

MOTION BY SUPERVISOR ZEV YAROSLAVSKY

August 17, 2010

Since 2003 the Third District has been working with Communities in Schools (CIS), a 501(c)(3) non-profit corporation, to establish a Job Training Center (Center) for at-risk and probation youth in the northeast San Fernando Valley. In June, 2003 this Board instructed the Chief Executive Officer (CEO) to negotiate a lease with CIS for the use of a building known as the Crafts Warehouse located within the Consolidated Fire Protection District Pacoima Complex for this purpose. A lease agreement between the District and CIS was consummated on August 6, 2003. The County provided \$150,000 from the Third Supervisorial District Anti-Gang Strategies Program towards renovation of the building.

Some time later, however, the Fire Protection District (District) determined that the Crafts Warehouse property was needed for Fire District purposes. In order to accommodate the important community program provided by CIS, the District identified a parcel of unimproved land (the Land Parcel), approximately equivalent in size to the warehouse site, that was considered surplus to the District's needs. Furthermore, CIS reformulated its plans for the Job Training Center to include space for Probation Department needs.

As a result of these developments, in October, 2005 the Board instructed the CEO to substantially revise the arrangement with CIS. The original lease was terminated. The County entered into a gratis ground lease with the District for the use of the Land Parcel for a ten-year

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term with an option to extend for an additional five years. The County also entered into a gratis sublease with CIS for the use of the Land Parcel for a primary term of five years, with two optional two-and-one-half year extensions, for its development and improvement with a suitable pre-fabricated structure for use by CIS as a Job Training Center, with the Probation Department to participate in the program and utilize a portion of the completed space. These arrangements were approved by the Board in March, 2006. In addition, \$300,000 from Probation Department 2004-05 one-time savings was appropriated to this project, and a \$200,000 grant from the City of Los Angeles (City) was also made available to complete construction of the facility.

Since the effective date of the sublease, CIS has encountered unanticipated delays and escalation of the scope of the project. The previously-approved County grants of \$450,000 have been expended to date; and, the cost estimate for the project has increased to \$1,974,000.

As of this time, \$750,000 in Third District Capital Project funds is available in the County's Project and Facility Development Budget to complete the funding of the project. As part of its efforts to secure the additional funding necessary to complete construction of the facility, CIS has received approval for a \$750,000 grant from the City of Los Angeles Community Development Department (Department) and other agencies. Because grant funds will be spent on property that is not owned by the City or Department, applicable law requires this Board make a finding that no other reasonable funding sources are available for the project. This collaborative effort will address the needs of the community by providing youth, young adults, and adults with job development and job training, job readiness services, HOST Curriculum Tutoring, computer training, parenting classes, and a Youth Academy. The Probation Department will participate in the program and utilize a portion of the completed space.

I, THEREFORE, MOVE that the Board of Supervisors:

1. Instruct the Chief Executive Officer to: (a) negotiate, on behalf of the County, a new gratis ground lease agreement with the Fire District for the Land Parcel for a 10-year term; (b) terminate the existing lease with the County dated March 23, 2006 and execute any documentation that may be required to effectuate such termination; (c) negotiate a new gratis sublease from County to CIS for a 10-year term with title to the building to be constructed by CIS to revert to the Fire District at the end of the sublease term; and (d) terminate the County's existing sublease with CIS dated March 23, 2006 and execute any documentation that may be required to effectuate such termination.
2. Instruct the Chair to execute the new Lease and Sublease and the City of Los Angeles Letter of Acknowledgement and Agreement upon presentation to the Board's Executive Office.
3. Find that the lease and development of the Land Parcel is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15303 of the State CEQA Guidelines (New Construction or Conversion of Small Structures) and Class 3 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987.
4. Find that \$750,000 has been appropriated by Los Angeles County for use by CIS toward the construction of a facility to house a CIS job-training center in the San Fernando Valley, for at-risk and probation youths; and that no other reasonable funding sources to complete construction of the Center are currently available, other than the proposed grant of City of Los Angeles Community Development Department funds in the amount of \$750,000.

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GROUND LEASE

ARTICLE 1. BASIC PROVISIONS

1.1. **DATE AND PARTIES.** This ground lease ("Lease") is dated August 17, 2010 and is between CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY, as landlord ("District") and COUNTY OF LOS ANGELES as lessee ("County"), upon the provisions and conditions contained in this Lease. District is a special district, organized under the laws of the State of California acting through its Construction & Maintenance Division. County is a body corporate and politic organized under the laws of the State of California acting through its Chief Executive Office's Real Estate Division.

1.2. **ASSIGNMENT AND SUBLETTING.** County, without limitation, may assign, mortgage, encumber or otherwise transfer this Lease and sublet the whole or any part of the Premises to any other party without District's prior consent. County represents its intent to immediately sublet the Premises to Community In Schools ("Sublessee") for the purpose of constructing improvements on the Premises in accordance with Article 4 of this Lease.

ARTICLE 2. PREMISES

2.1. **DISTRICT LAND.** District is the fee owner of the real property containing approximately 22.32 acres of land and commonly known as the Consolidated Fire Protection District Pacoima Complex located at 12605 Osborne Street, Pacoima ("the District Land").

2.2. **PREMISES.** District leases to County and County leases from District a 0.52 acre portion of District's Land located at 12605 Osborne Street, Pacoima ("Premises") together with all rights of vehicular ingress and egress to the Premises over District Land along with the right to cross any District Land for the purpose of installing utility service to the Premises. The Premises is further described in Exhibit A attached hereto and incorporated herein.

ARTICLE 3. TERM

3.1. **TERM.** The term of this Lease ("Term") shall commence upon the date of execution of the sublease by County and shall terminate ten years after (i) the date of issuance of a Certificate of Occupancy for the improvements or (ii) Sublessee's actual occupancy of the improvements, whichever event shall first occur. County shall provide written confirmation to District as to the commencement date ("Commencement Date").

3.3. **HOLDOVER.** If County remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, or any Option to Renew Term, as the case may be, such occupancy shall be a tenancy which is terminable 30 days

written notice from the District at the last monthly Rent payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

3.4 CONDITION OF SURRENDERED PREMISES. Upon the expiration or termination of this Lease, County shall surrender the Premises and all improvements constructed by County or its sublessee without the obligation to restore the Premises to the condition existing prior to the Commencement Date or any warranty as to the suitability of the improvements existing at the time of lease termination.

ARTICLE 4. USE

4.1. USE. The Premises will be used to construct, at Sublessee's sole cost and expense, a modular building for the purpose of establishing a job training center including parking areas and any other improvements typically associated with a training facility.

4.2. SIGNAGE. County and Sublessee shall have the right to install signage on the Premises and any vehicular entry points used by County and its Sublessee that are located on District Land for the purpose of identifying the use and providing any other information deemed appropriate by County or its Sublessee. Any signage installed upon District Land outside of the Premises boundary shall be subject to prior approval by the District which approval shall not be unreasonable withheld. Prior to requesting District's consent, it shall be County and/or Sublessee's responsibility to investigate any local rules or ordinances governing the display of signage within the jurisdiction in which the Premises is located. County and/or Sublessee shall submit to District a copy of such ordinances evidencing that the requested signage is in compliance with such rules and regulations. In the event County or Sublessee does not receive notice of approval or rejection from the District within 30 days of submitting a sign layout, then the signage request shall be deemed approved.

ARTICLE 5. RENT

5.1. RENT. The rent for the Term and any Option to Renew Term shall be gratis without the necessity of the County or its Sublessee to pay any sums to the District.

ARTICLE 6. NOTICES

6.1. NOTICES. Notices desired or required to be given by this Lease or by any law now or hereinafter in effect may be given by enclosing the same in a sealed envelope, Registered Mail, Return Receipt Requested, addressed to the party for whom intended and depositing such envelope with postage prepaid in the U.S. Post Office or any substation thereof, or any public letter box, and any such notice and the envelope containing the same shall be addressed to District as follows:

Consolidated Fire Protection District of Los Angeles County
Construction & Maintenance Division
1320 N. Eastern Avenue
Los Angeles, CA 90063

or such other place in California as may hereinafter be designated in writing by the District. The Notices and Envelopes containing the same to County shall be addressed to:

County of Los Angeles
Chief Executive Office, Real Estate Division
222 South Hill Street, Third Floor
Los Angeles, California 90012
Attention: Chris Montana Manager, Property Management

ARTICLE 7. INDEMNIFICATION

7.1. COUNTY'S INDEMNITY. County shall indemnify, defend and hold District harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Premises as a result of any negligent act or omission or willful misconduct of County, its Sublessee, or its employees or arising from any breach or default under this Lease by County or its Sublessee. The foregoing provisions shall not be construed to make County and its Sublessee responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of District, or its officers, contractors, licensees, agents, employees or invitees.

7.2. DISTRICT'S INDEMNITY. District shall indemnify, defend and hold County and its Sublessee harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Premises or District Land as a result of any negligent act, omission or willful misconduct of District, or its officers, contractors, licensees, agents, employees, guests, or visitors or arising from any breach or default under this Lease by District. The foregoing provisions shall not be construed to make District responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of County, its Sublessee, or its officers, contractors, licensees, agents, employees or invitees.

ARTICLE 8. UTILITIES

8.1. UTILITIES. County agrees to promptly pay when due all charges for the use of the sewer, effluent treatment, when and if imposed by any Governmental authority, all water, sprinkler standby charges, electricity, gas, and other lighting, heating, ventilation, air-conditioning and power and other utility rents and charges accruing or payable in connection with the Premises during the Term of this Lease or any renewal, extension, or holdover thereof, whether the same are pro-rated or measured by separate meters.

(Signature Page Follows)

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Lease to be subscribed by its Chair and the Consolidated Fire Protection District has caused this Lease to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

LANDLORD:

CONSOLIDATED FIRE PROTECTION
DISTRICT OF LOS ANGELES COUNTY

By: [Signature] TIM OTTMAN

Its DESIGNEE

ATTEST:

LESSEE:

SACHI A. HAMAI
Executive Officer, Board of Supervisors

COUNTY OF LOS ANGELES

BY Lachelle Smitherman
Deputy
AUG 25 2010

BY [Signature]
Chair, Board of Supervisors

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By: [Signature]
Deputy



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

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

By Lachelle Smitherman
Deputy

AUG 25 2010

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

3 AUG 17 2010

[Signature]
SACHI A. HAMAI
EXECUTIVE OFFICER

774.00

EXHIBIT A
Legal Description

A portion of the land described in Parcel 39 of Deed to Consolidated Fire Protection District of Los Angeles County, recorded Jan 7, 1993 as Instrument No. 93-3556, as shown on map filed in Book 174 of Maps at page 58, records of Los Angeles County, California described as follows;

Beginning at a lead plug with tack at the most southerly corner of above described property, at the northerly right-of-way line of Osborne Avenue; thence

- 1) North 41° 05' 32" West 145.00 feet along the westerly line of said property; thence
- 2) North 48° 56' 24" East 155.00 feet parallel to the north right-of-way of Osborne Avenue; thence
- 3) South 41° 05' 32" East 145.00 to the north right-of-way of said; thence
- 4) Along said right-of-way South 48° 56' 24" West 155.00 to the point of beginning.

The above-described parcel contains 0.52 acres, more or less.

The sidelines of the above-described parcel should be lengthened and/or shortened to intersect adjacent course sidelines and property boundaries.

The Bearings and distances used herein are on the California Coordinate System, Zone 5

The above-described parcel is graphically shown on Exhibit B attached hereto and made a part hereof.

EXHIBIT A



At: \2005\1105308-Pacifica Barton Helipad Exp\Survey\Drawings\XT-1105308-Barton_Helipad.dwg, Exhibit B, Aug 19, 2005 8:28am, disclosure



RRM DESIGN GROUP
Creating Environments People Enjoy
 3765 South Higuera Street, Suite 102 • San Luis Obispo, California 93401
 Phone: 805/543-1794 • Fax: 805/543-4609 • www.rrmdesign.com
Wc Montgomery, Architect CA 11090 • Jerry Michael, PCE 38893, LS 6376 • Jeff Ferber, Landscape Architect 2814

PLAT
DESCRIPTION

DATE: 9-19-05 SCALE: NTS

**SUBLEASE AGREEMENT FOR DEVELOPMENT, CONSTRUCTION,
AND OPERATION**

THIS SUBLEASE AGREEMENT (hereinafter referred to as "Sublease") is made and entered into this 17th day of August, 2010,

BY AND BETWEEN

COUNTY OF LOS ANGELES (hereinafter referred to as "County"),

AND

COMMUNITIES IN SCHOOLS OF SAN FERNANDO VALLEY, INC., a non-profit corporation (hereinafter referred to as "Sublessee").

RECITALS:

WHEREAS, County pursuant to that certain Ground Lease with the Consolidated Fire Protection District of Los Angeles County (effective the same day of execution as the Sublease by the County) (the "Lease") leased .52 acres of land within the property commonly known as the Pacoima Complex located at 12605 Osborne Street, Pacoima; and

WHEREAS, Sublessee is desirous of subleasing from County the entire property leased pursuant to the Lease, to construct, occupy and maintain, a building of approximately 5,037 square feet to house a job training center for at risk youths, young adults and adults; and

WHEREAS, the County finds that Sublessee's proposed program will benefit County residents; and

WHEREAS, County is prepared to sublease the property subject to the Lease, which will not be needed exclusively for County use during the term of this Sublease; and

WHEREAS, County has been advised that Sublessee intends to enter into an Agreement, hereinafter referred to as the "City Agreement" with the City of Los Angeles hereinafter referred to as "City" (pursuant to the authority provided under Council File No. 08-0097), wherein City shall provide Sublessee with federal funding in the amount of Seven Hundred Fifty Thousand Dollars (\$750,000), to pay for a portion of the construction of a new building at the property;

WHEREAS, County has been advised that Sublessee will agree to repay the federal funding to the City by providing services which will involve job-related training to at-risk youth from the local community for a minimum period of seven and one-half years from the date of occupancy under the City Agreement;

WHEREAS, the City desires to ensure services required by the federal government, which will be referenced in the City Agreement are provided for seven and one-half years from the date of occupancy in the event the Sublessee is unable to continue to sublease the property;

WHEREAS, in no event shall the County assume any liability for its acknowledgement of the City Agreement, as provided to the City in the Letter of Acknowledgement provided concurrently herewith;

WHEREAS, the defined terms used in the Sublease shall have the meanings as set forth below:

Improvements	refers to all buildings, structures, landscaping and parking areas agreed to be constructed by Sublessee on the Premises pursuant to this Sublease.
District Land	refers to the Consolidated Fire Protection District of

	Los Angeles County property of which the Premises is a part.
Project	refers to the Premises and Improvements collectively.
Premises	refer to the portion of the District Land being subleased to Sublessee as legally described in the attached Exhibit A.
Work	refers to the construction of the initial improvements as detailed in the construction documents as well as construction of future alterations of the improvements.
City	City of Los Angeles

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and in consideration of the mutual promises, covenants, and conditions set forth herein, the parties hereto and each of them do agree as follows;

1. **PREMISES:** County hereby grants a Sublease to Sublessee and Sublessee hereby hires and rents from County on the terms and conditions herein set forth, approximately .52 acres of land ("Premises") located at 12605 Osborne Street, Pacoima, together with all rights of vehicular ingress and egress to the Premises over the District Land along with the right to cross any District Land for the purpose of installing utility service to the Premises. The Premises is further described in Exhibit "A" attached hereto and incorporated herein by this reference.

The Premises shall be used by Sublessee for the purpose of constructing improvements that include a 5,037 square foot prefabricated building (the "Building") and parking lot for the operation of a job training program (collectively, the "Improvements"). The County of Los Angeles Probation Department shall occupy a portion of the Building pursuant to a Memorandum of Understanding as described in Exhibit "B," attached hereto by this reference incorporated herein. Upon receipt of beneficial occupancy, the County shall occupy a total of 1,270 usable square feet of the building as depicted on Exhibit "C," attached hereto by this reference incorporated herein. Subsequent to the execution of this Sublease, the location and configuration of the space occupied by the County may be changed only through the mutual consent of both parties as evidenced by a written memorandum.

2. **TERM:** The term of this Sublease shall commence upon the date of execution of this Sublease by County and shall terminate ten years after (i) the date of issuance of a Certificate of Occupancy for the Improvements or (ii) Sublessee's actual occupancy of the Improvements, whichever event shall first occur, provided, however, that in the event Sublessee fails to commence construction within the time provided in Paragraph 9 hereof, this Sublease shall automatically terminate and expire and upon such expiration, County and Sublessee shall be relieved of all liability hereunder, except as provided for in Paragraph 23.

Until expiration or sooner termination of this Sublease, the Improvements shall be owned by Sublessee, and upon expiration or sooner termination of this Sublease, ownership of the Improvements shall vest in the Consolidated Fire Protection District of Los Angeles County.

3. **CANCELLATION:** Prior to execution of this Sublease by County, Sublessee shall provide verification to County that it has sufficient funding available to operate a Job Training Center for at risk youths on the Premises, in a manner satisfactory to the County for the initial two years of the term provided herein. Thereafter, Sublessee shall, thirty (30) days prior to each anniversary of the commencement of this Sublease, submit documentation to County, confirming the availability of sufficient funding to operate the Job Training Center in a manner satisfactory to the County for the following year. Alternatively, after the initial two-year period, Sublessee may, thirty (30) days prior to each anniversary of the commencement

date of the term of this Sublease, submit documentation to County, confirming the availability of sufficient funding to provide other services to at risk-youth in the Northeast San Fernando valley area, in a manner satisfactory to County, for the following year; or that it will contract with other non-profit organizations to provide such services.

Failure by Sublessee to comply with this requirement or any of the conditions identified in Section 17, shall constitute an event of default upon which the County may terminate the Sublease by providing thirty (30) days written notice.

4. CONSIDERATION: As consideration for subleasing the Premises, Sublessee shall construct the Improvements in accordance with Paragraph 9 hereof.

As additional consideration for the County subleasing the Premises to Sublessee hereunder:

A. Sublessee shall, at its sole cost and expense, construct the Improvements in accordance with Paragraph 9 hereof, and maintain them as provided herein;

B. Sublessee acknowledges that County has a security interest in all plans, drawings, specifications, applications for governmental approvals, documents evidencing governmental approvals or partial approvals, permit applications and permits, environmental documents, soil, engineering and planning studies, working drawings, architect agreements and the like pertaining to the Project (hereinafter called "Development Documents"). Sublessee further acknowledges its affirmative obligation to secure the full right, title and lien-free ownership interest in all Development Documents. Upon any cancellation or termination of this Sublease, Sublessee shall immediately deliver true copies of all plans, drawings, specifications, permits, and such other documents of Sublessee related to the development of the Project as County shall request. The Sublessee shall, however, retain its proprietary interest in the Development Documents and such documents may not be used by the County, other than incidental to the maintenance, repair or remodeling of the improvements, without the prior express written consent of the Sublessee.

C. The parties hereto shall perform all obligations required by this Sublease, including those contained in the exhibits to this Sublease.

D. Sublessee acknowledges that the reasonable costs associated with the demolition or removal of any County improvements on the Premises shall be solely the Sublessee's responsibility to pay for, or if paid by County, it is Sublessee's responsibility to reimburse the County, as the case may be.

E. Sublessee acknowledges that all reasonable costs associated with the preparation of any environmental documentation for compliance with the California Environmental Quality Act and legal descriptions related to this Sublease shall be solely Sublessee's responsibility to pay for, or, if paid by County, it is Sublessee's responsibility to reimburse the County, as the case may be.

F. Sublessee shall provide all Development Documents to County for approval in accordance with Paragraph 9 herein below.

G. County shall occupy a portion of the Building as specified in Paragraph 1.

5. USES AND LAWS:

A. Uses:

(1) Sublessee shall construct on the Premises the Improvements specified in Paragraph 9 hereof and occupy those Improvements for the purpose of operating a job-related training center which will be provided to at-risk youth and probation youth. Sublessee shall ensure that the Premises and the activities

conducted thereon shall be equally open and available to residents of incorporated and unincorporated territory, and that there shall be no discrimination against or preference, gratuity, bonus or other benefits given to residents of incorporated areas not equally accorded residents of unincorporated territory, during the entire term of the Sublease. In no event shall Sublessee permit the Premises to be used by any organization that is not a government entity or is not considered a charitable group organized pursuant to section 501(c)(3) of the Internal Revenue Code. In the event that Sublessee ceases to operate the Premises as a Job Training Center within the spirit of this Sublease, the County may, in its sole discretion, terminate this Sublease immediately on written notice to Sublessee.

(2) County and Sublessee shall comply with their respective obligations and be subject to all applicable governmental regulatory agencies.

B. Compliance with Laws:

The Project, or any part thereof, shall not be used or permitted to be used for any activity which constitutes a nuisance. Sublessee shall, at its sole cost and expense, conform to, and cause all persons using or occupying any part of the Project which is under Sublessee's control to comply with all laws, ordinances, and regulations (hereafter referred to as "Laws") as now enacted or as may later be made to the construction of the improvements and to the use of the Project. Sublessee hereby warrants and covenants that the operation shall not interfere with any functions of County outside the area of the Premises. Sublessee covenants and agrees to indemnify, defend and save County harmless from any penalties, damages, or charges imposed for any violation of any and all laws, whether occasioned by neglect, omission, or willful act of Sublessee or any person (other than County, its officers, agents, employees, guests, and invitees) by license, invitation, sublease, assignment, or any other arrangement with Sublessee.

6. **FUNDING FOR CONSTRUCTION:** The County shall provide up to \$ 750,000 to Sublessee for planning, design, construction and delivery of the improvements. Funds will be provided through a "Funding Agreement for Improvements to The Pacoima Fire District Complex" entered into on the date of the execution of this Sublease by the County. Payments shall be released by the County's Chief Executive Office, as specified in said Funding Agreement.

7. **TAXES AND ASSESSMENTS:** Sublessee shall be responsible for notifying the Los Angeles County Assessor of the address for tax invoice purposes to send all tax or other assessment bills, and Sublessee shall pay promptly all real property taxes, assessments and special assessments which may be levied or assessed against the Project during the term of this Sublease or any renewal or holdover period thereof.

In the event Sublessee fails or refuses to pay any or all of the taxes or assessments when due, County, at County's sole option, may give Sublessee 30 calendar days prior written notice and thereafter pay such taxes and assessments. County shall in no way be obligated to pay such taxes and assessments which become delinquent; but if County makes such payments, they will become immediately due and payable to County by the Sublessee and shall include any late charge or penalties assessed.

8. **UTILITIES:** All costs associated with bringing required utilities exclusively to the Premises, including related professional and service charges, and the costs of connections to the utility system shall be considered part of the construction cost of the improvements and shall be solely the Sublessee's responsibility to pay for, or reimburse County, if County pays, as the case may be.

Sublessee agrees to pay when due all charges for the use of the sewer, effluent treatment, and when and if imposed by any governmental authority, all water, sprinkler standby charges, electricity, gas, and other lighting, heating, and power and other utility rents and charges accruing or payable in connection with the Premises during the term

of this Sublease or any renewal, extension, or holdover thereof. County shall be responsible for payment for its use of telephone service.

Sublessee shall not enter into any contract or agreement with any governmental agency or body or public utility with reference to sewer lines, water lines, street improvements, street lighting or utility connections, lines, or easements without the prior written consent of County.

9. CONSTRUCTION AND LIENS:

A. Construction of Improvements:

(1) Construction: Construction of the Improvements and construction of future alterations or replacements of the Improvements (all of which construction is hereinafter referred to sometimes as "Work") shall be made subject to the conditions hereinafter set forth, which Sublessee covenants to observe and perform.

(2) Governmental Approvals: Work shall not be undertaken until Sublessee has provided and paid for, so far as the same may be required from time to time, all lawfully applicable municipal and other governmental permits and authorizations of the various municipal departments and governmental agencies having jurisdiction. No zoning changes or variances may be obtained except with County's prior written consent, provided that County shall not unreasonably withhold its consent to any petition or application for zoning change or variance as may be required for the construction of the Improvements and the uses of the Premises and Improvements permitted and/or required pursuant to this Sublease.

Sublessee shall obtain the aforementioned permits and authorizations to construct the improvements within six months of the commencement date of this Sublease. In the event, however, that any application or petition is rejected or returned for revision and Sublessee is making a good faith effort to complete the necessary revisions to the plans or applications, then Sublessee shall be granted an additional six months within which to obtain the necessary approvals. Not less than quarterly from the commencement date of this Sublease, Sublessee shall provide County with written reports augmented by verbal reports if so requested by County, of the progress and steps being undertaken to obtain government approvals necessary for the completion of this project.

(3) Commencement and Completion of Construction: Except as provided by Paragraph 6 hereof, all work shall be completed at the expense of Sublessee, including capital and financing costs, and without expense to County. All work shall be prosecuted to completion with due diligence. Notwithstanding the foregoing, construction of the Improvements shall be commenced within three months of the issuance of all necessary permits and shall be completed (except normal punch list items) within 12 months following the commencement of construction. For purposes of this Sublease, the commencement of construction shall be the first date upon which construction activity for the Improvements is begun. Notwithstanding the foregoing, if County fails to respond to any of the documents described in Subparagraph 9.C hereof within the time frames provided therein, then Sublessee shall be entitled to a day-for-day extension of the time periods set forth in this Subparagraph 9.A. (3).

(4) Performance and Payment Bonds: Prior to the execution of construction, the Contractor shall file surety bonds with the Sublessee as stated in Paragraph 15(III)G.

B. Construction Standards:

(1) General Construction Standards: In connection with all demolition, construction, alteration or repair work permitted herein, Sublessee shall take all reasonably necessary measures to minimize any damage, disruption or inconvenience caused by such work and make adequate provision for the safety and convenience of all persons affected thereby. Sublessee shall repair, at its own cost and expense, any and all damage caused by such work, and shall restore the area upon which such work is performed to a condition which is at least equal to or better than the condition which existed prior to the beginning of such work, ordinary wear and tear excepted. In addition, Sublessee shall pay (or cause to be paid) all costs and expenses associated therewith and shall indemnify, defend and hold County harmless from all damages, losses or claims attributable to the performance of such work. Dust, noise and other effects of such work shall be minimized using the methods customarily utilized in order to control such deleterious effects associated with construction projects in a populated or developed area.

(2) Utility Work: Sublessee shall install separately metered utilities, using meters provided by the respective public utility, water; gas and; electric service to the Improvements. Sublessee shall also arrange with the telephone, electric and cable companies to install exclusive underground service to the Building from the nearest utility location on District Land. No above ground wires will be allowed on the Premises or District Land. Any work performed by or on behalf of Sublessee or any occupant to connect to, repair, relocate, maintain or install any storm drain, sanitary sewer, water line, gasoline, telephone conduit or any other public utility service shall be performed so as to minimize interference with the provision of such services to the District Land.

(3) Compliance with Laws: All Improvements on the Premises shall be constructed in compliance with all applicable local, state and federal laws and regulations. Sublessee shall have the sole responsibility for obtaining all necessary permits and shall make application for such permits directly to the person or governmental agency having jurisdiction.

(4) Construction Safeguards: Sublessee shall erect and properly maintain at all times, as required by the conditions and the progress of work performed by Sublessee, all necessary safeguards for the protection of workers, and the public.

(5) County's Cooperation: County shall cooperate with and assist Sublessee in every reasonable way in Sublessee's efforts to obtain all governmental consents, approvals, permits or variances which may be required for the performance of any construction permitted under the terms of this Sublease, including County's joinder in any application for any such consent, approval, permit or variance where joinder therein by the owner of the Premises is required by law, provided that any such joinder shall be at no cost to County.

(6) Rights of Access: Representatives of County shall have the right of reasonable access to the Premises and the Improvements thereon at normal construction hours during the period of construction, for the purpose of ascertaining compliance with the terms of this Sublease, including, but not limited to, the inspection of the construction work being performed. County's access shall be reasonably calculated to minimize interference with Sublessee's construction and/or operations.

(7) Notice of Completion: Upon completion of construction of any building, as evidenced by the issuance of a certificate of occupancy, Sublessee shall file or cause to be filed in the Official Records of the

County of Los Angeles a Notice of Completion (the "Notice of Completion") with respect to the Improvements, and Sublessee shall provide for County a diagram and shall label and identify all electrical panels, circuit breakers, switches, fire sprinklers and plumbing shut off valves as to areas controlled both on the drawings and on the breaker panels and valves. Upon completion, Sublessee shall furnish the Chief Executive Office, Real Estate Division with one complete set of film Mylar reproducible as-built drawings.

C. Approval of Plans:

(1) Construction Plans, Drawings and Related Documents:

Within 60 days of the date of approval of this Sublease by the County, in addition to any plans that must be submitted to the local municipal jurisdiction(s) having authority to permit construction projects, Sublessee shall also prepare and submit construction plans, drawings and related documents for architectural and site planning review by County of Los Angeles, Department of Public Works, on behalf of County.

If any revisions or corrections of plans shall be required by any governmental official, agency, department or bureau having jurisdiction, or any lending institution involved in financing, Sublessee and County shall cooperate in efforts to comply therewith or to obtain a waiver of such requirements or to develop a mutually acceptable alternative, provided that such cooperation shall be at no cost to the County.

(2) Approval Reviews of Plans, Drawings and Related Documents:

Subject to the terms of this Sublease, the County shall have the right to review of Development Documents, including any material changes therein.

The County shall have the right to approve the plans, drawings and related documents referred to above within 30 days following receipt of such plans, drawings and related documents. County's failure to approve any plans, drawing, or related documents within the 30-day period shall be deemed disapproval thereof. County's approval shall not be unreasonably withheld but is not to be interpreted to relieve Sublessee from seeking building permit approvals from the local municipal jurisdiction(s). Furthermore, such County review and approval shall not relieve Sublessee of any obligations under this Sublease, or from any regulatory requirements imposed by federal, state or local governments, including the County acting in its regulatory authority.

(3) Following Completion of Construction:

(a) Remodeling: Sublessee shall have the right, at its expense, following issuance of a Notice of Completion for the Improvements, without County's consent and without submission of plans or evidence of financing (but subject to all other provisions of this Sublease), to undertake any nonstructural interior remodeling of any structure or Improvement which is either not visible from the outside or does not materially alter exterior appearance and does not alter the preexisting location of the Improvements on the Premises.

(b) Alterations and Additions: Sublessee shall have the right, at its expense, at any time following issuance of said Notice of Completion to undertake any alteration or addition on the Premises which is not included in Subparagraph 9.C.(3) (a). Above, provided, however, that any such alteration or addition:

1. Shall not change the use of such Improvements or fair market value of the applicable

Improvements below their value immediately prior to such change, alteration or addition; and

2. Shall be effected with due diligence, in good and workmanlike manner, and in compliance with all requirements of the law; and

3. Shall not materially alter the exterior appearance of the Improvements. Prior to making any alteration or addition that materially alters the external appearance, County shall have (i) received at least 30 days prior written notice from Sublessee of the proposed alteration or additions, and (ii) approved in writing the plans and specifications; provided, however, that within such 30 days, County shall advise Sublessee of its approval, or of its disapproval, setting forth in detail the reasons for disapproval, and, in the event of disapproval, that resubmissions may be made in like manner with the same provisions with regard to approval or disapproval.

(4) Changes to Plans Following Approval: No material changes to the approved plans and specifications shall be made without the prior written approval of the County. Any such proposed changes shall be submitted to County for County's approval or disapproval. County shall have 30 days following receipt of the proposed changes in which to give its approval or disapproval. Any disapproval shall set forth in detail the reasons for disapproval. County's failure to approve such proposed changes within the 30-day period shall be deemed disapproval thereof.

D. Protection of County: Nothing in this Sublease shall be construed as constituting the consent of County, express or implied, to the performance of any labor or the furnishing of any materials or any specific improvements, alterations of or repairs to the Premises or any part thereof by any contractor, subcontractor, laborer or material man, nor as giving Sublessee or any other person any right, power or authority to act as agent of or to contract for, or permit the rendering of, any services, or the furnishing of any materials, in such manner as would give rise to the filing of mechanics' liens or other claims against the fee of the Premises or the Improvements thereon. County shall have the right at all reasonable times to post, and keep posted, on the Premises any notices which County may deem necessary for the protection of County and of the Premises and the Improvements thereon from mechanics' liens or other claims. Sublessee shall give County ten days prior written notice of the commencement of any work to be done on the Premises to enable County to post such notices. In addition, Sublessee shall make, or cause to be made, prompt payment of all monies due and legally owing to all persons doing any work or furnishing any materials or supplies to Sublessee or any of its contractors or subcontractors in connection with the Premises and the Improvements thereon.

E. Notice: Should any claims of lien be filed against the Premises or the Improvements thereon, or any action affecting the title to such Premises or the Improvements thereon be commenced, the party receiving notice of such lien or action shall forthwith give the other party written notice thereof.

10. OWNERSHIP OF IMPROVEMENTS AND REMOVAL OF PERSONAL PROPERTY:

A. Ownership of Improvements: All Improvements constructed on the Premises by Sublessee as permitted or required by this Sublease shall, during the term of this Sublease be and remain the property of Sublessee, and County shall have no right, title or interest therein except as expressly set forth in this Sublease; provided, however, that Sublessee's rights and powers with respect to such Improvements are subject to the terms and limitations of this Sublease and

to the terms and limitations of any lease and/or security interest or encumbrance relating to Sublessee's acquisition, construction, installation and leasing of such Improvements. Once constructed, the Improvements shall not be removed from the Premises, nor shall Sublessee waste, destroy or modify any improvements on the Premises, except as specifically permitted by this Sublease. Upon termination of this Sublease, at County's election (as further set forth herein below), the improvements constructed by Sublessee shall either be removed at Sublessee's sole cost and expense, or title thereto shall vest in County.

B. Removal of Personal Property and Ownership at Termination: At the expiration or sooner termination of this Sublease, County may, at County's sole election, require the removal from the Premises, at Sublessee's sole cost and expense, of any or all of the Improvements, and any or all personal property and/or trade fixtures, as specified in the notice provided for below. A removal notice to take effect at the normal expiration of the term of this Sublease shall be effected by notice given at least 30 days before the expiration date. A removal notice to take effect on any date other than the normal expiration of the term of this Sublease shall be effectuated by notice given concurrently with notice of such termination or within ten days after such notice of termination. Sublessee shall be liable to County for costs incurred in effecting the removal of any of the Improvements, personal property and/or trade fixtures located on the Premises which Sublessee has failed to remove after demand pursuant to this Paragraph. Sublessee may remove any personal property and trade fixtures from time to time during the Sublease term and within 45 days following the expiration of the term. Sublessee shall repair all damage (structural or otherwise) caused by any such removal; provided that damage to Improvements which are obsolete economically or functionally or which are not material need not be repaired so long as the Improvements are or are made structurally sound. Any portion of the Improvements, personal property and/or trade fixtures not removed by Sublessee within 45 days following expiration of the term shall be deemed abandoned by Sublessee and shall, without compensation to Sublessee, then become County's property free and clear of all claims to or against them by Sublessee or any other person, except as otherwise provided in this Sublease.

C. County's Waiver: County, within ten days of demand from Sublessee, shall execute and deliver any document required by any supplier, County, vendor, or lender in connection with the installation on the Premises of Sublessee's personal property or Sublessee's trade fixtures in which County waives any right it may have or acquire with respect to that property.

11. CONDITION OF DISTRICT LAND AND PREMISES:

Sublessee acknowledges that County has not surveyed the Premises encumbered by this Sublease, and Sublessee accepts Premises "as is" and acknowledges that the Premises is in satisfactory condition solely based upon its own investigation. Any improvements structures, trees and utility poles, underground services, and other property of any nature or kind whatsoever found on the Premises at the commencement of this Sublease shall be, at County's election, relocated to a site off the Premises but on the District Land. County makes no warranty as to physical conditions of the Premises or the soils or as to the suitability of the Premises or the District Land of which it is part for the proposed uses by the Sublessee. County shall not be responsible for any land subsidence, slippage, soil instability or damage resulting therefrom.

12. MAINTENANCE OF PROJECT:

A. County shall not be required or obligated to make any changes, alterations, additions, improvements, or repairs in, on, or about the Project, Premises or any part thereof, or any improvements thereon during the term of this Sublease.

B. Throughout the term of this Sublease, Sublessee shall, at

Sublessee's sole cost and expense, maintain the Project in good condition and repair and in accordance with the requirements of (i) all applicable laws, ordinances and regulations; (ii) the insurance underwriting board or insurance inspection bureau having or claiming jurisdiction; and (iii) any insurance companies insuring all or any part of the Project if applicable.

C. Sublessee shall not commit or permit the commission of any waste upon the Premises. Sublessee shall not store or dispose any waste or by-products of Sublessee's operation on Premises.

D. Sublessee shall provide all necessary janitorial services and trash removal for the Improvements.

E. Sublessee shall provide all necessary grounds maintenance services for the Premises.

13. NON-SUBORDINATION AND NON-ASSIGNMENT AS SECURITY:

This is a non-subordinated sublease. Except as may be provided in Paragraph 8, UTILITIES, or this Paragraph, Sublessee agrees that it shall not create or suffer any encumbrance upon the County's District Land, the Premises or the Improvements without the prior written consent of County. Sublessee shall not, without obtaining the prior written consent of County, assign any of Sublessee's interest under this Sublease as security. Sublessee agrees, without any cost or expense to County, to execute any instrument which is necessary or is requested by County to further effectuate the non-subordination of this Sublease.

14. LIENS:

A. General: Subject to the provisions of Paragraph 7 regarding TAXES AND ASSESSMENTS and Paragraph 13 regarding NON-SUBORDINATION AND NON-ASSIGNMENT AS SECURITY, Sublessee hereby covenants to keep the Project and every part thereof free and clear of any and all liens or encumbrances of any kind whatsoever created by Sublessee's acts or omissions and/or created by the performance of any labor or furnishing of any material, supplies, or equipment contemplated hereunder on the Premises. County covenants to keep the Project and every part thereof free and clear of any and all liens or encumbrances of any kind whatsoever created by County's acts or omissions or those of its agents or employees, and shall indemnify and hold Sublessee harmless from any such County-created liens or demands. Sublessee further agrees to hold the Project and all parts thereof free and harmless from any such Sublessee created liens, claims, or demands, and any and all costs, damages or liability in connection therewith, together with reasonable attorney's fees and all costs and expenses incurred by County in negotiating, settling, defending, and otherwise protecting the Project or any part thereof against such liens, claims or demands.

B. Mechanics' and Other Liens: Sublessee shall pay, or cause to be paid, the total cost and expense of all works of improvement as that phrase is defined in the applicable mechanics' lien law in effect when the work begins. Sublessee shall not permit any mechanic's, material man's, contractor's, subcontractor's or other lien, arising out of the performance of the Sublease, to stand against the Premises, Improvements or District Land, or any part thereof. If any such lien shall be filed against the Premises, Improvements or District Land, Sublessee shall cause the same to be discharged within ten days after actual notice of such filing, by payment, deposit, or bond. If Sublessee fails to discharge any such lien, County may, but shall not be obligated to, discharge the same, and any amount so paid or deposited by County and all expenses incurred by County, including reasonable attorney's fees, shall become immediately due and payable by Sublessee to County together with interest computed at the rate of seven percent per annum.

If Sublessee desires to contest any such lien, Sublessee shall notify County of Sublessee's intention to do so within ten days after the filing of and service upon Sublessee of such lien, or lose the right to contest. In such case, provided that Sublessee shall furnish the bond required by California Civil Code, Section 3143 (or any comparable statute hereafter enacted for providing a bond freeing the Project from the effect of such lien), Sublessee shall not be in default until five days after the final determination of the validity thereof, within which time Sublessee shall satisfy and discharge any such lien to the extent held valid, but the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had upon any judgment rendered thereto, and such delay shall be a default of Sublessee hereunder. In the event of any such contest, Sublessee shall protect and indemnify County against all loss, cost, expense and damage, including reasonable attorney's fees, resulting therefrom.

15. INDEMNIFICATION AND INSURANCE – REQUIREMENTS FOR CONSTRUCTION:

I. INDEMNIFICATION

The Sublessee and its Contractor(s) shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officials, officers, employees, and agents (collectively, the "Indemnified Parties") from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with the Sublessee's acts and omissions arising from and/or relating to construction, repair, maintenance and occupancy of the Premises, and the Contractor(s) shall assume all risks and bear all cost for loss of, damage to, or missing or stolen equipment, tools, vehicles and materials owned, hired, leased or used by Sublessee's Contractor(s) for construction, repair and maintenance of the Premises. . This indemnification does not apply to liability caused by the active negligence of the Indemnified Parties. County shall indemnify, defend and hold Sublessee harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of County or its employees, or arising from any breach or default under this Sublease by County or arising from County's use and/or occupancy of the Premises, the Building and/or the common area. The foregoing provisions shall not be construed to make County responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the Landlord, or its officers, contractors, licensees, agents, employees or invitees.

II. GENERAL INSURANCE PROVISIONS

Without limiting the Sublessee's and its Contractors' indemnification of the Indemnified Parties, and during the term of this Sublease, and until all of the obligations pursuant to this Sublease have been met, Sublessee and its Contractor(s) shall provide and maintain at their own expense insurance coverage satisfying the requirements specified in this Sublease Agreement. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Sublessee and its Contractor(s) pursuant to this Sublease Agreement. The County in no way warrants that the Required Insurance is sufficient to protect the Sublessee and its Contractor(s) for liabilities which may arise from or relate to this Sublease Agreement.

- A. Evidence of Coverage and Notice to County: Sublessee and its Contractor(s) shall provide certificate(s) of insurance coverage (Certificate) or other evidence of coverage satisfactory to the County. These Certificates shall be delivered to the Sublessee and to the County,

prior to the start day of this Sublease. Such Certificates or other evidence shall:

- (1) Specifically identify the Sublease by name or number.
- (2) Clearly identify all insurance coverage types and limits required for the Sublease and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Sublessee and/or its Contractor(s) identified as the contracting party for the Sublease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions, and list all endorsement forms required of Sublessee and/or its Contractor(s) under this Sublease.
- (3) Contain the express condition that the Indemnified Parties are to be given written notice by mail at least 30 days in advance of cancellation for all policies evidenced on the certificate of insurance. Ten (10) days prior notice may be given to the Indemnified Parties in event of cancellation for non-payment of premium.
- (4) Include a copy of the additional insured endorsement to the commercial general liability and builders risk course of construction insurance policies, adding the Indemnified Parties as additional insureds for all activities arising from the Improvements. The Indemnified Parties' additional insured status shall apply with respect to liability and defense of suits arising out of the Sublessee's and Contractor's acts or omissions, whether such liability is attributable to the Contractor or to an Indemnified Party. The full limits and scope of protection of the Sublessee and Contractor's policies shall apply to the Indemnified Parties as an additional insured, even if they exceed the minimum insurance requirements indicated herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies this and the other insurance requirement provisions herein.
- (5) Show the insurance policies of Sublessee and Contractor, with respect to any claims related to the Improvements, are primary to all other sources of coverage available to Sublessee and Contractor. Any insurance and self-insurance coverage of the Indemnified Parties shall not contribute to any Contractor coverage. This may be evidenced by adding a statement to the additional insured endorsement required in item (4), stating "It is further agreed that the insurance afforded by this policy is primary to any insurance or self-insurance programs maintained by the County of Los Angeles and non-contributing to the Named Insureds coverage."
- (6) Certificates and copies of any required endorsements, notices of cancellation shall be delivered to:

County of Los Angeles
Chief Executive Office-Real Estate Division
222 S. Hill Street, 3rd Floor
Los Angeles, CA 90012
Attention: Director of Real Estate

Renewal Certificates shall be provided to Indemnified Parties not less than 10 days prior to Sublessee and/or its Contractor(s)' policy expiration dates. The Lessor reserves the right to obtain complete,

certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.

Neither the Indemnified Parties' failure to obtain, nor the Indemnified Parties' receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Sublessee, its Contractor(s), their insurance brokers and/or insurers, shall be construed as a waiver of any of the Required Insurance provisions.

- (7) Sublessee also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Sublessee or its Contractor(s). Sublessee also shall promptly notify County of any third party claim or suit filed against Sublessee or its Contractor(s) or any of its Sub-Contractors which arises from or relates to the Sublease, and could result in the filing of a claim or lawsuit against County, Sublessee, and/or its Contractor.

B. Insurer Financial Ratings. Insurance is to be provided by an insurance company authorized to do business in California and acceptable to the County, with an A.M. Best rating of not less than A:IX, unless otherwise approved by the Lessee.

C. Waiver of Subrogation. To the fullest extent permitted by law, the Sublessee and its Contractor(s) waives their and their insurers rights of recovery against the Indemnified Parties under all required insurance policies for any loss arising from or related to the "Improvements". The Sublessee and its Contractor(s) shall require their insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.

D. Failure to Maintain Coverage. Sublessee's or its Contractor's failure to maintain or to provide evidence of the required insurance coverage acceptable to the County, shall constitute a material breach of this Sublease, upon which County may immediately withhold payments due to Sublessee or its Contractor(s), and/or terminate or suspend the Sublease. County, at its sole discretion, may obtain damages from Sublessee resulting from said breach.

E. Sub-Contractor Insurance Coverage Requirements. Sublessee shall require its Contractor to include all Sub-Contractors as insureds under Contractor's own policies, or shall provide the County with each Sub-Contractor's separate evidence of insurance coverage. Sublessee shall require its Contractor to be responsible for verifying that each Sub-Contractor complies with the Required Insurance provisions herein, and shall require that each Sub-Contractor name the Indemnified Parties and Sublessee as additional insureds on the Sub-Contractor's General Liability policy. Sublessee shall require its Contractor to obtain Sublessee's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

F. Deductibles and Self-Insured Retentions (SIRs). Sublessee shall require its Contractor to identify any deductibles or self-insured retentions (deductible/retentions) exceeding \$25,000 and Sublessee shall retain the right to require its Contractor to reduce or eliminate deductibles/retentions as they apply to the "Improvements" or require Contractor to provide financial guarantee (i.e. bond, letter of credit, etc.) for all such retained losses and costs attributable to the Contractor's deductible/retentions, or, withhold payment to Contractor in the amount of all or any deductibles/retentions as the Sublessee deems appropriate.

G. Claims Made Coverage. Sublessee shall require If any part of the Required Insurance is written on a claims made basis, Sublessee shall agrees to have or arrange to have any policy's retroactive date precede the effective date of the Construction Contract for the "Improvement". Sublessee shall require Contractor to maintain such coverage for a period of not less than 5 years following completion and acceptance by Sublessee of the construction.

H. Application of Excess Liability Coverage. Sublessee may permit its Contractor to use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

I. Separation of Insureds. Sublessee shall require that all liability policies provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

J. Alternative Risk Financing Programs. If Sublessee permits its Contractor to use self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions, the Indemnified Parties and Sublessee shall be designated as an Additional Covered Party under any approved program.

K. Lessee Review and Approval of Insurance Requirements. The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon Lessee's determination of changes in risk exposures.

III. CONTRACTOR(S) INSURANCE COVERAGE REQUIREMENTS— TYPES AND LIMITS (Construction period):

A. Builder's Risk Course of Construction Insurance. Such coverage shall:

- (1) Insure against damage from perils covered by the Causes-of-Loss Special Form (ISO policy form CP 10 30), and be endorsed to include flood, ordinance or law coverage, coverage for temporary offsite storage, debris removal, pollutant cleanup and removal, preservation of property, excavation costs, landscaping, shrubs and plants and full collapse coverage during construction (without restricting collapse coverage to specified perils). Such insurance shall be extended to include boiler & machinery coverage for air conditioning, heating and other equipment during testing.

Be written on a completed-value basis and cover the entire value of the construction, including any Sublessee and County furnished materials and equipment, against loss or damage until completion and acceptance by the Sublessee.

B. General Liability Insurance. Such coverage shall be written on ISO policy form CG 00 01 or its equivalent, naming Sublessee and Indemnified Parties as an additional insured, with limits of not less than:

General Aggregate: \$ 2 million

Products/Completed Operations Aggregate: \$ 2 million

Personal and Advertising Injury: \$ 1 million

Each Occurrence: \$ 1 million

The Products/Completed Operations coverage shall continue to be maintained in the amount indicated above for at least five years from the date the construction is completed and accepted by the Sublessee.

C. Automobile Liability insurance. Such coverage shall be written on ISO policy form CA 00 01 or its equivalent with a limit of liability of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Such insurance shall cover liability arising out of Contractor's use of vehicles pursuant to this Project, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

D. Professional Liability/Errors and Omissions insurance. Such insurance shall cover liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employees arising from or related to the design and construction with limits of not less than \$1 million per occurrence and \$2 million aggregate. The coverage shall also provide an extended five years from the date the construction is completed and accepted by the Sublessee and the County.

E. Workers Compensation and Employers' Liability Insurance or qualified self-insurance satisfying statutory requirements. Such coverage shall provide Employers' Liability coverage with limits of not less than \$1 million per accident. Such policy shall be endorsed to waive subrogation against the Indemnified Parties for injury to the Contractor's employees. If the Contractor's employees will be engaged in maritime employment, the coverage shall provide the benefits required by the U.S. Longshore and Harbor Workers Compensation Act, Jones Act or any other federal law to which the Contractor is subject.

G. Performance Security Requirements. Prior to execution of the Construction Contract between Sublessee and its Contractor, the Contractor shall file surety bonds with the Sublessee in the amounts and for the purposes noted below. All bonds issued in compliance with the Construction Contract shall be duly executed by a solvent surety company that is authorized by the State of California, is listed in the United States Department of the Treasury's Listing of Approved Sureties Treasury (Circular 570) (see www.fms.treas.gov/c570/) and is satisfactory to the Sublessee, and it shall pay all premiums and costs thereof and incidental thereto.

Each bond shall be signed by both the Sublessee's Contractor (as Principal) and the Surety.

The Sublessee shall require its Contractor to provide two surety bonds with good and sufficient sureties: the first in the sum of not less than 80% of the Contract price to assure the payment of claims of material men supplying materials to the Contractor, subcontractors and mechanics and laborers employed by the Contractor on the Work and the second in the sum of not less than 100% of the Contract price to assure the faithful performance of the Construction Contract.

1. The "Materials and Labor Bond" (or "Payment Bond") shall be so conditioned as to insure to the benefit of persons furnishing materials for or performing labor upon the Work. This bond shall be maintained by the Contractor in full force and effect until the Work is completed and accepted by the Sublessee, and until all claims for materials, labor and subcontracts are paid.
2. The "Bond for Faithful Performance" shall be so conditioned as to assure the faithful performance by the Contractor of all Work under

said Construction Contract, within the time limits prescribed, including any maintenance and warranty provisions, in a manner that is satisfactory and acceptable to the Sublessee, that all materials and workmanship supplied by Contractor will be free from original or developed defects, and that should original or developed defects or failures appear within a period of one year from the date of Acceptance of the Work by the Sublessee, the Contractor shall, at Contractor's own expense, make good such defects and failures and make all replacements and adjustments required, within a reasonable time after being notified by the Sublessee to do so, and to the approval of the department. This bond shall be maintained by the Contractor in full force and effect during the performance of the Work under this Sublease and for a period of one year after acceptance of the Work by the Sublessee.

Should any surety or sureties upon said bonds or any of them become insufficient or be deemed unsatisfactory by the Sublessee, said Contractor shall replace said bond or bonds with good and sufficient sureties within 10 days after receiving notice from the Sublessee that the surety or sureties are insufficient or unsatisfactory.

Sublessee shall stipulate in the Construction Contract that no further payment shall be deemed due or will be made to Contractor until the new sureties shall qualify and be accepted by the Sublessee.

IV. INSURANCE COVERAGE REQUIREMENTS — TYPES AND LIMITS (Occupancy period):

A. Lessee Requirements: During the term of this Sublease, Lessee shall maintain a program of insurance coverage as described below. Lessee, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self insurance (self-funding of its liabilities).

(1) **Commercial General Liability Insurance** providing scope of coverage equivalent to ISO policy form CG 00 01, naming Lessor and its Agents as an additional insured, with limits of not less than:

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

B. Sublessee Requirements: After the construction is completed, Sublessee shall provide and maintain the following program of insurance coverage:

(1) **Commercial General Liability Insurance** providing scope of coverage equivalent to ISO policy form CG 00 01, naming Lessee and its Agents as an additional insured, with limits of not less than:

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

(2) **Commercial Property Insurance.** Such coverage shall:

Provide coverage for Sublessee's property and improvements and betterments; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), excluding

earthquake and including flood and ordinance or law coverage.

Be written for the full replacement cost of the property, with a deductible no greater than \$250,000 or 5% of the property value, whichever is less. Insurance proceeds shall be payable to the Lessee and Lessor as their interest may appear.

16. DAMAGE AND DESTRUCTION:

(1) If, during the primary or any optional extension term of this Sublease, the Improvements are damaged due to a risk covered by insurance maintained under Subparagraph 15.D.(4) of this Sublease; Sublessee shall cause the damage to be repaired and the Improvements restored to substantially the same condition as they were in immediately before such damage.

(2) If, during the term of this Sublease, the Improvements are damaged due to a risk not covered by insurance required to be maintained under Subparagraph 15.IVB. of this Sublease, and whether or not such damage is substantial, Sublessee may elect either to cause the damage to be repaired and the Improvements restored to substantially the same condition as they were immediately before the damage or to terminate this Sublease, and Sublessee shall restore Improvements to the condition that existed prior to the execution of this Sublease. Said election shall be made by written notice by Sublessee to County within 60 days of the date County is notified in writing by Sublessee of the occurrence of the damage.

(3) If the Improvements are damaged during the last two years of the term of this Sublease, whether or not the damage is substantial, either party may elect to terminate this Sublease. Said election shall be made by written notice to the other party within 60 days of the date County is notified in writing by Sublessee of the occurrence of the damage. In the absence of a timely election by either party, the parties shall be deemed to have not terminated this Sublease.

(4) If Sublessee is required or elects to repair any damage to the Improvements, such damage shall be repaired and the Improvements restored to substantially the same condition as they were in immediately before the damage as promptly as is reasonably possible. To the extent the damage is due to a risk covered by insurance maintained under Subparagraph 15.IVB of this Sublease, such repairs shall be made from the proceeds of such insurance and the proceeds of such insurance shall be made available to Sublessee for such purpose. All work shall be performed in a good and workmanlike manner and shall be completed as promptly as is reasonably possible and in accordance with all applicable public laws, ordinances and regulations. Commencement of the repair and restoration shall require (a) securing the area to prevent injury to persons and/or vandalism to the Improvements and (b) the placement of a work order or contract for obtaining the labor and materials to accomplish the repair and restoration.

(5) Notwithstanding any provision contained in this Sublease to the contrary, if laws existing at the time of the damage do not permit the repair or restoration, either party may terminate this Sublease immediately by giving written notice to the other party. If this Sublease is terminated pursuant to any of the provisions in this Paragraph 16, the proceeds of any and all insurance maintained under Subparagraph 15.IVB of this Sublease shall be used first to restore Improvements to the condition that existed prior to the execution of this Sublease, and the remainder thereof, if any, shall be the sole property of the Sublessee.

(6) Sublessee waives the provisions of California Civil Code Sections 1932(2) and 1933(4) which relate to termination of leases when the thing leased is destroyed and agrees that such event shall be governed solely by the terms of this Sublease.

17. DEFAULT:

A. The occurrence of any of the following shall constitute a material default and breach of this Sublease:

(1) The vacation or abandonment of the Improvements by Sublessee. The terms "vacation" or "abandonment" shall not include those instances where the Premises are not in use because of remodeling, repairs, or the replacement of equipment, provided that such remodeling, repairs, and replacement are undertaken and completed in a prompt manner by Sublessee.

(2) A failure by Sublessee to observe and perform any provision of this Sublease, to be observed or performed by Sublessee, when such failure continues for 30 days after written notice thereof to Sublessee; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such 30-day period, Sublessee shall not be deemed to be in default if Sublessee within such period commences such cure and thereafter diligently prosecutes the same to completion.

(3) The making by Sublessee of any general assignment for the benefit of creditors; or the filing of a petition to have Sublessee adjudicated 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 Sublessee, the same is dismissed within 60 days; or the appointment of a trustee or receiver to take possession of substantially all of Sublessee's assets located at the Project or of Sublessee's interest in this Sublease, when such seizure is not discharged within 60 days.

B. Remedies: If Sublessee defaults under this Sublease, County, without further notice to Sublessee, shall, in addition to any other remedies available at law or in equity, have any one or more of the following remedies at County's election:

(1) Without barring later election of any other remedy and without terminating Sublessee's right to possession of the Project, or any part thereof, County may require strict performance of all covenants and obligations herein as the same shall accrue or become due, without terminating this Sublease and have the right of action therefor without awaiting the end of the Sublease term.

(2) If County obtains possession of the Project under a judgment pursuant to Section 1174 of the Code of Civil Procedure (unless Sublessee obtains relief under Section 1179 of that Code) or if County, by written notice declares the Sublease to be terminated because of breach of this Sublease, then County may enter upon the Project and remove any and all persons and or property whatsoever situated thereon, and place all or any portion of said property in storage for the account of and at the expense of Sublessee and dispose of such property in accordance with applicable laws. County shall be entitled to recover in one or more awards or judgments from Sublessee:

a. Any amount necessary to compensate County for all the detriment proximately caused by Sublessee's failure to perform Sublessee's obligations under this Sublease, or which in the ordinary course of things would be likely to result therefrom. Such other amount shall include, but not be limited to such expenses (including reasonable attorney's fees) as County may have paid,

assumed, or incurred in recovering possession of the Premises, and placing the Premises and District Land in good order and condition.

b. County may at County's election terminate this Sublease by giving Sublessee notice of termination. On the giving of the notice to Sublessee, all Sublessee's rights in the Premises and District Land and in the Improvements shall terminate. County shall not be deemed to have terminated this Sublease unless County shall have so declared in writing to Sublessee, nor shall County be deemed to have accepted or consented to an abandonment by Sublessee by performing acts intended to maintain or preserve the Premises. Promptly after notice of termination, Sublessee shall surrender and vacate the Project in a broom-clean condition, and County may re-enter and take possession of the Project and/or eject all parties in possession, some and not others, or eject none. Termination under this Paragraph shall not relieve Sublessee from any obligations under this Sublease or from any claim for damages incurred or accruing against Sublessee up to the date of termination.

(3) County may, at County's election, enter the Project and, without terminating this Sublease, at any time and from time to time may use or let the Premises or the Improvements or any part or parts of them for the account and in the name of County or otherwise. Any reletting may be for the remainder of the term or for a longer or shorter period. County may execute any lease made under this provision either in County's name or in Sublessee's name and shall be entitled to all rents from the use, operation, or occupancy of the Project or any part thereof. Sublessee shall, upon such election by County, have the right to immediately remove its personal property and trade fixtures.

(4) If, at any time during the term of this Sublease, Sublessee fails, refuses, or neglects to do any of the things herein required to be done by the County, County shall have the right, but not the obligation, to do the same, but at the cost of and for the account of the Sublessee; provided, however, that the County shall in no case take such action until first giving the Sublessee written notice of such failure, refusal, or neglect and allowing time periods, as specified in this Sublease, within which Sublessee may commence a bona fide effort to cure the same.

C. Equitable Relief: Nothing contained herein shall affect, change, or waive any rights of County or Sublessee 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 California Code of Civil Procedure, relating to actions for unlawful detainer, forcible entry, and forcible detainer.

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

18. WAIVER OF CONDITIONS OR COVENANTS: Any waiver by County of any breach or any one or more of the covenants, conditions, terms and agreements of this Sublease shall not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition, term, or agreement of this Sublease, nor shall failure on the part of County to require exact, full and complete compliance with any of the covenants, conditions, terms, and agreements of this Sublease be construed as in any manner changing the terms hereof, nor shall the terms of this Sublease be changed or altered in any manner whatsoever other than by written agreement between County and Sublessee. No delay, failure, or omission of County to

re-enter the Premises or to exercise any right, power, privilege, or option, arising from any default shall impair any such right, power, privilege, or option or to be construed as a waiver of or acquiescence in such default or as a relinquishment of any right. (No notice to Sublessee shall be required to restore or revise "time is of the essence" after the waiver by County of any default.) No option, right, power, remedy, or privilege of County shall be construed as being exhausted by the exercise thereof in one or more instance.

The rights, powers, options, and remedies given County by this Sublease shall be cumulative.

19. EMINENT DOMAIN: If the whole or any part of the Project hereby Subleased shall be taken by any paramount public authority under the power of eminent domain, then the term of this Sublease shall cease as to the part so taken from the day the possession of that part shall be taken for any public purpose, and from that day Sublessee shall have the right to either cancel this Sublease or to continue in the possession of the remainder of the Premises under the terms herein provided.

All damages awarded for such taking shall belong to and be the property of County provided, however, that County shall not be entitled to any portion of the award made for loss of structures, buildings, or other improvements or personal property, equipment, and trade fixtures belonging to Sublessee immediately prior to the taking of possession by the condemning authority.

20. ASSIGNMENT/SUBLETTING:

A. Sublessee shall not, without the prior written consent of County, either directly or indirectly give, assign, hypothecate, encumber, transfer, or grant control of this Sublease or any interest, right, or privilege therein, or sublet the whole or any portion of the Premises or Project, or license the use of the same in whole or in part. Said consent will not be unreasonably withheld.

In the event of a default by Sublessee under this Sublease or under the City Agreement, and upon prior approval by County, Sublessee may assign this Sublease to another non-profit corporation whose purpose is to provide the services identified in Paragraph 5. If in the event of such a default Sublessee does not elect to assign the Sublease, County may identify another entity to replace Sublessee, provided said entity's services, qualifications and service duration meet the requirements of the use provisions of this Lease.

No consent shall be required of the County to the assignment of this Sublease to an entity related to Sublessee provided that (i) the control of such entity remains substantially the same as that of the present Sublessee, including an assignment to a subsidiary or a partnership, or limited partnership in which Sublessee is a general partner or such entity created by the merger or dissolution of Sublessee and; (ii) the assignee is in compliance with the terms of Paragraphs 3 and 5 of this Sublease.

B. Neither this Sublease nor any interest therein shall be assignable or transferable in proceedings in attachment, garnishment or execution against Sublessee, or in voluntary or involuntary proceedings in bankruptcy or insolvency or receivership taken by or against Sublessee, or by any process or law including proceedings under Chapter X and XI of the Bankruptcy Act.

21. PARKING SPACES: Sublessee as part of its construction of the improvements shall construct a 26-space, parking lot on the Premises. Said lot shall contain only "in and out" parking spaces (no tandem parking spaces shall be allowed) and shall comply with the minimum requirements for handicapped parking spaces as established by the County's Department of Public Works parking requirements (the "Regulations"). Sublessee represents that 26 parking spaces is sufficient parking area to comply with the Regulations. Sublessee shall be solely responsible for the required work and cost associated with providing the required parking spaces. Notwithstanding

the foregoing, Sublessee and Sublessee's invitees shall have no rights to park vehicles upon the District Land.

22. GENERAL PROVISIONS:

A. Marginal Headings: The paragraph titles in this Sublease are not a part of this Sublease and shall have no effect upon the construction or interpretation of any part hereof.

B. Time: Time is of the essence for this Sublease and each and all of its provisions in which performance is a factor.

C. Recordation: Either party may record this Sublease at any time without the prior written consent of the other party.

D. Binding on Successors: Each and all of the terms and agreements herein contained shall be binding upon and shall inure to the benefit of the successors in interest of the Sublessee, and whatever the context permits or requires, the successors in interest to the County.

E. Prior Agreements: The Sublease and attachments hereto contain all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Sublease, and no prior agreements or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Sublease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors-in-interest. This Sublease shall not be effective or binding on any party until fully executed by both parties hereto.

F. Unavoidable Delay: Any prevention, delay, nonperformance or stoppage due to lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage or other similar cause beyond the reasonable control of the party obligated to perform, shall excuse non-performance for a period equal to the duration of any such prevention, delay, non-performance or stoppage.

G. Separability: Any provision of this Sublease which shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

H. 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.

I. Choice of Law: This Sublease shall be governed by the internal laws of the State of California.

J. Prevailing Wages: Where labor is required for public work as part of any requirements covered by this Sublease, pursuant to the provisions of the Labor Code of the State of California, Sublessee shall pay no less than the prevailing wages ascertained and published by the State Department of Industrial Relations and on file with the Board of Supervisors, and shall cause notice of such wages to be posted as required by the Labor Code. Any labor that is donated to construct the Project shall be exempt from the terms of this provision.

23. HAZARDOUS SUBSTANCES:

A. Definition: For purpose of this Lease, the term "Hazardous Substances" shall be deemed to include "hazardous substances" as defined in California Health and Safety Code Section 25316, and those chemicals and substances identified pursuant to Health and Safety Code Section 25249.8.

B. Warranties and Representation:

(1) Sublessee hereby warrants and represents that it will not cause the presence, use, storage, or disposal of any Hazardous Substances on or about the Project or District Land without the prior written consent of County.

(2) Sublessee hereby warrants and represents that it shall comply, with all Federal, State, and local laws and regulations concerning the use, release, storage, and disposal by Sublessee, its agents, and contractors of Hazardous Substances on the or about the Project or District Land.

C. Notice: Sublessee agrees to immediately notify County when Hazardous Substances have been released on or about the Project or District Land, upon becoming aware of the same.

D. Indemnity: Sublessee agrees to indemnify, defend, and save harmless County, from and against all liability, expense (including defense costs, legal fees, and response costs imposed by law) and claims for damages of any nature whatsoever which arise out of the presence or release of Hazardous Substances on or about the Project, or District Land, which is caused by Sublessee. The indemnity provided by this provision shall survive the termination of this Sublease.

E. Default: Sublessee's failure to comply with the provisions of this Paragraph 23 may, in County's sole discretion, be deemed a default of this Sublease and entitle County to terminate this Sublease immediately.

24. COUNTY'S LOBBYISTS: Sublessee and each County lobbyist or County lobbying firm, as defined in Los Angeles County Code Section 2.160.010, shall fully comply with the County's Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Sublessee or any County lobbyist or County lobbying firm retained by Sublessee to fully comply with County's Lobbyist Ordinance shall constitute a material breach of this Sublease upon which County may immediately terminate or suspend this Sublease.

25. NOTICES: Notices desired or required to be given by this Sublease or by any law now or hereinafter in effect may be given by enclosing the same in a sealed envelope with postage prepaid registered mail, return receipt requested, with the United States Postal Service. Addresses and persons to be notified may be changed by providing at least ten days' written notice to the other party except that Sublessee shall at all time maintain a mailing address in California.

A. Notices to Sublessee shall be addressed as follows:
Communities In Schools of San Fernando Valley, Inc.
ATTN: William Rodriguez, Executive Director
8743 Burnet Avenue
North Hills, CA 91434
(818) 891-9399 Phone
(818) 891-2150 FAX

B. Notices to County shall be addressed as follows:
Chief Executive Officer,
ATTN: Director of Real Estate
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012

26. SOLICITATION OF CONSIDERATION: It is improper for any County Officer, employee or agent to solicit consideration, in any form, from a sublessee with the implication, suggestion or statement that the sublessee's provision of the consideration may secure more favorable treatment for the sublessee in the award of a

sublease or that the sublessee's failure to provide such consideration may negatively affect the County's consideration of the sublessee's submission. A sublessee 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 a sublease.

A sublessee shall immediately report any attempt by a County office, 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 solicitation may result in the termination of the Sublease.

27. NONDISCRIMINATION IN EMPLOYMENT

The Sublessee certifies and agrees that all persons employed by Sublessee and/or the affiliates, subsidiaries or holding companies of Sublessee are and shall be treated equally without regard to or because of race, religion, ancestry, national origin or sex, and in compliance with all anti-discrimination provisions, existing or as later amended, of the Los Angeles County Code and the laws of the United States of America and the State of California.

The Sublessee certifies and agrees that its contractors, sub-contractors, vendors, and sublessees are and shall be selected without regard to or because of race, religion, ancestry, national origin or sex and in compliance with all anti-discrimination provisions, existing or as later amended, of the Los Angeles County Code and the laws of the United States of America and the State of California.

All employment records of the Sublessee shall be open for inspection and re-inspection at any reasonable time during the term of this Sublease for the purpose of verifying the Sublessee's compliance with this Paragraph 27.

In the event of a breach of the promises on nondiscrimination that are contained herein, and which the County determines does not constitute an event of default pursuant to Paragraph 17, the sum of \$500 is agreed to be the amount of damages which will be sustained by the County. This amount has been set by the parties in recognition of the difficulty in fixing actual damages arising from such a breach.

28. ASSURANCE OF COMPLIANCE WITH CIVIL RIGHTS LAWS

Sublessee hereby assures that it will comply with all applicable local, federal and state civil rights statutes to the end that no person shall, on the grounds of race, religion, color, sex, age, physical disability, marital status, political affiliation or national origin, be excluded from participation in, be denied the benefits of, nor be otherwise subjected to discrimination under, the Sublease or under any project, program, or activity supported by the Sublease.

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Letter of Acknowledgment and Agreement

Whereas, the County of Los Angeles, hereinafter referred to as the "County", has entered into a Sublease Agreement, hereinafter referred to as the "Lease", with Communities in Schools of San Fernando Valley, Inc., hereinafter referred to as "Lessee", wherein Lessee was granted the right to use the County's leased property located at 12605 Osborne Street, Pacoima, CA 91331, herein referred to as the "Property":

Whereas, the County has been advised that Lessee has entered into an Agreement, hereinafter referred to as the "City Agreement", with the City of Los Angeles, hereinafter referred to as "City" (pursuant to the authority provided under Council File No. 08-0097), wherein City has provided Lessee with federal funding in the amount of Seven Hundred Fifty Thousand Dollars (\$750,000), hereinafter referred to as the "Funding", to pay for partial cost of construction of a new facility at the Property;

Whereas, the County has been advised that Lessee has agreed to repay the Funding for a minimum period of seven and one-half years under the City Agreement;

Whereas, the County has been advised that the services to be provided by Lessee will involve job-related training programs which will be provided to at-risk youth from the local community, as more specifically set forth in the City Agreement and consistent with Section 5 of the Lease;

Whereas, the City desires to assist the County and Lessee in fulfilling Section 20 of the Lease (Assignment/Subletting), which allows Lessee to assign the Lease to another non-profit corporation, in order to ensure that the services offered by Lessee for the benefit of the local community will continue to be provided;

Now therefore, for and in consideration of the matters stated herein above, County agrees as follows:

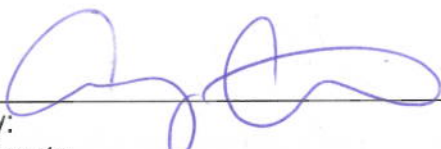
In the event, of default by Lessee, either under the above-referenced Lease with the County or under the City Agreement, that County will allow Lessee to assign the Lease (as provided in Section 20 of said Lease) to another non-profit corporation approved by the County, whose purpose will also be to provide services mutually agreed to by the City and County and consistent with the City Agreement; and who, in turn, will then be responsible for providing the services required by the City Agreement.

However, in the event that Lessee does not exercise its right to assign the Lease, the County agrees in the event of Lessee's default to give the City the option to identify and replace Lessee with another entity approved by the County, which entity will be responsible for providing the services required by the City Agreement for a minimum period of seven and one half years, from the date of Notice of Completion or a Certificate of Occupancy is recorded for the new facility referenced herein.


In no event, shall the County assume any liability or cost not provided for in the Lease by entering into this Letter of Acknowledgement and Agreement.

APPROVED AS TO FORM

ANDREA SHERIDAN ORDIN
County Counsel

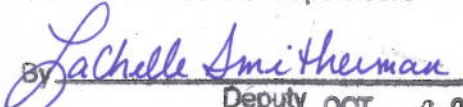

By: _____
Deputy
Date: 10/4/10

COUNTY OF LOS ANGELES


By: _____
Chair, Board of Supervisors
Date: OCT 6 2010

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

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

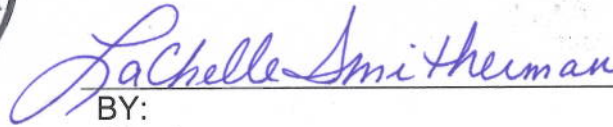

By: _____
Deputy OCT 6 2010



ATTEST:

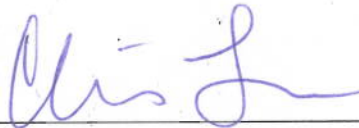
SACHI A. HAMAI

Executive Officer, Board of Supervisors



BY: _____
Deputy
Date: OCT 6 2010

APPROVED AS TO FORM AND
LEGALITY:

CARMEN A. TRUTANICH
LOS ANGELES CITY ATTORNEY


By: _____
Assistant/Deputy City Attorney
Date: 9-30-2010

CITY OF LOS ANGELES


By: Richard Benbow
Title: General Manager,
Community Development
Department
Date: 9/10/10

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES



AUG 17 2010



SACHI A. HAMAI
EXECUTIVE OFFICER

EXHIBIT A
Legal Description

A portion of the land described in Parcel 39 of Deed to Consolidated Fire Protection District of Los Angeles County, recorded Jan 7, 1993 as Instrument No. 93-3556, as shown on map filed in Book 174 of Maps at page 58, records of Los Angeles County, California described as follows;

Beginning at a lead plug with tack at the most southerly corner of above described property, at the northerly right-of-way line of Osborne Avenue; thence

- 1) North 41° 05' 32" West 145.00 feet along the westerly line of said property; thence
- 2) North 48° 56' 24" East 155.00 feet parallel to the north right-of-way of Osborne Avenue; thence
- 3) South 41° 05' 32" East 145.00 to the north right-of-way of said; thence
- 4) Along said right-of-way South 48° 56' 24" West 155.00 to the point of beginning.

The above-described parcel contains 0.52 acres, more or less.

The sidelines of the above-described parcel should be lengthened and/or shortened to intersect adjacent course sidelines and property boundaries.

The Bearings and distances used herein are on the California Coordinate System, Zone 5

The above-described parcel is graphically shown on Exhibit B attached hereto and made a part hereof.

EXHIBIT "B"

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding between the Communities In Schools of the San Fernando Valley and Greater Los Angeles, (CIS) and Los Angeles County Department of Probation, ("Probation") outlines the responsibilities of each party in implementing the shared use of Communities In Schools Job Development/Training Facility, located at the L.A. County Fire Department's – Pacoima Site at 12605 Osborne Street, Pacoima, CA. 91331. This collaboration will enable the above-mentioned entities to serve a targeted population of probationary youth and their families throughout the San Fernando Valley.

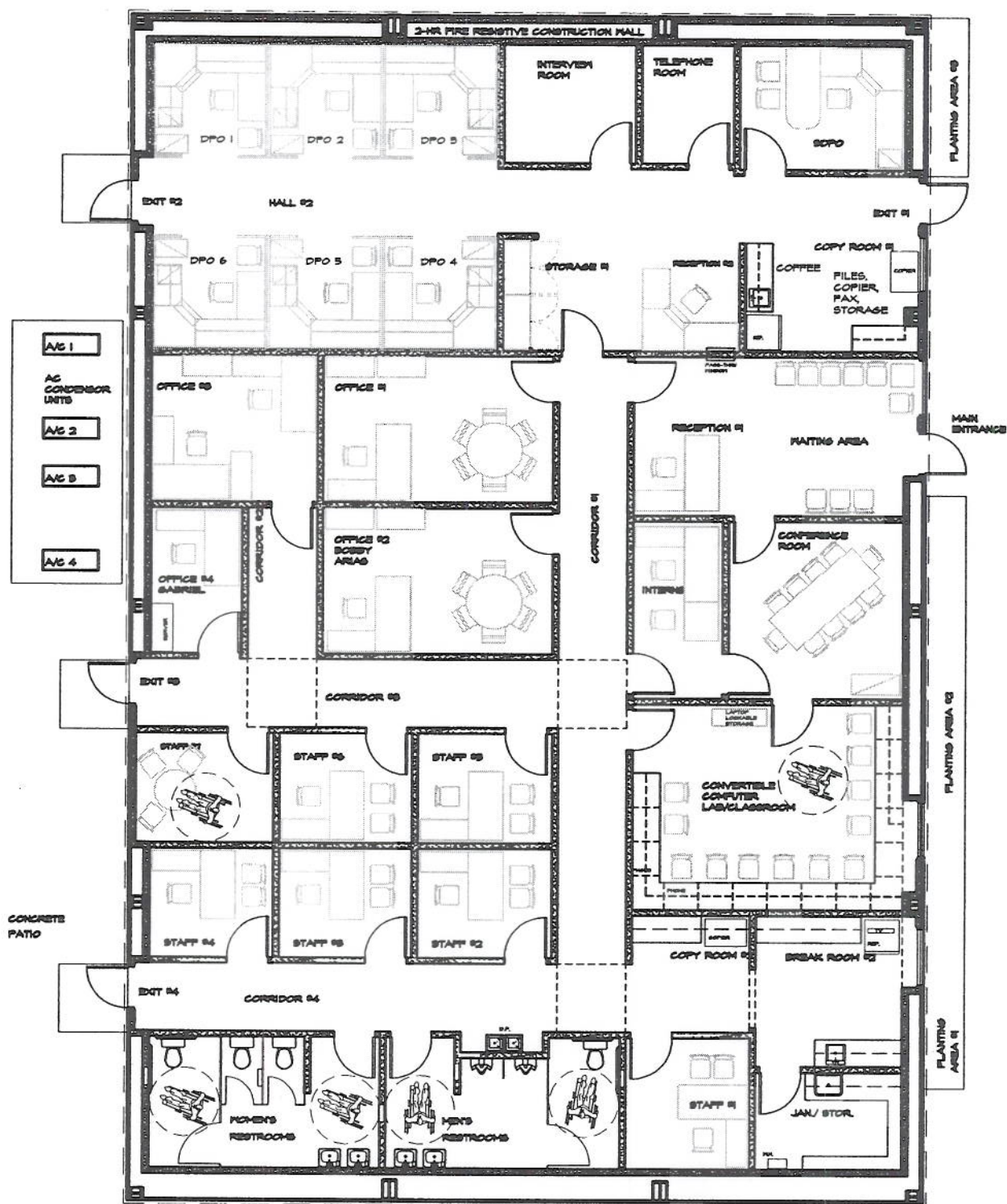
- CIS and Probation shall occupy the Premises in accordance with the space allocation depicted in Exhibit C.
- Common areas shall be used by both CIS and Probation and shall consist of the following:
 1. Waiting/Reception area
 2. Conference Room
 3. Classroom
 4. Library/Video Lab
 5. Computer Lab
 6. Lunch Room
 7. Restrooms
 8. Parking Lot
- CIS will be responsible for providing receptionist services for the entire building.
- CIS will be responsible for developing procedures and maintaining a schedule for the use of common areas and /or shared space.
- CIS will house and operate the following programs in its share of the building :
 - Job development program, which includes but is not limited to the following: job readiness, job training, orientations, job reference center, and telephone bank center and computer lab.
 - Youth leadership/entrepreneur program.
 - "University" students tutor/mentor program.
- Probation will house staff serving High Risk/High Need (HRHN) youth which may include but not be limited to:

- Designated Intensive Gang Supervision Program (IGSP) staff
- Designated Camp Community Transition Program (CCTP) staff
- Designated Juvenile Field Services staff

Probation staff will:

- Provide assessment, case planning and case management services per program standard.
 - Work in concert with CIS staff to ensure that probation participants receive appropriate services predicated on case assessment and joint case planning efforts.
 - Convene on-site family/team meetings to assess the effectiveness of prescribed case interventions where appropriate.
 - Facilitate community meetings, and trainings where appropriate.
- CIS and Probation will provide cross training opportunities to ensure a comprehensive and collaborative approach to service delivery.
 - CIS will be responsible for the cost of all utilities at the building, with the exception of telecommunications services. CIS and Probation will each be responsible for its own cost of telecommunications. CIS and Probation will be solely responsible for the cost of its programs including all personnel and supplies.

EXHIBIT C



IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Lease to be subscribed by its Chair and Sublessee caused this Sublease to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES



By: *Gloria Molina*
Chair, Board of Supervisors

ATTEST:

SACHI A. HAMAI
Executive Officer, Board of Supervisors

SUBLESSEE:

By: *Lachelle Smitherman*
Deputy **AUG 25 2010**

APPROVED AS TO FORM:

ANDREA SHERIDAN ORIN
County Counsel

By: *[Signature]*
Deputy

By: *[Signature]*
Name WILLIAM RODRIGUEZ
Title EXECUTIVE DIRECTOR
By: *[Signature]*
Name ROBERT ARIAS
Title PRESIDENT

77400

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

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

By: *Lachelle Smitherman*
Deputy **AUG 25 2010**



ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

3 **AUG 17 2010**

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER