2.11, SL2.21, SL2.31, SL2.12, SL2.22, SL2.32, SL2.13, SL2.23, SL2.33, SL3.10, SL3.11, SL3.30, SL3.31, SL3.40, SL4.11 - SL4.13, SL4.30 - SL4.32, SL4.41, SA2.11, SA2.12, SA2.41, SL2.10A - SL2.40A, SA2.41A	
Water Fountain	07/10/09
W0.10, W0.11, W0.12, W1.10, W1.11, W2.10, W2.11, W3.10, W4.10, W5.10 - W5.12, W6.10 - W6.12, W7.10, W7.11, W8.10, W9.10, W1.10A, W2.10A, W3.10A, W5.12A, W6.1-A, W7.10A, W9.10A	
Mechanical	07/10/09
M0.10, M0.20, M1.10, M2.10, M2.30, M3.10 - M3.30, M4.00	
Plumbing	07/10/09
P0.01, P2.10 - P2.12, P2.20 - P2.22, P2.30, P2.31, P2.40, P2.40A	
Electrical	07/10/09

	E0.01, E1.10, E1.30, E1.40, E1.1C, E1.2C, E1.3A, E2.10 - E2.40, E3.10 - E3.40, E4.1 - E4.3	
	Technology	07/10/09
	TE0.00, TE0.01, TE1.10 - TE1.40, TE4.00, TE1.10A - TE1.40A	
	Telecommunications	07/10/09
	TC000, TC001, TC1.10 - TC1.40, TC201, TC202, TC301	
	Lighting	07/10/09
	LD1.10 - LD1.40, LD1.2A, LD1.20A, LD1.40A	
	Waterproofing	07/10/09
	WP1.00, WP1.20, WP2.20	
	Signage	07/10/09
	SG0.00, SG2.00 - SG2.04, SG2.10 - SG2.40, SG0.00A, SG2.10A - SG2.40A	
2	<u>Project Manual and Outline Specification, 100% Design Development</u>	07/10/09
3	<u>Basis of Design, 100% Design Development</u>	07/27/09
4	<u>Value Engineering/ Cost Cutting</u>	
	The following revisions will be included in the Construction Documents in order to reduce costs: 1) revise lighting; 2) reevaluate the best re-use of granite; 3) reduce quantity of demolished trees; 4) reduce quantity of media hydrants to 24; 5) Reduce thickness of 24-inch sire walls; 6) simplify concrete paving; 7) reduce price of furniture; 8) simplify elevator enclosure; 9) install directional flags on light poles; 10) simplify signage; 11) alternate structural scheme for Block 4 ramp; 12) alternate fountain finish materials; 13) simplify event technology; 14) alternate paving in garden areas.	
5	<u>Alternates</u>	
	The following alternates will be included in the Construction Documents (all other alternates are not included): 1) Block 2 Children's Garden; 2) alternate planting in Block 3; 3) Block 4 Broadway terrace extension; 4) expanded technology; 5) Block 4 light towers; 6) replace existing paving; 7) interactive jets and lights in membrane pool (grotto waterfall is not included).	
6	<u>Exclusions</u>	
	The following items are excluded from the Park Improvements: 1) Starbucks tenant improvements; 2) LEED certification; 3) kiosks; 4) Equipment, low voltage system, furniture for office, maintenance, security, park support or other interior spaces; 5) gas systems; 6) parking equipment or systems; 7) Hill Street Parking Booth; 8) new cross walks and signalization work.	

EXHIBIT C
PARK BUDGET

HARD COSTS (\$45,000,000.00)

Hard Cost	\$44,200,000.00
County Costs	\$800,000.00

SOFT COSTS (\$11,000,000.00)

Pre-Development	\$1,111,347.84
Professional Fees	\$4,749,830.00
Project Management	\$2,000,000.00
Staff, office rent, office supplies and equipment only	

Other Soft Costs	\$1,585,122.16
Testing, inspection, legal, presentation materials, reimbursable expenses (includes Developers insurance and reimbursable expenses)	

Soft Cost Contingency	\$430,000.00
Grand Avenue Committee funding	\$258,000.00
Pre-Opening	<u>\$865,700.00</u>

TOTAL BUDGET	\$56,000,000.00
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EXHIBIT D

COUNTY'S STANDARD PROVISIONS

1. **NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT**

General Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirement set forth in Internal Revenue Service Notice 1015.

2. **EMPLOYMENT ELIGIBILITY VERIFICATION**

General Contractor warrants that it fully complies with all Federal statutes and regulations regarding employment of aliens and others, and that all its employees performing services hereunder meet the citizenship or alien status requirements contained in Federal statutes and regulations. General Contractor shall obtain, from all covered employees performing services hereunder, all verifications and other documentation of employment eligibility status required by Federal statutes and regulations as they currently exist and as they may be hereafter amended. General Contractor shall retain such documentation for all covered employees for the period prescribed by law. General Contractor shall indemnify, defend, and hold harmless Park Developer and County, their affiliates, officers, and employees from employer sanctions and any other liability which may be assessed against General Contractor, Park Developer or County in connection with any alleged violation of Federal statutes or regulations pertaining to the eligibility for employment of persons performing services under this Agreement.

3. **RECYCLED BOND PAPER-CONTRACT LANGUAGE**

Consistent with the Board of Supervisor's policy to reduce the amount of solid waste deposited at the County landfills, General Contractor agrees to use recycled content paper to the maximum extent possible on the Project.

4. **GRATUITIES**

a. It is improper for any County officer, employee, or agent to solicit consideration, in any form, from a Bidder with the implication, suggestion, or statement that the Bidder's provision of the consideration may secure more favorable treatment for the Bidder in the award of the contract or that the Bidder's failure to provide such consideration may negatively affect the County's consideration of the Bidder's submission. A Bidder shall not offer or give, either directly or through an intermediary, consideration, in any form, to a County officer, employee, or agent for the purpose of securing favorable treatment with respect to the award of the contract.

b. A Bidder shall immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-

Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such a solicitation may result in the Bidder's submittal being eliminated from consideration.

c. Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

5. CONSIDERATION OF GAIN/GROW PROGRAM PARTICIPANTS FOR EMPLOYMENT

As a threshold requirement for consideration for contract award, Bidders/Proposers shall demonstrate a proven record of hiring the County's Department of Public Social Services' (DPSS) Greater Avenues for Independence (GAIN) or General Relief Opportunity for Work (GROW) participants or shall attest to a willingness to consider GAIN/GROW participants for any future employment opening if they meet the minimum qualifications for that opening. Additionally, Bidders/Proposers shall attest to a willingness to provide employed GAIN/GROW participants access to Bidders'/Proposers' employee mentoring program, if available, to assist these individuals in obtaining permanent employment and/or promotional opportunities.

The County will refer GAIN/GROW participants by job category to the General Contractor. DPSS may be contacted at the following locations:

Central County	(323) 730-6452
East San Fernando Valley	(818) 729-8933
Palmdale-Lancaster	(661) 575-2646
Pomona	(909) 392-3071
San Gabriel Valley	(626) 927-2723
South County	(310) 603-8359
Southeast County	(323) 261-3065
West County	(310) 655-7725
West San Fernando Valley	(818) 718-4337

Bidders/Proposers who are unable to meet this requirement shall not be considered for contract award.

6. CHILD SUPPORT COMPLIANCE PROGRAM

General Contractor is required to fully comply with all applicable state and federal reporting requirements relating to employment reporting for its employees. General Contractor is required to fully comply with all lawfully served wage and earnings assignment orders and notices of assignment. Failure to comply with state and federal reporting requirements regarding employees, or failure to implement lawfully served wage and earnings assignment orders or notices of assignment, constitutes a default under the contract, and failure to cure the default within 90 days of notice by County, shall subject the Agreement to termination. Failure to comply with these requirements may be cause for debarment.

7. FEDERAL EARNED INCOME CREDIT

General Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

8. REDUCTION OF SOLID WASTE

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the General Contractor agrees to use recycled-content paper to the maximum extent possible on the project.

9. CONTRACTOR EMPLOYEE JURY SERVICE PROGRAM

The prospective contract is subject to provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

a. Unless General Contractor has demonstrated to the County's satisfaction either that General Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that General Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), General Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the General Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with General Contractor or that General Contractor deduct from the Employee's regular pay the fees received for jury service.

b. For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of Contractor. "Full time" means 40 hours or more worked per week, or a lesser number of hours if the lesser number is a recognized industry standard and is approved as such by County. If General Contractor uses any subcontractor to perform services for the County under this Agreement, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to such agreement.

c. If a contractor does not fall within the Jury Service Program's definition of "Contractor" or if it meets any of the exceptions to the Jury Service Program, then the contractor must so indicate in the Certification Form and Application for Exception and include with its submission all necessary documentation to support the claim such as tax returns or a collective bargaining agreement, if applicable. Upon reviewing the contractor's application, County will determine, in its sole discretion, whether the contractor falls within the definition of Contractor or meets any of the exceptions to the Jury Service Program. County's decision will be final.

d. If a contractor is not required to comply with the Jury Service Program when the contract commences, the contractor will have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and the contractor must immediately notify County if the contractor at any time either comes within the Jury Service Program's definition of "contractor" or if the contractor no longer qualifies for an exception to the Program. In either event, the contractor must immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during the contract and at its sole discretion, that a contractor demonstrate to the County's satisfaction that the contractor either continues to remain outside the Jury Service Program's definition of "Contractor" and/or the contractor continues to qualify for an exception to the Program.

e. If a contractor uses a subcontractor to perform services for County under the contract, the subcontractor shall also be subject to the provisions of the Jury Service Program, unless the subcontractor 1) does not fall within the definition of "contractor" or 2) meets one of the exceptions to the Jury Service Program. The provisions of the Jury Service Program must be inserted into any applicable agreement and a copy of the Jury Service Program shall be attached to the agreement.

f. A contractor's violation of the Jury Service Program may constitute a material breach of the contract. In the event of such material breach, County may, in its sole discretion, terminate the contract and/or bar a contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

10. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

General Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and how to safely surrender a baby. The fact sheet is available on the Internet at www.babysafela.org for printing purposes.

General Contractor acknowledges that County places a high priority on the implementation of the Safely Surrendered Baby Law. General Contractor understands that it is County's policy to encourage all County Contractors to voluntarily post County's Safely Surrendered Baby Law poster in a prominent position at the Contractor's place of business. The County's Department of Children and Family Services will supply General Contractor with the poster to be used.

11. EMPLOYMENT OF INDENTURED APPRENTICES:

a. General Contractor shall comply with Section 1777.5 and 1777.7, Labor Code, State of California.

b. General Contractor shall employ registered apprentices at a ratio of not less than one hour of apprentice's work for every five hours of labor performed by a journeyman. General Contractor shall be responsible for the compliance of all Subcontractors with the foregoing.

c. General Contractor and Subcontractors shall keep an accurate record showing the name of the craft and wage rate of each apprentice and journeyman employed by each entity. Subcontractor shall provide, weekly, such records to General Contractor. Records shall be made available to the Division of Apprenticeship Standards and the County of Los Angeles or the awarding entity, for the purpose of determining compliance. Failure to comply may result in withholding payments and other penalties as provided by the Labor Code.

12. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM:

a. General Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through Contract are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

b. As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting General Contractor's duty under this Agreement to comply with all applicable provisions of law, General Contractor warrants that it is now in compliance and shall, during the term of this Agreement, maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully serviced Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

c. Failure of General Contractor to maintain compliance with these requirements shall constitute a default by General Contractor under this Agreement. Without limiting the rights and remedies available to Park Developer under any other provision of this Agreement, failure to cure such default within ninety (90) days of notice by the Los Angeles County District Attorney shall be grounds upon which Park Developer may terminate this Agreement.

13. CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT:

General Contractor acknowledges that County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. General Contractor understands that it is County's policy to encourage all contractors to voluntarily post County's L.A.'s Most Wanted: Delinquent Parents@ poster in a prominent position at General Contractor's place of business. County's District Attorney will supply General Contractor with the poster to be used.

14. CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT:

General Contractor shall comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 1857 et seq.) and the Federal Water

Pollution Control Act (33 U.S.C. 1251 et seq.) as amended. Violations shall be reported to County and the Regional Office of the Environmental Protection Agency.

15. LOBBYING OF COUNTY OFFICIALS:

General Contractor and each County lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by Contractor, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of General Contractor or any County lobbyist or County lobbying firm retained by General Contractor to fully comply with the County Lobbyist Ordinance shall constitute a material breach of this Agreement upon which Park Developer may immediately terminate or suspend this Agreement.

16. EMPLOYMENT OF LAID-OFF COUNTY EMPLOYEES – SKILLED TRADES AND OTHERS:

a. Should General Contractor, or any Subcontractor performing more than \$250,000 of the Agreement value, require additional or replacement personnel to perform services under this Agreement, other than the performance of a skilled trade, General Contractor shall give first consideration for such employment openings to qualified former County employees who are on a re-employment list.

b. Should General Contractor, or any Subcontractor performing more than \$250,000 of the Agreement value, require additional or replacement personnel to perform a skilled trade not covered by an existing union hiring agreement under this Agreement, General Contractor is encouraged to consider for such employment openings qualified County employees who are targeted for layoff or qualified former County employees who are on a re-employment list. In no event shall the County or Park Developer be liable for any cost, delay, or impact claims arising out of efforts to hire such present and former County employees.

17. BEST MANAGEMENT PRACTICES (BMP) REQUIREMENTS

a. General Contractor shall comply with the Los Angeles County Municipal Storm Water National Pollution Discharge Elimination System (NPDES) Permit, and the California Stormwater Quality Association's "Stormwater Best Management Practice Handbook for Construction", dated January 2007. A copy of the BMP Manual can be downloaded at the following website: www.cabmphandbooks.com.

For projects where the disturbed area is one acre or more, General Contractor must submit a Local Storm Water Pollution Prevention Plan (LSWPPP) and file a Notice of Intent (NOI) and a SWPPP with the State Water Resources Control Board, and the required annual fee and Notice of Termination.

Note: A NOI and SWPPP is not required if the disturbed area is less than one acre.

b. Related Work: Cleaning; Section 01710.

c. General Contractor shall submit to the Department of Public Works, Building and Safety Division for permit approval, a stormwater construction permit. General Contractor shall not commence with any Work without such approval.

EXHIBIT E

EIR MITIGATION MONITORING PROGRAM

Grand Avenue Project – Civic Park

Mitigation & Regulatory Measures, Project Design Features & Conditions of Approval

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency¹</u>
<u>Aesthetics and Visual Resources</u>			
MM-1 ² EIR-C1 ZC-13-a	During Project construction, the developer, with regard to the five development parcels, ³ and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements, shall ensure, through appropriate postings and daily visual inspections, that no unauthorized materials remain posted on any temporary construction barriers or temporary pedestrian walkways, and that any such temporary barriers and walkways are maintained in a visually attractive manner throughout the construction period. The City's Department of Building and Safety or other appropriate City agency or department, shall determine compliance with this measure with regard to construction associated with the five development parcels and the Streetscape Program. The County's CEO or its designee shall determine compliance with this measure with regard to construction of the Civic Park.	Construction	City DB&S County CEO
PDF-C1	Prior to the start of construction along the east side of Grand Avenue, between First and Temple Streets, the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall coordinate construction of park improvements in the westerly Civic Park sector with any installation of streetscape and other improvements on Grand Avenue between First and Temple Streets to reduce the duration and visual impact of construction activities. Scheduling of construction activities for the Civic Park and the Streetscape Program shall be reviewed and approved by the Authority and shall be implemented by the responsible parties.	Prior to start of construction	City DB&S County CEO

¹ Listed agency shall include any designee or successor agency/entity. "County CEO" refers to the Los Angeles County Chief Executive Officer, previously known as the Los Angeles County Chief Administrative Officer (or any designee). "Authority" refers to the Los Angeles Grand Avenue Authority (or any designee).

² "MM-xx" refers to Environmental Conditions from City of LA Tentative Tract Map approvals. "EIR-xx" refers to Mitigation Measures from the Mitigation Monitoring Program from the Final Environmental Impact Report ("FEIR") for the Grand Avenue Project ("Project"). "RM xx" refers to Regulatory Measures approved by the Authority. "PDF xx" refers to Project Design Features approved by the Authority. "COA xx" refers to Conditions of Approval approved by the Authority.

"ZC-xx-x" refers to [Q] Qualified Conditions of Approval from City of LA Zone Change.

³ "Five development parcels" refers to Parcels Q, W-1, W-2, L and M-2, as further identified in the FEIR.

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency</u>
MM-3 PDF-C2 ZC-13-c	Prior to the start of each construction work phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements, shall schedule and coordinate sidewalk construction with the development of the adjacent parcels to reduce the duration and visual impact of construction activities. Scheduling of construction activities for the five development parcels, the Civic Park and the Streetscape Program shall be reviewed and approved by the Authority and implemented by the responsible parties.	Prior to start of construction	City DB&S Authority
RM-C3	Prior to the completion of final plans and specifications, the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements, shall prepare lighting plans and specifications for the design type of light fixtures, height of light standards, and orientation of light fixtures and standards within the public right-of-way to ensure that all light fixtures do not interfere with the activities occurring within these areas. Lighting plans with regard to the Streetscape Program shall be submitted to the City's Department of Building and Safety or other appropriate City agency or department, for review and approval. Lighting plans with regard to the Civic Park shall be submitted to the County CEO or its designee for review and approval. Approved lighting plans shall be implemented by the responsible parties.	Prior to start of construction	City DB&S County CEO
MM-7 RM-C4 ZC-13-f	Prior to the start of each construction work phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park under the applicable agreements shall submit to the Authority or other appropriate agency, for review and approval, building plans and specifications that demonstrate that all ventilation, heating and air conditioning ducts, tubes, and other such mechanical equipment shall be screened from the line-of-sight from the street. Approved building plans and specifications shall be implemented by the responsible parties.	Prior to issuance of building permits	City DB&S Authority
MM-7 RM-C5 ZC-13-g	Prior to the start of each construction work phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall submit design plans that demonstrate that all utility lines and connections are constructed underground. Approved utility plans and connections with regard to the five development parcels shall be reviewed and approved by the Authority, whereas the City's Department of Building and Safety or	Prior to issuance of building permits	City DB&S Authority

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency</u>
	other appropriate City agency or department, shall review and approve with regard to the Streetscape program. Approved utility lines and connections shall be implemented by the responsible parties.		
MM-9 PDF-C3 ZC-13-i	Prior to the start of each construction work phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements, shall prepare architectural plans that shall be reviewed and approved by the Authority such that all ground-level building fixtures, including, but not limited to, security gates, landscape light fixtures, pedestrian lights, air intake shafts, and other appurtenances are integrated into the architectural theme and/or design of the respective Project components. Approved architectural plans shall be implemented by the developer and the responsible parties.	Prior to issuance of building permits	City DB&S Authority
<u>Air Quality</u>			
MM-10 EIR-F1 ZC-14-a	<p>During each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall implement a fugitive dust control program pursuant to the provisions of SCAQMD Rule 403. The City's Department of Building and Safety, or other appropriate City agency or department, shall determine compliance with SCAQMD Rule 403 during construction with regard to construction associated with the five development parcels and the Grand Avenue Streetscape Program. The County's CEO or its designee shall determine compliance with regard to the Civic Park. The SCAQMD retains jurisdiction to enforce this measure in the case of non-compliance. Compliance with the applicable provisions of Rule 403 shall include, but not be limited to, using best available control measures listed in Table 1 of Rule 403 to minimize fugitive dust emissions from each fugitive dust source type within active operations, and will include at least the following specific best management practices (BMPs):</p> <ul style="list-style-type: none"> • Water soils daily and not more than 15 minutes prior to earth moving activities; • Water surfaces two times per day or more in order to maintain a surface crust to prevent soil erosion; • Apply soil conditioners or vegetative cover to areas that will be exposed for an extended duration; • Apply chemical stabilizers within five working days of ceasing grading; 	Construction	City DB&S SCAQMD County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency</u> ¹
	<ul style="list-style-type: none"> • Install of approved trackout prevention devices and provide street sweeping within the Project area; • Securely cover truck loads with a tarp; • Cease grading activities when wind speeds exceed 25 miles per hour; and • Permanently seal exposed surfaces as soon as possible after grading is finished; • Provide temporary wind fencing, consisting of wrapped chain links or solid fencing, around the sites that are being graded/excavated to reduce dirt/dust from being blown over to adjoining properties. 		
MM-11 EIR-F2 ZC-14-b	During each construction phase, the developer, with regard to the five development parcels and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements, shall utilize coatings and solvents that are consistent with applicable SCAQMD rules and regulations. The City's Department of Building and Safety, or other appropriate City agency or department, shall provide oversight with regard to compliance with this measure with regard to construction associated with the five development parcels and the Streetscape Program. The County's CEO or its designee shall determine compliance with regard to the Civic Park. The SCAQMD retains jurisdiction to enforce this measure in the case of non-compliance.	Construction	City DB&S SCAQMD County CEO
MM-12 EIR-F3 ZC-14-c	During each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements, shall comply with SCAQMD Rule 402 to reduce potential nuisance impacts due to odors from construction activities. The City's Department of Building and Safety, or other appropriate City agency or department, shall provide oversight with regard to compliance with this measure with regard to construction associated with the five development parcels and the Streetscape Program. The County's CEO or its designee shall provide oversight with regard to compliance with this measure with regard to the Civic Park. The SCAQMD retains jurisdiction to enforce this measure if it is not being complied with.	Construction	City DB&S SCAQMD County CEO
MM-13 EIR-F4 ZC-14-d	During each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall ensure that all haul truck tires shall be cleaned at the time these vehicles exit the Project site. The City's Department of Building and Safety, or other	Construction	SCAQMD City DB&S County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency¹</u>
	appropriate City agency or department, shall provide oversight with regard to compliance with this measure with regard to construction associated with the five development parcels and the Streetscape Program. The County's CEO or its designee shall provide oversight with regard to compliance with this measure with regard to the Civic Park. The SCAQMD retains jurisdiction to enforce this measure in the case of non-compliance.		
MM-14 EIR-F5 ZC-14-e	During each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall ensure that all export material carried by haul trucks shall be covered by a tarp or other means. The City's Department of Building and Safety, or other appropriate City agency or department, shall provide oversight with regard to compliance with this measure with regard to construction associated with the five development parcels and the Streetscape Program. The County's CEO or its designee shall provide oversight with regard to compliance with this measure with regard to the Civic Park. The SCAQMD retains jurisdiction to enforce this measure in the case of non-compliance.	Construction	SCAQMD City DB&S County CEO
MM-15 EIR-F6 ZC-14-f	During each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall ensure that all construction equipment shall be properly tuned and maintained in accordance with manufacturer's specifications. The City's Department of Building and Safety, or other appropriate City agency or department, shall determine compliance with this measure with regard to construction associated with the five development parcels and the Streetscape Program. The County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park.	Construction	City DB&S County CEO
MM-16 EIR-F7 ZC-14-g	During each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall ensure that construction equipment is maintained and operated so as to minimize exhaust emissions. During construction, trucks and vehicles in loading and unloading queues shall turn off their engines, when not in use, to reduce vehicle emissions. Construction emissions shall be phased and scheduled to avoid emissions peaks and discontinued during second-stage smog alerts. The City's Department of Building and	Construction	City DB&S County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency¹</u>
	Safety, or other appropriate City agency or department, shall determine compliance with this measure with regard to construction activities associated with the five development parcels and the Streetscape Program. The County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park.		
MM-17 EIR-F8 ZC-14-h	During each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall ensure that electricity rather than temporary diesel- or gasoline-powered generators shall be used to the extent feasible. The City's Department of Building and Safety, or other appropriate City agency or department, shall determine compliance with this measure with regard to construction associated with the five development parcels and the Streetscape Program. The County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park.	Construction	City DB&S County CEO
MM-18 EIR-F9 ZC-14-i	During each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall ensure that all construction vehicles shall be prohibited from idling in excess of five minutes, both on- and off-site. The City's Department of Building and Safety, or other appropriate City agency or department, shall determine compliance with this measure with regard to construction associated with the five development parcels and the Streetscape Program. The County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park.	Construction	City DB&S County CEO
MM-19 EIR-F10 ZC-14-j	During each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall ensure that heavy-duty construction equipment shall use alternative clean fuels, such as low sulfur diesel or compressed natural gas with oxidation catalysts or particulate traps, to the extent feasible. The City's Department of Building and Safety, or other appropriate City agency or department, shall determine compliance with this measure with regard to the five development parcels and the Streetscape Program. The County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park.	Construction	City DB&S County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency</u>
MM-20 EIR-F11 ZC-14-k	During each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall ensure that shuttle service shall be provided to construction workers who are required to park in offsite parking lots if such lots are not within a walking distance of 1100 feet from the respective construction sites. CRA/LA shall determine compliance with this measure with regard to construction associated with the five development parcels and the Streetscape Program. The County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park.	Construction	CRA/LA County CEO
MM-21 EIR-F12 ZC-14-l	During each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall equip major earth moving equipment, haul trucks, and excavation equipment with particulate filters and catalytic converters. The City's Department of Building and Safety, or other appropriate City agency or department, shall determine compliance with this measure with regard to construction associated with the five development parcels and the Streetscape Program. The County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park.	Construction	City DB&S County CEO
MM-22 RM-F3 ZC-14-m	During each construction phase, the developer with regard to the five development parcels, and the responsible parties for implementation of the Civic Park under the applicable agreements shall ensure that building materials, architectural coatings and cleaning solvents shall comply with all applicable SCAQMD rules and regulations. The City's Department of Building and Safety, or other appropriate City agency or department, shall determine compliance with this measure with regard to construction associated with the five development parcels. The County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park. The SCAQMD shall be responsible for the enforcement of this measure for all Project components in the case of non-compliance.	Construction	SCAQMD City DB&S County CEO
MM-23 EIR-F13 ZC-14-n	During Project operations, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park under the applicable agreements shall, to the extent feasible, ensure that deliveries are scheduled during off-peak traffic periods to encourage the reduction of trips during	Operations	City DB&S County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency¹</u>
	the most congested periods. The City's Department of Building and Safety, or other appropriate City agency or department, shall determine compliance with this measure, with regard to construction associated with the five development parcels. The County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park.		
MM-24 EIR-F14 ZC-14-o	During Project operations, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park, under the applicable agreements, shall coordinate with the MTA and the City of Los Angeles Department of Transportation (LADOT) to provide information to Project employees, residents and guests with regard to local bus and rail services. The City of Los Angeles Department of Transportation shall determine compliance with this measure with regard to the five development parcels and the Streetscape Program. The County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park.	Operations	LADOT County CEO
MM-25 EIR-F15 ZC-14-p	Provide the appropriate number of bicycle racks located at convenient locations in the Project site. The developer shall implement this measure with regard to the five development parcels prior to initial building occupancy for each construction phase, while the responsible parties for the implementation of the Civic Park, under the applicable agreements, shall implement these measures prior to the completion of each construction phase. The City's Department of Building & Safety shall review and approve the number and location of the bicycle racks with regard to the five development parcels. The County's CEO or its designee shall perform the same function with regard to the Civic Park.	Construction; Prior to the Certificate of Occupancy for each phase	City DB&S County CEO
MM-27 EIR-F16 ZC-14-q	During on-going Project operations, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park, under the applicable agreements, shall ensure that all fixtures used for lighting of exterior common areas shall be regulated by automatic devices to turn off lights when they are not needed, but a minimum level of lighting should be provided for safety. The City's Department of Building and Safety, or other appropriate City agency or department, shall determine compliance with this mitigation measure with regard to the five development parcels. The County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park.	Construction; Prior to the Certificate of Occupancy for each phase	City DB&S County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency¹</u>
MM-28 RM-F1 ZC-14-s	During Project operations, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park under the applicable agreements shall ensure that all point source facilities shall obtain all required permits from the SCAQMD. The issuance of these permits by the SCAQMD shall require the operators of these facilities to implement Best Available Control Technology and other required measures that reduce emissions of criteria air pollutants. Proof of permit issuance by the SCAQMD shall be provided to the City's Department of Building and Safety, or other appropriate City agency or department, with regard to the five development parcels, and the County's CEO or its designee with regard to the Civic Park. Compliance with point source permits shall be enforced by the SCAQMD for all Project components.	Operations	SCAQMD City DB&S County CEO
<u>Biological Resources</u>			
RM A-1	Project construction involving of on-site clearance of vegetation, excavation, or other construction activities shall avoid, to the extent feasible, from occurring between March 1 and August 31 (and between February 1 and August 31 for raptors). Prior to the completion of final plans and specifications for the Civic Park, the County Chief Executive Officer (CEO) or designee shall review the plans and specifications to ensure that the contractor is apprised of the requirements of the Migratory Bird Treaty Act (MBTA) and encouraged to schedule removal or relocation of mature trees and removal of other potential nesting habitat outside of the breeding season. In the event that the identified construction activities must occur within the specified time period, a qualified biologist acceptable to the County CEO shall complete weekly surveys within the Civic Park site that is subject to disturbance, and within 500 feet of the boundary of such areas, to determine if any protected native birds are present. The surveys shall continue on a weekly basis with the last survey being conducted no more than three days prior to the initiation of clearance/construction work. If an active nest is located within trees or other habitat scheduled for removal or relocation, or within 300 feet of the construction area, construction shall be suspended within 300 feet of the nest (500 feet for raptor nests) until such time a qualified biologist determines if construction activities are interfering with nesting activities. If construction activities are determined to not interfere with nesting activities, construction may continue with a biological monitor present. Should a tree or other habitat scheduled for removal or relocation be determined to contain an active nest, removal or relocation shall be delayed until	Prior to completion of final plans; and during construction	County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency¹</u>
	the nest is determined to be inactive or a permit is granted by the USFWS for take pursuant to the MBTA. The distance limits of construction to avoid a nest shall be identified in the field with flagging and stakes or construction fencing. Construction personnel shall be instructed on the sensitivity of the area. The County CEO or designee shall record the results of the protective measure above.		
<u>Fire Protection and Related Services</u>			
MM-32 RM-I.1-1 ZC-15-a	During demolition activities occurring during each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall ensure sure that emergency access shall remain clear and unobstructed. The LAFD shall determine compliance with this measure with regard to the five development parcels and the Streetscape Program. The County Fire Department (LACoFD) shall determine compliance with this measure with regard to the Civic Park.	Construction and demolition	LAFD LACoFD
MM-33 RM-I.1-2 ZC-15-b	Prior to each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park under the applicable agreements shall prepare, and thereafter implement, plans and specifications to ensure that the construction contractor is apprised of the requirement to maintain access to sub-surface parking structures associated with the Civic Center Mall, the Music Center, and the Colburn School for Performing Arts. The LAFD shall determine compliance with this measure with regard to the five development parcels. The LACoFD shall determine compliance with this measure with regard to the Civic Park.	Prior to start of construction	LAFD LACoFD
MM-34 RM-1.1-3 ZC-15-c	During each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall maintain access for emergency response personnel to the Kenneth Hahn Hall of Administration, the Paseo de los Pobladores de Los Angeles, the County Courthouse, the Colburn School for Performing Arts, and the Walt Disney Concert Hall. The LAFD shall determine compliance with this measure with regard to construction in the five development parcels and the Streetscape Program. The LACoFD shall determine compliance with this measure with regard to the Civic Park.	Construction	LAFD LACoFD

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency¹</u>
MM-35 RM-I.1-4 ZC-15-d	Prior to each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall prepare, and thereafter implement, a plan to ensure that emergency evacuation from the northwest side of the County Mall and Colburn School for Performing Arts, the southeast side of the Music Center and the Walt Disney Concert Hall would not be impeded by construction of the individual Project elements. With respect to the plan for the Mall, it must be prepared to coordinate with emergency evacuation plans for the Courthouse and the Hall of Administration. The LAFD shall determine compliance with this measure with regard to the five development parcels and the Streetscape Program. The LACoFD shall determine compliance with this measure with regard to the Civic Park.	Prior to start of construction	LAFD LACoFD
MM-36 RM-I.1-5 ZC-15-e	During each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall ensure that sufficient fire hydrants shall remain accessible at all times during Project construction. The LAFD shall determine compliance with this measure with regard to the five development parcels and the Streetscape Program. The LACoFD shall determine compliance with this measure with regard to the Civic Park.	Construction	LAFD LACoFD
RM-I.1-9	Prior to the start of each construction phase, the responsible parties for implementation of the Civic Park under the applicable agreements shall prepare, and thereafter implement, plans in accordance with LACoFD requirements, and requirements for necessary permits shall be satisfied prior to commencement of construction on any portion of the Civic Park. The LACoFD shall determine compliance with this measure with regard to the Civic Park.	Prior to start of construction	LACoFD
MM-40 RM-I.1-10 ZC-15-i	Prior to the start of each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall prepare, and thereafter implement, a plan that will assure that any required fire hydrants that are installed shall be fully operational and accepted by the Fire Department prior to any building construction. The LAFD shall determine compliance with this measure with regard to the five development parcels and the Streetscape Program. The LACoFD	Prior to start of construction	LAFD LACoFD

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency¹</u>
	shall determine compliance with this measure with regard to the Civic Park.		
MM-42 RM-I.1-12 ZC-15-k	Prior to the start of each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall prepare, and thereafter implement, engineering plans that show adequate fire flow and placement of adequate and required public and private fire hydrants. The LAFD shall determine compliance with this measure with regard to the five development parcels and the Streetscape Program. The LACoFD shall determine compliance with this measure with regard to the Civic Park.	Prior to start of construction	LAFD LACoFD
MM-43 RM-I.1-13 ZC-15-l	During each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park under the applicable agreements shall provide emergency access for Fire Department apparatus and personnel to and into all structures. The LAFD shall determine compliance with this measure with regard to the five development parcels. The LACoFD shall determine compliance with this measure with regard to the Civic Park.	Construction	LAFD LACoFD
MM-57 RM-I.1-27 ZC-15-z	Prior to the start of each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park under the applicable agreements, shall prepare, and thereafter implement, a plan that would not construct any building or portion of a building more than 300 feet from an approved fire hydrant. Distance shall be computed along path of travel with the exception that dwelling unit travel distance shall be computed to the front door of the unit. The LAFD shall determine compliance with this measure with regard to the five development parcels. The LACoFD shall determine compliance with this measure with regard to the Civic Park.	Prior to start of construction	LAFD LACoFD
RM-I.1-30	During operations of the Project, planning for large events at the Civic Park shall be implemented by the County or County Park Operator to reduce potential adverse affects on emergency access. As part of the planning process, representatives of the LACoFD, County Office of Public Safety, LAFD, LAPD and LADOT shall be advised of the activities and consulted to establish	Operations	LACoFD LA County Sheriff ⁴ LAFD LAPD LADOT

⁴ "LA County Sheriff" refers to the Los Angeles County Sheriff, as the successor to the Los Angeles County Office of Public Safety.

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency</u>
	appropriate procedures for crowd and traffic control. Plans shall be submitted to the County Chief Executive Officer for review and approval.		
<u>Hazards and Hazardous Materials</u>			
RM-H4	Prior to the start of each construction phase, the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements, shall undertake an appropriate investigation to ascertain whether any hazardous conditions would occur as a function of implementing the streetscape improvements along Grand Avenue and/or the Civic Park. Should elevated concentrations of contaminants be identified, appropriate measures shall be implemented in accordance with applicable regulations. The City's Department of Building and Safety, or other appropriate City agency or department, shall determine compliance with this measure with regard to the Streetscape Program. The County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park.	Prior to start of construction	City DB&S County CEO
RM-H5	Prior to demolition or renovation in the Civic Center Mall, the responsible parties for implementation of the Civic Park under the applicable agreements shall perform an asbestos-sampling survey to determine the presence of asbestos containing materials. If such materials should be found, the responsible parties for implementation of the Civic Park shall prepare and implement an Operations and Maintenance Plan that meets all applicable federal, state and local requirements. This plan shall safely maintain asbestos containing materials that remain on the site. The County's CEO or its designee shall determine compliance with this measure.	Prior to demolition	County CEO
MM-64 RM-H6 ZC-16-d	Prior to the start of any demolition activities or renovation on any painted surfaces at the Project site, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park under the applicable agreements shall conduct a survey of lead based paint (LBP) to determine the level of risk posed to maintenance personnel, construction workers, facility staff, and patrons from exposure to the paints present at the site. Any recommendations made in that survey related to the paints present at the Project site shall be implemented prior to the demolition or renovation of said painted surfaces. The City's Department of Building and Safety, or other appropriate City agency or department, shall determine compliance with this measure with regard to the five development parcels. The County's CEO or its	Prior to demolition or renovation	City DB&S County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency</u>
	designee shall determine compliance with this measure with regard to the Civic Park.		
<u>Historical Resources</u>			
EIR-D4	<p>Kenneth Hahn Hall of Administration. Should the final design for the Civic Park and the streetscape improvements not be implemented in substantial conformance with the Project's Conceptual Plan, prior to the start of each construction phase, the responsible parties for implementation of the Civic Park and Streetscape Program, under the applicable agreements, shall submit plans to the Authority, for review and approval to ensure that impacts to the potential eligibility of the Kenneth Hahn Hall of Administration as a contributing property to the potentially eligible Los Angeles Civic Center Historic District are reduced to the maximum extent practicable through implementation of the following mitigation measure:</p> <p>a. Prior to implementation, the final design plans for the Civic Park and the Grand Avenue streetscape improvements shall be reviewed by a qualified architectural historian or historic preservation consultant who satisfies the Secretary of the Interior's Professional Qualification Standards for History or Architectural History to assure that the final designs for the Civic Park and streetscape improvements do not materially alter the Kenneth Hahn Hall of Administration's potential historic significance. This evaluation shall be conducted in accordance with the Secretary of the Interior's Standards. The County's CEO or its designee shall determine compliance for the Civic Park and the City's Department of Building and Safety shall determine compliance for the Streetscape Program.</p>	Prior to start of construction	County CEO City DB&S
EIR-D9	<p>Los Angeles City Hall. No mitigation measures are required if the final design for the Civic Park is in substantial conformance to that set forth in the Project's Conceptual Plan, as determined by the Authority, since such Plan is consistent with the Secretary of Interior's Standards for Rehabilitation of Historic Buildings and the Guidelines for the Treatment of Cultural Landscapes (collectively referred to as the "Standards"). However, should the final design for the Civic Park not be implemented in substantial conformance with the Project's Conceptual Plan, prior to the start of each construction phase, the responsible parties for implementation of the Civic Park under the applicable agreements shall submit plans to the Authority, for review and approval to ensure that impacts to those historic characteristics that make the Los Angeles City</p>	Prior to start of construction	Authority County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency¹</u>
	<p>Hall building historically significant as a designated resource and as a contributing property to the potentially eligible Los Angeles Civic Center Historic District, are reduced to the maximum extent practicable through implementation of the following mitigation measure:</p> <p>a. Prior to implementation the final design plans for the Civic Park shall be reviewed by a qualified architectural historian or historic preservation consultant who satisfies the Secretary of the Interior's Professional Qualification Standards for History or Architectural History to assure that the proposed Civic Park design does not materially alter the historic significance of the Los Angeles City Hall. This evaluation shall be conducted in accordance with the Secretary of the Interior's Standards.</p>		
EIR-D10	<p>Los Angeles County Law Library. Should the final design for the Civic Park not be implemented in substantial conformance with the Project's Conceptual Plan, prior to the start of each construction phase, the responsible parties for implementation of the Civic Park under the applicable agreements shall submit plans to the Authority, for review and approval to ensure that impacts to the potential eligibility of the potentially eligible Los Angeles County Law Library as a contributing property to the Los Angeles Civic Center Historic District are reduced to the maximum extent practicable through implementation of the following mitigation measure:</p> <p>a. Prior to implementation, the final design plans for the Civic Park shall be reviewed by a qualified architectural historian or historic preservation consultant who satisfies the Secretary of the Interior's Professional Qualification Standards for History or Architectural History to assure that the proposed Civic Park design does not materially alter the Los Angeles County Law Library's potential historic significance. This evaluation shall be conducted in accordance with the Secretary of the Interior's Standards.</p>	Prior to start of construction	Authority County CEO
EIR-D11	<p>Los Angeles County Courthouse. Should the final design for the Civic Park and the streetscape improvements not be implemented in substantial conformance with the Project's Conceptual Plan, prior to the start of each construction phase, the responsible parties for implementation of the Civic Park and the Streetscape Program under the applicable agreements shall submit plans to the Authority, for review and approval to ensure that impacts to the potential eligibility of the Los Angeles County Courthouse as a contributing property to the potentially eligible Los</p>	Prior to start of construction	County CEO City DB&S

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency¹</u>
	<p>Angeles Civic Center Historic District are reduced to the maximum extent practicable through implementation of the following mitigation measure:</p> <p>a. Prior to implementation, the final design plans for the Civic Park and the Grand Avenue streetscape improvements shall be reviewed by a qualified architectural historian or historic preservation consultant who satisfies the Secretary of the Interior's Professional Qualification Standards for History or Architectural History to assure that the proposed final designs for the Civic Park and streetscape improvements do not materially alter the Los Angeles County Courthouse's potential historic significance. This evaluation shall be conducted in accordance with the Secretary of the Interior's Standards. The County's CEO or its designee shall determine compliance for the Civic Park and the City's Department of Building and Safety shall determine compliance for the Streetscape Program.</p>		
EIR-D5	<p>Civic Center Mall (El Paseo de los Pobladores de Los Angeles). Prior to the start of each construction phase, the responsible parties for implementation of the Civic Park under the applicable agreements shall submit plans to the Authority, for review and approval to ensure that impacts to the potential eligibility of the Civic Center Mall for listing in the California Register is reduced to the maximum extent practicable. However, in the event that any one or more of the following occurs: (1) the water feature (both the fountain and pools) no longer serves as a focal point for the park; (2) many of the pink granite clad planters, pink granite clad retaining walls, and concrete benches are not retained and reused in-place or within the reconfigured park preferably near the water feature and adjacent to the civic buildings; (3) the existing elevator shaft structures are removed in their totality, or (4) many of the light poles with saucer-like canopies and the "hi-fi" speaker poles with saucer-like canopies are not retained in-place or relocated adjacent to or integrated along with the water feature, benches, retaining walls, and planter boxes, then the Standards shall be utilized to ensure that rehabilitation work to the four character-defining features of the park referenced in this mitigation measure does not impair the historic characteristics that convey the Civic Center Mall's historical significance as an individual resource and as a contributing property to the potentially eligible Los Angeles Civic Center Historic District. If such compliance with such Standards cannot be achieved, then the following measures shall apply to the</p>	Prior to issuance of building permits	Authority County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency¹</u>
	<p>applicable character-defining features identified in this Measure:</p> <p>Recordation. Prior to the issuance of a demolition permit for the Civic Center Mall and its associated features, a Historic American Building Survey (HABS) Level II-like recordation document shall be prepared for the Civic Center Mall. A qualified architectural historian or historic preservation consultant who satisfies the Secretary of the Interior's Professional Qualification Standards for History of Architectural History shall prepare this document. The HABS-like document shall record the existing landscape and hardscape features of the Civic Center Mall, including the four character-defining features identified in this measure. The report shall also document the history and architectural significance of the property and its contextual relationship with the surrounding civic buildings and environment. Its physical composition and condition, both historic and current, should also be noted in the document through the use of site plans, historic maps and photographs, and large-format photographs, newspaper articles and written text. A sufficient number of large-format photographs shall be taken of the resource to visually capture its historical and architectural significance through general views and detail shots. Field photographs (35mm or digital format) may also be included in the recordation package. All document components and photographs should be completed in accordance with the Secretary of the Interior's Standards and Guidelines for Architectural and Engineering Documentation. Archival copies of the report, including the original photographs, shall be submitted to the California Office of Historic Preservation and the Huntington Library. Non-archival copies of the report and photographs shall be submitted to the County of Los Angeles, the City of Los Angeles Planning Department, the Los Angeles Public Library (main branch), and the Los Angeles Conservancy Modern Committee.</p> <p>Salvage and Reuse of Key Park Features. Prior to the removal of the four character-defining features identified in this measure, a qualified preservation consultant and landscape architect shall make an inventory of significant landscape and hardscape elements. Where feasible, these materials and elements shall be itemized, mapped, photographed, salvaged, and incorporated into the new design of the park, wherever possible. To the extent salvageable materials cannot be reused on-site, they shall be</p>		

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency</u>
	disposed of in accordance with applicable county surplus procedures.		
EIR-D6	<p>Hall of Records. No mitigation measures are required if the final design for the Civic Park is in substantial conformance to that set forth in the Project's Conceptual Plan, as determined by the Authority, since such Plan is consistent with the Secretary of Interior's Standards of Rehabilitation of Historic Buildings and the Guidelines for the Treatment of Cultural Landscapes (collectively referred to as the "Standards"). However, should the final design for the Civic Park not be implemented in substantial conformance with the Project's Conceptual Plan, prior to the start of each construction phase, the responsible parties for implementation of the Civic Park under the applicable agreements shall submit plans to the Authority, for review and approval to ensure that impacts to the potential eligibility of the Hall of Records building as a contributing property to the potentially eligible Los Angeles Civic Center Historic District are reduced to the maximum extent practicable through implementation of the following mitigation measure:</p> <p>Prior to the implementation, the final design plans for the Civic Park shall be reviewed by a qualified architectural historian or historic preservation consultant who satisfies the Secretary of the Interior's Professional Qualification Standards for History or Architectural History to assure that the proposed Civic Park design does not materially alter the Hall of Records' potential historic significance. This evaluation shall be conducted in accordance with the Secretary of the Interior's Standards.</p>	Prior to start of construction	Authority County CEO
EIR-D7	<p>Court of Flags. No mitigation measures are required if the final design for the Civic Park is in substantial conformance with that set forth in the Project's Conceptual Plan, as determined by the Authority, since such Plan is consistent with the Secretary of Interior's Standards of Rehabilitation of Historic Buildings and Guidelines for the Treatment of Cultural Landscapes (collectively referred to as the "Standards"). However, should the final design for the Civic Park not be implemented in substantial conformance with the Project's Conceptual Plan, prior to the start of each construction phase, the responsible parties for implementation of the Civic Park under the applicable agreements shall submit plans to the Authority for review and approval to ensure that impacts to the potential eligibility of the Court of Flags as a contributing property to the potentially eligible Los</p>	Prior to start of construction	Authority County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency</u>
	<p>Angeles Civic Center Historic District are reduced to the maximum extent practicable through implementation of the following mitigation measure:</p> <p>Prior to implementation, the final design plans for the Civic Park shall be reviewed by a qualified architectural historian or historic preservation consultant who satisfies the Secretary of the Interior's Professional Qualification Standards for History or Architectural History to assure that the proposed Civic Park design does not materially alter the Court of Flag's potential historic significance. This evaluation shall be conducted in accordance with the Secretary of the Interior's Standards.</p>		
EIR-D8	<p>Clara Shortridge Foltz Criminal Justice Center. No mitigation measures are required if the final design for the Civic Park is in substantial conformance to that set forth in the Project's Conceptual Plan, as determined by the Authority, since such Plan is consistent with the Secretary of Interior's Standards of Rehabilitation of Historic Buildings and the Guidelines for the Treatment of Cultural Landscapes (collectively referred to as the "Standards"). However, should the final design for the Civic Park not be implemented in substantial conformance with the Project's Conceptual Plan, prior to the start of each construction phase, the responsible parties for implementation of the Civic Park under the applicable agreements shall submit plans to the Authority, for review and approval to ensure that impacts to the potential eligibility of the Clara Shortridge Foltz Criminal Justice Center as a contributing property to the potentially eligible Los Angeles Civic Center Historic District are reduced to the maximum extent practicable through implementation of the following mitigation measure:</p> <p>Prior to implementation, the final design plans for the Civic Park shall be reviewed by a qualified architectural historian or historic preservation consultant who satisfies the Secretary of the Interior's Professional Qualification Standards for History of Architectural History to assure that the proposed Civic Park does not materially alter the Clara Shortridge Foltz Criminal Justice Center's potential historic significance. This evaluation shall be conducted in accordance with the Secretary of the Interior's Standards.</p>	Prior to start of construction	Authority County CEO
COA-7	The developer shall comply with the City's and CRA/LA standard paleontological condition and applicable State of California regulations, which require that during excavation and grading, if paleontological resources are	Construction	City DB&S CRA/LA County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency</u>
	uncovered, all work in that area shall cease and be diverted and the area of discovery protected so as to allow a qualified paleontologist to determine the value of the resource and, in consultation with appropriate agencies, determine an appropriate treatment plan. Construction activities in that area may resume once the uncovered resources are collected by a paleontologist, as appropriate, and properly processed.		
<u>Noise</u>			
MM-65 EIR-G1 ZC-17-a	To reduce any impact on nearby venues that may be noise sensitive receptors, such as the Music Center, Disney Concert Hall, and the County Courthouse, the following Measures G-1 and G-2 shall be implemented as follows: During each construction phase, the developer, with regard to the five development parcels and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall limit (i) construction activities utilizing heavy equipment to Monday through Friday from 7:00 a.m. to 8:00 p.m., and (ii) interior construction work inside building shells and construction activities not utilizing heavy equipment to 7:00 a.m. to 9 p.m. Monday through Friday. Saturday construction shall be limited to 8:00 a.m. to 6 p.m. No exterior construction activities shall be permitted on Sundays or holidays per applicable City regulations. Construction noise measures shall also be implemented, which may include the use of noise mufflers on construction equipment used within 100 feet of these buildings. The City's Department of Building and Safety or other appropriate City agency or department, shall determine compliance with this measure with regard to the five development parcels and the Streetscape Program. The County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park.	Construction	City DB&S County CEO
MM-66 EIR-G2 ZC-17-b	During each construction phase, the developer, with regard to the five development parcels and the responsible parties for implementation of the Streetscape Program shall not use heavy equipment within (to the maximum extent practicable) 100 feet of the County Courthouse building while Court is in session. Construction contracts must specify that all construction equipment shall be in proper operating condition and fitted with standard factory silencing features and other applicable attenuation devices such as mufflers. The City's Department of Building and Safety or other appropriate City agency or department shall determine compliance with this measure with regard to the five development parcels and the Streetscape Program. The	Construction	City DB&S County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency¹</u>
	County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park.		
MM-68 EIR-G4 ZC-17-d	During each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall ensure that pile drivers within the individual activity/development site under construction at that time shall be equipped with noise control devices having a minimum quieting factor of 10 dBA. The City's Department of Building and Safety, or other appropriate City agency or department, shall determine compliance with this measure with regard to construction in the five development parcels and the Streetscape Program. The County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park.	Construction	City DB&S County CEO
MM-69 EIR-G5 ZC-17-e	During each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall, except as otherwise permitted by applicable agreements, ensure that construction loading and staging areas shall be located on the Project site within each respective construction site and away from noise-sensitive uses to the extent feasible. The City's Department of Building and Safety, or other appropriate City agency or department, shall determine compliance with this measure with regard to construction in the five development parcels and the Streetscape Program. The County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park	Construction	City DB&S County CEO
MM-70 EIR-G6 ZC-17-f	Prior to the issuance of grading permits for each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements, shall prepare, and thereafter implement, plans and specifications that include a requirement to route pedestrians (to the maximum extent practicable) 50 feet away from the construction area when heavy equipment such as hydraulic excavators are in use. Such routing may include the posting of signs at adjacent intersections. The City's Department of Building and Safety, or other appropriate City agency or department, shall determine compliance with this measure with regard to the five development parcels and the Streetscape Program. The County's CEO or its designee shall	Prior to issuance of grading permits	City DB&S County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency¹</u>
	determine compliance with this measure with regard to the Civic Park.		
MM-71 EIR-G7 ZC-17-g	During each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements, shall designate a construction relations officer to serve as a liaison with surrounding property owners who is responsible for responding to any concerns regarding construction noise. The liaison shall coordinate with the Project construction manager(s) to implement remedial measures in the shortest time feasible. The liaison's telephone number(s) shall be prominently displayed at multiple locations along the perimeter of each construction site. The City's Department of Building and Safety, or other appropriate City agency or department, shall determine compliance with this measure with regard to the five development parcels and the Streetscape Program. The County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park.	Construction	City DB&S County CEO
<u>Police Protection Services</u>			
MM-74 RM-I.2-1 ZC-18-a	During each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements, shall provide clear and unobstructed LAPD access to the construction site. The LAPD shall determine compliance with this measure with regard to the five development parcels and the Streetscape Program. The County Office of Public Safety shall determine compliance with this measure with regard to the Civic Park.	Construction	LAPD LA County Sheriff
RM-I.2-4	Prior to the start of each construction phase, the responsible parties for implementation of the Civic Park under the applicable agreements shall submit plot plans for all proposed development to the County Office of Public Safety for review and comment. Security features subsequently recommended by the Office of Public Safety shall be implemented by the County or County Park Operator to the extent feasible	Prior to start of construction	LA County Sheriff
MM-78 RM-I.2-6 ZC-18-e	During Project operations, the developer, with regard to the five development parcels and the responsible parties for implementation of the Civic Park shall install alarms and/or locked gates on doorways providing public access to commercial facilities. The LAPD shall determine compliance with this measure with regard to	Operations	LAPD LA County Sheriff

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency</u>
	the five development parcels. The County Office of Public Safety shall determine compliance with this measure with regard to the Civic Park.		
MM-80 RM-I.2-8 ZC-18-g	Additional lighting shall be installed where appropriate, including on the Project site and in parking garages, as determined in consultation with the LAPD with regard to the five development parcels and the County Office of Public Safety with regard to the Civic Park. The developer shall implement this measure with regard to the five development parcels prior to initial building occupancy for each construction phase, while the responsible parties for the implementation of the Civic Park and Streetscape Program under the applicable agreements shall implement these measures prior to the completion of construction for each of those Project components.	Prior to issuance of Certificate of Occupancy	LAPD LA County Sheriff
MM-81 RM-I.2-9 ZC-18-h	Prior to the start of each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements, shall prepare, and thereafter implement, a plan that incorporates safety features into the Project's design to assure pedestrian safety, assist in controlling pedestrian traffic flows, and avoid pedestrian/vehicular conflicts on-site. Safety measures may include the provision of security personnel; clearly designated, well-lighted pedestrian walkways on-site; special street and pedestrian-level lighting; physical barriers (e.g., low walls, landscaping), particularly around the perimeter of the parking garages, to direct pedestrians to specific exit locations that correspond to designated crosswalk locations on adjacent streets. The LAPD shall determine compliance with this measure with regard to the five development parcels. The County Office of Public Safety shall determine compliance with this measure with regard to the Civic Park.	Prior to start of construction	LAPD LA County Sheriff
MM-83 RM-I.2-11 ZC-18-j	Prior to the issuance of a certificate of occupancy for each construction phase and on-going during operations, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park under the applicable agreements, shall develop, and thereafter implement, an Emergency Procedures Plan to address emergency concerns and practices. The plan shall be subject to review by the LAPD with regard to the five development parcels and the County Office of Public Safety with regard to the Civic Park, and any provisions pertaining to access would be subject to approval by LADOT.	Prior to issuance of Certificate of Occupancy	LAPD LA County Sheriff County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency</u>
<u>Solid Waste</u>			
MM-86 RM-J.3-2 ZC-22-b	Prior to the issuance of each certificate of occupancy, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements, shall prepare, and thereafter implement, a plan that designs all structures constructed or uses established within any part of the proposed Project site to be permanently equipped with clearly marked, durable, source sorted recyclable bins at all times to facilitate the separation and deposit of recyclable materials. The City's Department of Public Works, or other appropriate City agency or department, shall determine compliance with this measure with regard to the five development parcels and the Streetscape Program. The County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park.	Prior to issuance of Certificate of Occupancy	City DPW County CEO
MM-87 RM-J.3-3 ZC-22-c	Prior to the issuance of each certificate of occupancy, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park under the applicable agreements, shall prepare, and thereafter implement, a plan that designs primary collection bins to facilitate mechanized collection of such recyclable wastes for transport to on- or off-site recycling facilities. The City's Department of Building and Safety, or other appropriate City agency or department, shall determine compliance with this measure with regard to the five development parcels. The County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park.	Prior to issuance of Certificate of Occupancy	City DB&S County CEO
MM-88 RM-J.3-4 ZC-22-d	During Project operations, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements, shall continuously maintain in good order for the convenience of businesses, patrons, employees and park visitors clearly marked, durable and separate bins on the same lot, or parcel to facilitate the commingled recyclables and deposit of recyclable or commingled waste metal, cardboard, paper, glass, and plastic therein; maintain accessibility to such bins at all times, for collection of such wastes for transport to on- or off-site recycling plants; and require waste haulers to utilize local or regional material recovery facilities as feasible and appropriate. The City's Department of Building and Safety, or other appropriate City agency or department, shall determine compliance with this measure with regard to the five development parcels and the Streetscape Program. The County's CEO or its	Operations	City DB&S County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency¹</u>
	designee shall determine compliance with this measure with regard to the Civic Park.		
MM-89 RM-J.3-5 ZC-22-e	During each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements, shall implement a demolition and construction debris recycling plan, with the explicit intent of requiring recycling during all phases of site preparation and building construction. The City's Department of Building and Safety, or other appropriate City agency or department, shall review and approve the plan with regard to the five development parcels and the Streetscape Program. The County's CEO or its designee shall review and approve the plan with regard to the Civic Park.	Construction	City DB&S County CEO
<u>Traffic, Circulation and Parking</u>			
MM-90 EIR-B1 ZC-21-a	The developer with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements, shall prepare, prior to the start of each construction work phase, a Construction Traffic Control/Management Plan (Plan) to be approved by the City of Los Angeles Department of Transportation (LADOT) and implemented by the responsible party. The Plan shall include, but not be limited to, Project scheduling, the location and timing of any temporary lane closures, traffic detours, haul routes, temporary roadway striping, and signage for traffic flow, as necessary, as well as the identification and signage of alternative pedestrian routes in the immediate vicinity of the Project, if necessary. The Plan should also provide for the coordination of construction areas, and for safe pedestrian movement throughout the Project Area such that adequate and safe pedestrian movement access is maintained to adjacent uses including the Walt Disney Concert Hall, the Music Center, the County Courthouse, and the Metro Red Line station portals (on Parcel W-2 and on the Court of Flags).	Construction; prior to issuance of building permits for each phase	LADOT County CEO
MM-91 EIR-B2 ZC-21-b	After approval of the Construction Traffic Control/Management Plan(s) required under MM-90/EIR-B-1 and prior to the start of each construction work phase, the developer with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements, shall submit a copy of the Plan(s) to the Authority or other appropriate agency, the City Chief Administrative Officer or designee, and the	Construction; prior to issuance of building permits for each phase	Authority City CAO County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency¹</u>
	County of Los Angeles Chief Executive Officer. Following receipt of the Plan(s), the County CEO shall distribute that information to all County properties on Grand Avenue, including the Hall of Administration, County Courthouse, the Walt Disney Concert Hall, and the Music Center, for further distribution of information to employees and visitors on construction schedules, alternative travel routes, and land and sidewalk closure information, as appropriate, and the Authority or other appropriate agency, or the City, shall distribute to the appropriate City departments for the same purposes.		
MM-92 EIR-B3 ZC-21-c	Prior to the start of each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements, shall enter into one or more temporary arrangements with parking garages in the area of the Project, or with surface lot operators elsewhere in downtown or its periphery, to provide a sufficient supply of off-street spaces for the construction workers during Project construction, and will require all construction workers to use these designated parking spaces. These temporary arrangements shall be to the satisfaction of (i) CRA/LA or (ii) the County's CEO or its designee	Construction; prior to issuance of building permits for each phase	CRA/LA County CEO
MM-95 EIR-B6 ZC-21-f	<p>The following menu of mitigation measures (MMs) has been developed to further reduce the Project's potential traffic and circulation impacts. The term "menu" refers to the various ways that each of the following measures can be implemented to achieve trip reduction. Selection shall be coordinated with the LADOT, who shall determine which of the MMs are to be implemented.</p> <p>1. Provide enhanced walking connections along the Project street frontages to transit service (to bus stops and to the Red Line station portals at First Street and Hill Street). These could comprise pedestrian amenities along the Project's street frontages, including landscaped sidewalks, wider crosswalks where feasible at key intersections, improved lighting for pedestrian safety at nighttime, and pedestrian wayfinding signage, to facilitate walking in the Project area. The developer shall implement this measure with regard to the five development parcels prior to initial building occupancy for each development phase; while, the responsible parties for the implementation of the Civic Park and Streetscape Program, under the applicable agreements, shall implement these measures prior to the completion of construction for each of these Project components.</p>	Prior to issuance of Certificate of Occupancy for each phase as determined by LADOT, except for Flexcar, which should be implemented during Operation	LADOT County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency¹</u>
	<p>2. The developer, as determined by LADOT and prior to initial building occupancy for each development phase, shall provide enhanced bus stops on the street frontages of the five development parcels. These enhanced bus stops may include bus shelters with passenger amenities such as benches, shaded areas, and transit information that could be integrated into the overall urban design/landscaping of the Project.</p> <p>3. Provide transit information kiosks at various strategic locations on the Project site. The developer shall implement this measure with regard to the five development parcels prior to initial building occupancy for each development phase; while, the responsible parties for the implementation of the Civic Park and Streetscape Program, under the applicable agreements, shall implement these measures prior to the completion of construction for each of those Project components.</p> <p>4. The developer, with regard to the five development parcels, shall participate in an on-going basis during Project operations, in a Share-Car program (e.g., Flexcar) that makes cars available to registered members. It is anticipated that up to three on-street parking spaces, subject to a determination of feasibility by LADOT, could be provided at key locations adjacent to the Project frontage for up to three Share-Cars. The Share-Cars could be available to both Project and non-Project users as long as they were members of the Share-Car program. The Project shall support a Share-Car organization's application to the City, and following any implementation of such application shall promote the Share-Car concept and encourage its usage with Project residents and tenants.</p> <p>5. Provide improved vehicular directional signage on surface streets approaching and within the Project area to direct vehicles to specific destinations and parking locations, as appropriate, to minimize vehicles circulating in the Project area. Such signage should be approved to the satisfaction of LADOT. The developer shall implement this measure with regard to the five development parcels prior to initial building occupancy for each development phase; while, the responsible parties for the implementation of the Civic Park under the applicable agreements, shall implement these measures prior to the completion of construction for the Civic Park.</p>		
COA-1	The developer shall meet on an ongoing basis with the Music Center to exchange all necessary information and formulate programs so as to best ensure that the Music Center's activities would not be significantly disrupted by the construction of the Project.	Prior to Construction	LADOT County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency</u>
COA-2	The developer shall meet on an ongoing basis with the Los Angeles Superior Courthouse to exchange all necessary information and formulate programs so as to best ensure that the Los Angeles Superior Courthouse's activities would not be significantly disrupted by the construction of the Project.	Prior to Construction	LADOT County CEO
COA-3	The developer shall meet on an ongoing basis with the Colburn School to exchange all necessary information and formulate programs so as to best ensure that the Colburn School's activities would not be significantly disrupted by the construction of the Project.	Prior to Construction	LADOT County CEO
COA-4	The developer shall coordinate the construction of the Project so that the standard shift from Mondays through Fridays for the majority of the Project's construction workers shall be 7:00 A.M. to 3:30 P.M.	Construction	CRA/LA County CEO
COA-5	The developer shall offer a transit pass to any worker who agrees to not travel to the Project site by personal vehicle and forego a space in the parking lot designated for the Project's construction workers for the duration of the phase of construction for which that worker has been hired.	Construction	CRA/LA County CEO
COA-6	The developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements, shall coordinate with the Transportation Branch of the Los Angeles Unified School District (LAUSD) in developing the Construction Traffic Control/Management Plan required by Mitigation Measure B-1 to ensure that the construction of the Project will not significantly disrupt the operation of LAUSD campuses in the Project area, including existing school bus routes and pedestrian routes. The County's CEO or its designee shall ensure compliance with this measure with regard to the Civic Park.	Construction	LADOT County CEO
<u>Wastewater</u>			
MM-97 RM-J.2-1 ZC-24-a	Prior to the start of each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park shall comply with City ordinances limiting connections to the City sewer system, in accordance with City Bureau of Sanitation procedures. The City's Department of Public Works, or other appropriate City agency or department, shall determine compliance with this measure with regard to the five development parcels. The County's CEO or its designee shall ensure compliance with this measure.	Prior to start of each construction phase	City DPW County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency¹</u>
MM-98 RM-J.2-2 ZC-24-b	Prior to the start of each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park Plan, shall prepare, and thereafter implement, building plan specifications for the installation of low-flow water fixtures and further encourage reduction of water consumption to minimize wastewater flow to the sewer system, in accordance with applicable water conservation requirements. The City's Department of Building and Safety, or other appropriate City agency or department, shall determine compliance with this measure with regard to the five development parcels. The County's CEO or its designee shall ensure compliance with this measure.	Prior to start of each construction phase	City DB&S County CEO
<u>Water Supply</u>			
MM-100 RM-J.1-1 ZC-23-b	Prior to the start of each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements, shall call DIG-ALERT to identify and mark on the ground surface the locations of existing underground utilities. The City's Department of Building and Safety, or other appropriate City agency or department, shall determine compliance with this measure with regard to the five development parcels and the Streetscape Program. The County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park.	Prior to start of each construction phase	City DB&S County CEO
MM-101 RM-J.1-2 ZC-23-c	Prior to the start off each construction phase, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements shall perform potholing of existing water and gas mains to verify the depth of cover. If the depth of cover over the lines is shallow and the total street pavement section is thick (around 24 inches), then the temporary cover over the lines during construction may be reduced to 12 inches or less. Under these circumstances, protective measures shall be implemented to prevent damage or breakage of the lines during the pavement sub-grade preparation process. Notices of service interruption, if necessary, shall be provided to customers in accordance with DWP-Water and ACG requirements. The City's Department of Building and Safety, or other appropriate City agency or department, shall determine compliance with this measure with regard to the five development parcels and the Streetscape Program. The County's CEO or its designee shall determine compliance with this measure with	Prior to start of each construction phase	City DB&S County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency¹</u>
	regard to the Civic Park.		
MM-103 RM-J.1-4 ZC-23-e	Prior the issuance of building permits for each construction phase, the developer, with regard to the five development parcels and the responsible parties for implementation of the Civic Park Plan under the applicable agreements, shall coordinate with the Los Angeles Department of Water and Power to conduct a flow test to confirm that the existing water system meets fire flow requirements imposed by the LAFD for the Project. The developer, with regard to the five development parcels and the responsible parties for implementation of the Civic Park Plan under the applicable agreements, shall undertake and complete required improvements as identified by the LADWP, based on the findings of the flow test. The City's Department of Public Works, or other appropriate City agency or department, shall determine compliance with this measure with regard to the five development parcels. The County's CEO Department of shall determine compliance with this measure with regard to the Civic Park.	Prior to issuance of building permits	LADWP LAFD LADPW County CEO
MM-105 RM-J.1-6 ZC-23-g	During Project operations, incorporate Los Angeles County water conservation policies into the operation of the Civic Park, and the County Office Building, if the Project proceeds with the County office building option. The responsible parties for the implementation of the Civic Park under the applicable agreements, and the County with regard to the County Office Building, if the Project proceeds with the County office building option, shall be responsible for implementing this measure. The implementation of this measure shall be subject to the review and approval of the County's CEO or its designee.	Operations	County CEO
MM-106 RM-J.1-7 ZC-23-h	During Project operations, the developer, with regard to the five development parcels, and the responsible parties for implementation of the Civic Park and Streetscape Program under the applicable agreements and the County Office Building operator shall comply with any additional mandatory water use restrictions imposed as a result of drought conditions. The City's Department of Public Works, or other appropriate City agency or department, shall determine compliance with this measure with regard to the five development parcels and the Streetscape Program. The County's CEO or its designee shall determine compliance with this measure with regard to the Civic Park.	Operations	LADPW County CEO
MM-107 RM-J.1-8	During Project operations, the developer, with regard to the five development parcels, and the responsible	Operations	LADPW County CEO

	<u>Measure/Feature</u>	<u>Monitoring Period</u>	<u>Enforcement/ Monitoring Agency¹</u>
ZC-23-i	parties for implementation of the Civic Park and Streetscape Program under the applicable agreements, shall install automatic sprinkler systems to irrigate landscaping during morning hours or during the evening to reduce water losses from evaporation, and sprinklers shall be reset to water less often in cooler months and during the rainfall season so that water is not wasted by excessive landscape irrigation. The City's Department of Public Works, or other appropriate City agency or department, shall determine compliance with this measure with regard to the five development parcels.		

EXHIBIT F

LOCAL HIRING RESPONSIBILITIES OF CONSTRUCTION EMPLOYERS WORKING ON THE CIVIC PARK

I. Purpose. This document sets forth the responsibilities of Construction Employers related to the hiring of Local Residents, including Local Low Income Residents, in connection with work on the Grand Avenue Project.

II. Definitions.

“Area Median Income” (“AMI”) means the area median income for the Los Angeles-Long Beach Metropolitan Statistical Area, as determined annually by the Department of Housing and Urban Development (HUD), adjusted for actual household size.

“At-Risk Individual” means a Lower Income Individual who has one of the following barriers to employment: is homeless; lacks English language and literacy skills; lacks a GED or high school diploma; is a single parent or a welfare recipient; has history of involvement with criminal justice system; or has significant gaps in work history.

“Authority” means The Los Angeles Grand Avenue Authority, a California joint powers authority, as specifically defined in the Disposition and Development Agreement.

“City” means the City of Los Angeles, a charter city and municipal corporation duly organized and existing under the Constitution and laws of the State of California.

“Community Employment Area” means the area which includes all areas within five miles of the Project.

“Construction Employer” means a Developer, Contractor or Subcontractor performing construction-related work on the Project that has a total cost of \$250,000 or more.

“Contractor” means a general or prime contractor (individual, partnership, corporation, joint venture or other legal entity) awarded a contract by the Developer or County for construction work at the Project.

“Core Employee” means an employee whose name appears on a Contractor or Construction Employer’s active payroll for sixty (60) of the one hundred (100) working days before award of the contract for work on the Project.

“CRA” means The Community Redevelopment Agency of the City of Los Angeles, California.

“Craft Request Form” means the form to be used by each Construction Employer to request employees for the work on the Project.

“Developer” means Grand Avenue L. A., LLC, a Delaware limited liability company, as specifically defined in the Disposition and Development Agreement. Whenever the term

“Developer” is used herein, such term shall include any permitted nominee, transferee or partner, assignee or successor in interest of Developer as provided in the Disposition and Development Agreement.

“Disposition and Development Agreement” means the agreement between the Developer and County relating to the development of the Project and the lease of the Project site.

“High Unemployment Zip Code” means one of the following zip codes: 90012, 90017, 90071, 90013, 90014, 90015, 90021, 90018, 90062, 90037, 90011, 90003, 90001, 90033; provided these zip codes contain all of a portion of at least one census tract located within County of Los Angeles with a rate of unemployment in excess of fourteen percent (14%) as reported by the State of California Employment Development Department.

“Jobs Coordinator” means a coordinator designated by the CRA to facilitate implementation of the requirements of this Exhibit F.

“Local Low-Income Resident” means: (a) a Lower Income Individual whose primary residence or place of employment is in the Community Employment Area; or (b) an At-Risk Individual whose primary place of residence is within the Community Employment Area.

“Local Resident” means: (a) an individual whose primary place of residence is within the Community Employment Area; (b) any Local Low-Income Resident; (c) any At-Risk Individual whose primary place of residence is within the Community Employment Area; or (d) an individual whose primary place of residence is within a High Unemployment Zip Code.

“Lower Income Individual” means an individual whose household income qualifies as Low under the definitions as set forth in California Health & Safety Code §§ 50079.5.

“Project” means the project commonly known as the Grand Avenue Project consisting of a mixed use development project located in the vicinity of Grand Avenue and Upper Second Street in downtown Los Angeles, California and undertaken by the Developer pursuant to the Disposition and Development Agreement, as specifically defined in the Disposition and Development Agreement.

“Subcontractor” means any entity that contracts with a Contractor to perform construction work on the Project, and any subcontractors of such an entity who perform construction work on the Project.

III. Inclusion of Local Hiring Terms in Contracts and Leases. Each Construction Employer shall include this Exhibit F as a material term of any agreement between the Construction Employer and the Developer or any Contractor or any Subcontractor or the Grand Avenue Authority.

IV. Local Hiring Terms.

A. Goals.

1. Local Hiring Goal. Construction Employers will have a goal that at least thirty percent (30%) of the total construction workforce will consist of Local Residents, as measured by work hours for each construction trade craft,. This Local Residents goal includes a goal that At-Risk Individuals whose primary place of residence is within the Community Employment Area will compose not less than ten percent (10%) total of the construction workforce as measured by work hours, i.e. At-Risk Individuals whose primary place of residence is within the Community Employment Area should make up one third (1/3) of the Local Residents goal set forth in this Section IV.A.1. Construction Employers will continue to use good faith efforts to hire At-Risk Individuals after the ten percent (10%) At-Risk Individual hiring goal has been met. Preference will be given to Local Residents in the following order: (i) those living within a High Unemployment Zip Code located within the Community Employment Area; (ii) those living within one and one-half (1.5) miles of the Project site; (iii) those living in the Community Employment Area; and (iv) all other Local Residents. The provisions of this Exhibit F do not require the Developer or its contractors to hire any person, who does not have the experience and ability and, where necessary, the appropriate trade union affiliation, to qualify such person for such job.
2. Local Apprentice Goal. Construction Employers will have a goal of at least fifty percent (50%) of the total apprentice construction workforce, as measured by work hours for each construction trade craft, will consist of Local Residents. Apprentice hours may be counted toward the overall local hiring goal in Section IV.A.1. Preference will be given to Local Residents in the following order: (i) those living within a High Unemployment Zip Code located within the Community Employment Area; (ii) those living within one and one-half (1.5) miles of the Project site; (iii) those living in the Community Employment Area; and (iv) all other Local Residents.

B. Requirements.

1. Maximizing Apprentices. Construction Employers will utilize the maximum number of apprentices allowed by law.
2. Coordination with Unions. The unions shall be the primary source of all craft labor employed on the Project site. Construction Employers will inform any union with whom the Construction Employer has an agreement that the Construction Employer is required to give priority to Local Residents and Local Low-Income Residents and will promptly notify the Jobs Coordinator of any union that fails or refuses to refer Local Residents or Local Low-Income Residents for jobs on the Project. In the event that a Construction Employer has its own core workforce and wishes to employ such Core Employees to perform work on the Project, the number of Core Employees shall be governed by the following procedures. The

Construction Employer may hire one (1) Core Employee for each Local Resident hired by the Construction Employer up to a maximum of five (5) Core Employees. Thereafter, the Construction Employer shall use the Job Coordinator/union referral process for selecting and hiring employees for the work on the Project. If the Jobs Coordinator or union is unable to fill the request of a Construction Employer within a forty eight (48) hour period, the Construction Employer shall be free to obtain work persons from any source.

3. Hiring Preference. Each Construction Employer will give qualified Local Residents first priority for hiring on available jobs in any project covered by the terms of this Exhibit F, subject to the priorities set forth in Section IV.A.(i).
4. Notification. Each Construction Employer will notify the Jobs Coordinator whenever skilled or unskilled labor is needed on the job site.
5. Support for Local Low-Income Apprentices.
 - a. Sponsorship Fees. Each Construction Employer will cover at least 50% of the sponsorship fees for any Local Low-Income Resident hired as an apprentice by that Construction Employer.
 - b. Sponsorship of Entry Level Apprentices. Each Construction Employer will sponsor any qualified Local Low-Income Resident referred by the Jobs Coordinator as an Entry Level Apprentice and will indicate this by sending a letter (or form, as appropriate) to the relevant union or apprenticeship program expressing a commitment to sponsor and to provide on-the-job training for the Local Low-Income Resident in question.
6. On-the-Job Training
 - a. On-the-Job Training Credit Toward Hiring Goal. Each Construction Employer who provides on-the-job training in accordance with the requirements of Subsection IV.B.6.b. below will receive a credit toward the hiring goal in Subsections IV.A.1 of this Exhibit F equal to twice the number of hours worked by each Local Low-Income Resident receiving such training. No Construction Employer may receive such credit, however, for training provided for a task or position that does not reasonably require such training.
 - b. Requirements to Receive On-the -Job Credit. In order to receive credit described in Subsection IV.B.6.a., a Construction Employer must meet the following requirements. The requirements of this Subsection IV.B.6.b. are not otherwise mandatory.

i. Basic Requirement. Each Construction Employer will make appropriate on-the-job training available to Local Low-Income Residents hired in connection with the requirements of this Exhibit F.

ii. Training Plan. Each Construction Employer will adopt a training plan that describes the on-the-job training to be provided in each job category to Local Low-Income Residents hired for that job category.

iii. Duration. On-the-job training will be offered for a minimum of six (6) months or the duration of employment, whichever is less, to each Local Low-Income Resident hired by a Construction Employer, in order to enable Local Low-Income Residents to hold positions for which they might not otherwise qualify.

7. Hiring Liaison. Each Construction Employer will designate a hiring liaison (the "Hiring Liaison") before commencing operations covered by this Exhibit F to act as a conduit between the Construction Employer and the Jobs Coordinator. This Hiring Liaison will be responsible for providing to the Jobs Coordinator and the Developer all necessary documentation throughout the duration of the Project.

C. Duration. Each Construction Employer will abide by the terms of this Exhibit F for the lesser of (a) ten (10) years or (b) the duration of the term of the agreement that includes this Exhibit F.

V. Monitoring and Enforcement

A. Review of Compliance. Construction Employers will keep records of their compliance with this Exhibit F, including all Craft Request Forms submitted to unions and payroll records, and make such records available to the Developer, the Jobs Coordinator, CRA, County or Authority upon request. Authority or the CRA will make a written finding as to each Construction Employer's compliance with the requirements of Exhibit F.

B. Non-Compliance, Opportunity to Cure. If, during any review of compliance, Authority, County or the CRA finds that a Construction Employer has not complied with any of the requirements of this Exhibit F, Authority, County or CRA shall immediately issue to the Developer and Contractor/Construction Employer a written finding of non-compliance and provide a sixty (60) day opportunity to cure. In order to cure and to avoid the penalties set forth below, the Construction Employer must make a detailed showing to Authority, County or the CRA that:

1. the non-compliant Construction Employer has made diligent use of all reasonable and necessary methods to meet each of the requirements of

Section IV.B. of this Exhibit F such as submission of Craft Request Forms to the unions, submission of a request to the Jobs Coordinator, outreach programs, advertising, training, distribution of advertising and notices, job fairs programs; or

2. the non-compliant Construction Employer has met the Goals set out in Sec. IV.A of this Exhibit F; or
3. the Developer or another compliant Construction Employer with whom the Developer has a contract for work on the Project, having already met the goals in Section IV.A, has, following the initial finding of non-compliance:
 - a. made additional new hires of Local Residents in an amount equal to the number of Local Residents by which the non-compliant Construction Employer fell short of the 30% local hiring goal set out in Section IV.A.1.; or
 - b. made additional new hires of Local Residents in an amount equal to the number of Local Residents by which the non-compliant Construction Employer fell short of the 50% Local Apprentice Goal set out in Section IV.A.2.

In the event the Construction Employer disputes the finding of Authority, County or CRA that the Construction Employer has not made the showing set forth in Section V.B. above, the Construction Employer may invoke the Dispute Resolution procedures outlined in Article 17 of the DDA

The Developer may rely only once on each additional hire made by already compliant Construction Employers in its effort to avoid penalties under this Section V.B.iii.

C. Penalties for Non-Compliance.

If, prior to the end of the sixty (60) day cure period described in Section V.B. above, the Construction Employer has not made the showing set forth in Section V.B., Authority, County or CRA may require the Construction Employer to pay to Authority, County or the CRA an amount equal to fifty dollars (\$50.00) multiplied by the sum of the number (as calculated on hours worked based on an eight (8) hour day for a full-time position) of Local Residents short of the thirty percent (30%) local hiring goal set out in Section IV.A.1 and the number of Local Low Income Residents short of the Local Apprentice Goal set out in Section IV.A.2., per calendar day following the initial finding of non-compliance. The Construction Employer will continue to pay this penalty until:

1. the Construction Employer has made the showing set forth in Section V.B.i, V.B.ii; or V.B.iii; or

the Construction Employer has filed the Notice of Completion for the Park with County of Los Angeles.

SCHEDULE 1

PARK IMPROVEMENTS SCHEDULE OF PERFORMANCE

	ITEM	DEADLINE
1.	<u>Submission – Proposed General Contractors:</u> Submission of at least three (3) proposed general contractors to CEO.	Within forty (40) business days of the execution of this Agreement.
2.	<u>Review and Approval – Proposed General Contractors:</u> The CEO shall consider and approve at least two (2) of the proposed general contractors.	Within fifteen (15) business days of receipt of proposed General Contractors.
3.	<u>Submission – Bids:</u> Submission of bids from at least two (2) of the approved general contractors to CEO as provided in the Agreement.	Within sixty (60) business days of the later to occur of (i) the approval by CEO of the proposed General Contractors or (ii) the approval by County and CEO of the Construction Contract.
4.	<u>Approval of the General Contractor:</u> CEO shall approve the General Contractor.	Within ten (10) business days of the submission of bids to CEO from Park Developer.
5.	<u>Approval of Major Trade Subcontractors:</u> CEO shall approve the Major Trade Subcontractors.	Within ten (10) business days of the submission of qualifications for Major Trade Subcontractors.
6.	<u>Approval of Non-Major Trade Subcontractors:</u> CEO shall approve the Non-Major Trade Subcontractors.	Within ten (10) business days of the submission of recommended bids for Non-Major Trade Subcontractors.
7.	<u>Submission – Proposed Construction Contract:</u> Park Developer shall submit the proposed Construction Contract to CEO.	Within the later of (i) forty (40) business days of the execution of this Agreement and (ii) receipt of County terms and conditions pursuant to <u>Section 4.1(b)(2)</u> .
8.	<u>Review and Approval – Construction Contract:</u> County and CEO shall review and approve a Construction Contract as provided in the Agreement	Within fifteen (15) business days after receipt of the Construction Contract by County.
9.	<u>Orientation:</u> Park Developer shall coordinate a preconstruction orientation meeting with General Contractor and CEO.	Prior to commencement of grading activities.
10.	<u>Construction Signs:</u> Installed pursuant to <u>Section 4.6(h)</u> .	Prior to start of construction.

11.	<u>Commencement of Construction:</u> Park Developer to instruct the General Contractor to commence construction ³ of Phase One.	Within three (3) weeks of the later to occur of (i) County issuance of the NTP for Phase One, (ii) CEO approval of the GMP for Phase One and (iii) execution of the Construction Contract.
12.	<u>Commencement of Construction:</u> If applicable, Park Developer to instruct the General Contractor to Commence Construction of Phase Two.	Within three (3) weeks of the later to occur of (i) County issuance of the NTP for Phase Two, (ii) CEO approval of the GMP for Phase Two and (iii) execution of the Construction Contract.
13.	<u>Phase One Certificate of Occupancy:</u> Park Developer shall have obtained or caused to be obtained a Certificate of Occupancy for Phase One.	Within twenty-four (24) months after Commencement of Construction of Phase One.
14.	<u>Phase Two Certificate of Occupancy:</u> If applicable, Park Developer shall have obtained or caused to be obtained a Certificate of Occupancy for Phase Two.	Within twenty-four (24) months after Commencement of Construction of Phase Two.

³ As used herein, the "commence construction" means that the following have occurred: (i) the General Contractor has been issued an excavation and a demolition permit (if applicable), (ii) Park Developer has signed contracts with a General Contractor for the demolition (if applicable), grading, excavation and shoring work, and (iii) Park Developer has given the General Contractor a notice to proceed and has instructed the General Contractor to physically commence demolition of any existing improvements on the Park Parcel pursuant to the contracts therefor.