



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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November 1, 2011

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

## ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

7 November 1, 2011

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Dear Supervisors:

### **APPROVAL OF AMENDED AND RESTATED CONCESSION AGREEMENT FOR STARBUCKS CORPORATION (FIRST DISTRICT) (3 VOTES)**

#### **SUBJECT**

Approval of the recommended actions will allow Starbucks Corporation to extend its current Concession Agreement, implement capital and tenant improvements to the newly constructed building in the Civic Park Project, and relocate operations upon completion of the tenant improvements by Starbucks Corporation.

#### **IT IS RECOMMENDED THAT YOUR BOARD:**

1. Find that your Board, as Responsible Agency under the California Environmental Quality Act, previously considered the Grand Avenue Project Environmental Impact Report prepared by the Grand Avenue Authority as lead agency for the Grand Avenue Project, and determined on February 13, 2007 that said Environmental Impact Report adequately addresses all potential environmental impacts of the Civic Center Park Project, including those relating to the proposed Amended and Restated Concession Agreement with Starbucks Corporation and provides for all required pre-construction and construction conditions and mitigation measures.
2. Approve and authorize the Mayor to execute the Amended and Restated Concession Agreement with Starbucks Corporation to operate a coffee bar concession within the Civic Park.

*"To Enrich Lives Through Effective And Caring Service"*

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3. Authorize the Director of Internal Services to temporarily provide maintenance services to the newly constructed restrooms adjacent to the new Starbucks Corporation building, until the completion of the Civic Park Project.
4. Authorize the Chief Executive Officer to take any other actions consistent with and/or necessary for the implementation of the foregoing approvals.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

In accordance with your Board's policy adopted on June 16, 2009, which allows for the extension of service/concession contracts, the above recommendations will amend and restate the current Concession Agreement (Agreement) with Starbucks Corporation (Starbucks) to extend the term, allow for tenant improvements, and restructure the revenue sharing allocation.

### **Background**

In February 1991, your Board approved the original Agreement for construction and operation of a gourmet coffee bar in the Civic Center Mall with Pasqua, Incorporated (Pasqua). The original Agreement included an 11-year term, two five-year extensions at the concessionaire's request, and a month-to-month option, with the consent of the County. In March 1999, Starbucks purchased the interest and assumed the obligations of Pasqua and the lease obligations of Pasqua were transferred to Starbucks. The original Agreement is set to expire in November 2012. The County has no right to terminate the existing Agreement early other than in the event of default by Starbucks.

In June 2010, your Board authorized the Grand Avenue Park Development, LLC to proceed with the implementation of the Civic Park Project. The Civic Park Project includes the demolition, redesign, re-engineering, and re-construction of the existing vehicular ramps off of Grand Avenue; restoration of the historic Arthur J. Will Memorial Fountain (Fountain); creation of a new Olive Tree Courtyard; and construction of a new one-story building for the relocation of the current Starbucks building, as well as an ATM facility, public restrooms, and park support offices.

Construction of the shell and core of the new Starbucks building has been completed. Pursuant to the proposed Amended and Restated Concession Agreement (Amended Agreement), Starbucks will be responsible for the completion of tenant improvements.

### **Proposed Amended Agreement**

The proposed Amended Agreement provides for the construction of tenant improvements in the new 1,195 square-foot building by Starbucks, as well as utility connections. Tenant improvements include the installation of: food preparation counters; service bars; coffee machines; refrigeration units; cabinets; storage units; display cases; appliances; cabinetry; moveable dining furniture; light fixtures; Starbucks signage; and artwork. It is anticipated that the tenant improvements will be completed within approximately eight weeks following execution of the proposed Amended Agreement. Starbucks will continue to operate in its current location until completion of the tenant improvements at the new building and will remain open continuously through the completion of the Civic Park Project, anticipated for June 2012.

The proposed Amended Agreement also reflects a 60 percent increase in the base rent, based on the increase in building square-footage. The County will also gain an option to terminate the Amended Agreement at the end of the initial 10-year term and/or the first extension term (if applicable) if gross annual sales decrease by 10 percent per year over any two-year period, or by 30 percent or more in any single year from Starbucks' gross annual sales in year one of the initial term, and any such loss in annual gross receipts is not recovered over the remaining term of the Amended Agreement.

In June 2009, your Board adopted a policy which allows for the extension of service/concession contracts that can reduce contract costs in exchange for contractor extensions without competitive bidding. The proposed Amended Agreement allows Starbucks to amortize the cost of its tenant improvements and maintain continuous service, and the County avoids a claim from Starbucks for decrease in sales revenue due to the Civic Park Project. In the Civic Park Project's current design, there exists a designated area, south of the event lawn (west of City Hall), for build-out of another coffee house or small concession that will be competitively bid out.

### **New Restroom Building**

Applicable building and retail food codes require a restroom either within or adjacent to new food business operations. Concurrent with the opening of the new Starbucks building, the restroom building adjacent to the new Starbucks building will be available to fulfill these code requirements and serve the Civic Park. To assure that the restroom building is clean and maintained, it is recommended that the Internal Services Department (ISD) temporarily be allowed to clean and maintain the restroom building and its surroundings, until acceptance of the entire Civic Park Project, at which time these services will transfer to the park operator.

### **FISCAL IMPACT/FINANCING**

The proposed Amended Agreement provides for tenant improvements to the new Starbucks building and revisions to two revenue sharing components: base monthly rent and a percentage of gross annual sales. Overall, it is anticipated that the County will receive annual revenue of approximately \$70,800.

The tenant improvements to the new Starbucks building are estimated to cost \$500,000. Starbucks will fund the tenant improvements which will also include \$50,000 of additional capital improvements related to mechanical; heating, ventilation, and air conditioning (HVAC); and utility equipment that will permanently become part of the County's building asset. The County will give Starbucks a one-time rent credit not-to-exceed \$50,000 for the additional capital improvements that will benefit the Civic Park.

Base rent received by the County will increase to \$3,585 per month from \$2,250 per month, generating annual rental revenue of \$43,020. This increase in base rent is based on the increase in building square-footage and comparative rental space rates. The County will also receive 6 percent of annual gross sales above \$717,000. Annual gross sales are expected to increase by approximately 25 percent to \$1,180,000, based on the increased/reconfigured interior space, increased operational hours/days due to programs/events, and improved outdoor seating area adjacent to the Fountain. The anticipated growth in gross sales is expected to result in annual sales revenue of \$27,780 to the County and total combined revenue of \$70,800.

The Chief Executive Office (CEO) and ISD will work to quantify the temporary costs for maintenance and cleaning services of the adjacent restroom building until acceptance of the Civic Park Project.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The County is authorized by the provisions of Government Code Section 25907 to contract for concessions and services that are consistent with public park and recreation purposes.

The term of the proposed Amended Agreement will be for an initial period of ten years with two options to extend the term for an additional period of five years each. At the end of each term, the Amended Agreement allows the County to evaluate Starbucks' performance of work product or service performed before authorizing Starbucks' exercise of the option to extend. If Starbucks has failed to meet certain enumerated

performance standards, the County may decline to allow Starbucks to extend the term of the Amended Agreement and the Amended Agreement will terminate. Should the Amended Agreement be terminated, the County would issue a Request for Proposal for a new concessionaire.

In accordance with your Board's policy on the extension of concession agreements, extension of the existing Agreement with Starbucks was not required to be competitively bid due to the benefits received by the County, which include the tenant improvements, increased revenue, and the continuous provision of the concession services through at least the year 2022.

Starbucks has agreed to comply with all applicable County laws, regulations, and policies, and the Amended Agreement does include general language to that effect. Because the proposed Amended Agreement is a concession agreement (as opposed to a standard services contract), and is an amendment and revision of an existing agreement which predated most of the current standard County service contract provisions, Starbucks has requested that the Amended Agreement not include the following provisions: Contractor Responsibility, County Lobbyist, Jury Service, Consideration of Hiring County Employees and GAIN/GROW Participants, Safely Surrendered Baby Law, County's Defaulted Property Tax Reduction Program, County's Child Support Compliance Program, County's Quality Assurance Plan, Notice regarding Federal Earned Income Credit, Recycled Bond Paper, and Termination for Improper Consideration.

The CEO recommends the Board's approval, and the Mayor to execute the Amended Agreement attached. County Counsel has approved the Amended Agreement, subject to the Board's approval of the foregoing modifications.

#### **ENVIRONMENTAL DOCUMENTATION**

On February 13, 2007, acting as a Responsible Agency, your Board certified the Grand Avenue Project Environmental Impact Report (EIR) as prepared and certified by the Grand Avenue Authority as lead agency for the Grand Avenue Project. The recommended action is within the scope of the Grand Avenue Project in the previously certified EIR. All required pre-construction and construction conditions and mitigation measures are being addressed and completed.

The Honorable Board of Supervisors  
November 1, 2011  
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**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

It is anticipated that Starbucks will remain open for business throughout the construction process either in its current location or the proposed new location.

**CONCLUSION**

Please return one adopted copy of this Board letter to the Chief Executive Office, Capital Projects Division, and to the Internal Services Department.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:RLR:DJT  
DKM:CF:mc

Attachment

c: Executive Office, Board of Supervisors  
County Counsel  
Internal Services

U:boardletters(word)/capitalprojects/starbucks\_boardletter110111

AMENDED AND RESTATED  
CONCESSION AGREEMENT  
BY AND BETWEEN  
COUNTY OF LOS ANGELES

AND

STARBUCKS CORPORATION, A WASHINGTON CORPORATION

Nov 01, 2011

COUNTY OF LOS ANGELES CIVIC PARK  
*(formerly Los Angeles County Civic Center Mall)*

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- Exhibit A - Premises Map and Legal Description
- Exhibit B - List of Permitted Equipment and Trade Fixtures
- Exhibit C - Work Letter
- Exhibit D - Rental Commencement Date Memorandum

AMENDED AND RESTATED CONCESSION AGREEMENT

THIS AMENDED AND RESTATED CONCESSION AGREEMENT (the "Agreement"), is made and entered into this 1st day of November 2011, by and between the COUNTY OF LOS ANGELES (hereinafter "County"), a body corporate and politic, and STARBUCKS CORPORATION, A WASHINGTON CORPORATION (hereinafter "Starbucks").

RECITALS

WHEREAS, County operates the County of Los Angeles Civic Center Park ("Civic Park"), formerly the Los Angeles County Civic Center Mall, in the City of Los Angeles; and,

WHEREAS, County is authorized by the provisions of Government Code Section 25907 to contract for concessions and services that are consistent with public park and recreation purposes; and,

WHEREAS, a concession for the provisions of food services upon land within the Civic Park is consistent with said purposes; and,

WHEREAS, Starbucks purchased the interest and assumed the obligations of Pasqua, Incorporated, under the original Concession Agreement with the County dated February 19, 1991; and,

WHEREAS, the County has requested that Starbucks relocate from its existing facility to a new facility as shown on Exhibit A attached hereto and incorporated herein by this reference, under the terms and conditions of this Agreement; and,

WHEREAS, the County is willing to extend the existing concession in accordance with the terms and conditions set forth herein; and,

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein, the parties hereto agree as follows:

1. CONCESSION GRANTED

- 1.01 Starbucks is hereby authorized to use and occupy the Premises as defined in Exhibit A for a coffee and food concession offering the following items for sale at the Premises for consumption on or off the Premises at Tenant's discretion: (a) whole and ground coffee beans, (b) coffee by the cup, (c) espresso/coffee/tea-based drinks, (d) teas and spices, (e) blended beverages, (f) espresso/coffee/tea related equipment, supplies and accessories, (g) seasonal, promotional and Tenant branded merchandise, (h) assorted food items including but not limited to baked goods, desserts, frozen desserts, salads, sandwiches, juices, candies and novelties, (i) books, magazines and newspapers, (j) music merchandise and

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digital media content, (k) non-food items or other items that Tenant or its successors make available for sale in the ordinary course of business not presently prohibited by the written exclusive use rights of other tenants in the Civic Park, provided however, that each sub-section (g) – (k) shall not take up more than 10% of the floor area. All drink and food items sold by the Starbucks at the Premises shall be of a first class quality. Starbucks may use the Premises for storage related to the operation of its concession.

- 1.02 The privilege granted hereby shall be exclusive within the confines of the Premises defined in Exhibit A, and does not extend to the balance of the Civic Park and shall not preclude the granting by County of other concessions providing for the needs of the public at the Civic Park; provided however, that County shall not permit to be operated on the Civic Park between Hill Street and Grand Avenue, during the term or any extension of this Agreement, any new business or activity, (1) that generates or seeks to generate revenue and/or profit from the sale of (i) hot or cold coffee, espresso, tea, cocoa, or blended beverages, and/or (ii) whole or ground coffee beans, or (2) whose identity is that of a coffee bar. Notwithstanding, full service, sit-down restaurants with a wait staff and table service serving a complete lunch/dinner menu may sell, in conjunction with a sale of a meal, brewed coffee or tea, and hot espresso drinks for on-premises consumption only.
- 1.03 Starbucks understands and agrees that the concession granted hereby is by license; and confers only permission to occupy and use the Premises described for concession purposes in accordance with the terms and conditions hereinafter specified without granting or reserving to Starbucks any interest or estate therein outside of the licensed Premises; the expenditure of capital and/or labor in the course of use and occupancy hereunder shall not confer any interest or estate in the Premises other than the license specified by virtue of said use, occupancy and/or expenditure of money thereon, except as provided in Section 3.04 for the unamortized value of improvements made by Starbucks in or at the Premises; and it is the intention of the parties to limit the right of use granted herein to Starbucks, except as provided in Section 9.
- 1.04 Each party warrants to the other that it has the right and authority to enter into this Agreement at the time and in the manner it has entered into this Agreement and that each party has fully complied with any and all laws, rules, regulations, and/or procedures of every kind whatsoever in negotiating, obtaining approval for and executing this Agreement. Each party shall indemnify, defend, and save harmless the other from and against any and all liability, challenges to this Agreement, claims, expenses, costs, and damages of every kind whatsoever arising out of any breach of this warranty.

## 2. PREMISES

- 2.01 The concession granted hereby shall be conducted on the real property described in the attached Exhibit A, (the "Premises"). Both parties agree that the Premises is 1,195 usable square feet.
- 2.02 The Premises shall be used only and exclusively for a coffee house/bar, and such other purposes as are related thereto, as described in Section 1.01 and for no other purposes whatsoever without the prior express written approval of the County's Chief Executive Office (CEO) which shall not be unreasonably withheld.
- 2.03 Starbucks acknowledges personal inspection of the Premises and the surrounding area and evaluation of the extent to which the physical condition thereof will affect its coffee house/bar operation prior to acceptance of delivery of the new Premises. Subject to the terms of this Agreement, Starbucks accepts the Premises in its present physical condition, and agrees to make no other demands upon County, the County's contractors, Charles Pankow Builders, Ltd. or The Related Companies for any improvements or alterations thereof other than those expressed as County obligations in the Work Letter (Exhibit C).
- 2.04 Starbucks may make or construct or cause to be made or constructed, additions, alterations, repairs or changes in the Premises as may be authorized by the CEO provided that: (1) specific written reasonable approval thereof is first obtained from the CEO for exterior signage, exterior lighting additions (if any), structural changes or improvements that will impact the building infrastructure and/or systems; (2) applicable permits are obtained therefor; and (3) there is compliance with such terms and conditions relating thereto, as may be imposed thereon by the CEO. The County's approval under (1) will not be unreasonably withheld and the terms and conditions in (3) shall not be commercially unreasonable.
- 2.05 Starbucks hereby acknowledges the title of County, and/or any other public agencies having jurisdiction over, in and to the Premises located thereon, subject however to this Agreement, and covenants and agrees never to assail, contest or resist said fee title, in any manner contrary to this Agreement.
- 2.06 Ownership of all improvements constructed by Starbucks upon the Premises and all alterations, additions or betterment thereto, shall remain in Starbucks until termination of this Agreement. Upon termination thereof, whether by expiration of the term, cancellation, default or otherwise, ownership thereof shall vest in County, without compensation being paid therefor, except as provided in Sections 3.04 and 21.01, and such structures, buildings and/or improvements excluding trade equipment and fixtures shall be surrendered to County with the Premises.
- 2.07 Intentionally deleted.

- 2.08 County warrants to Starbucks that the CEO has no actual knowledge, as of the date of this Agreement, that there is any asbestos or other hazardous waste, material, or substance of any kind whatsoever, on, in, or under the Premises.
- 2.09 County shall indemnify hold harmless, and defend Starbucks, its officers, directors, employees, and agents, and any successors to Starbucks interest collectively "Indemnitees", against all claims, demands, losses, liabilities, costs and expenses, including attorney's fees, imposed upon, incurred, or accruing against Indemnitees (i) as costs of investigatory or remedial action required, or any fines, penalties, or other relief of conditions imposed, by any governmental or quasi-governmental authority or entity or any political subdivision, or (ii) as damages to or other relief afforded third persons for personal injury, property damage, or other economic or non-economic injury or loss, arising from (a) the breach of County's warranty in Section 2.08 above, or (b) the existence of any asbestos or other hazardous waste, materials or substances of any kind whatsoever, which are now on, in, or under the Premises, or which County causes or permits to be in or on the Premises or the Civic Park during the term and any extension of this Agreement. This indemnification specifically excludes indemnity to the extent that Starbucks has caused, permitted or allowed any asbestos or other hazardous waste, materials or substances of any kind whatsoever in or on the Premises during the term and/or any extension of this Agreement, and Starbucks shall indemnify, hold harmless, and defend the County and its Special Districts, elected and appointed officers, employees, and agents against all claims, demands, losses, liabilities, costs and expenses, including attorney's fees, imposed upon, incurred, or accruing in connection with or as a result of any asbestos or other hazardous waste, materials or substances of any kind which Starbucks has caused, permitted or allowed in or on the Premises.

### 3. TERM

- 3.01 The term of the concession shall be for a period of ten (10) years commencing on the Rental Commencement Date, as defined in Section 4.01 hereof. The Rental Commencement Date shall be evidenced by a Rental Commencement Date Memorandum, in substantially the form attached hereto as Exhibit D and executed by the parties hereto. This Agreement will supersede the current Agreement upon full execution by the parties.
- 3.02 Starbucks may extend the term of this Agreement for two additional periods of five (5) years each. Each extension shall be on the same terms, covenants, and conditions contained in this Agreement, except that Starbucks' Base Rent (as defined in Section 4.01) to County during the first extension will be \$3.60 psf/month and during the second extension will be \$3.96 psf/month. The Percentage Rent (as defined in Section 4.01) will be \$860,400 during the first extension (if applicable) and \$946,440 during the second extension (if applicable).

Starbucks shall exercise said extension rights, if it elects to do so, by delivering to County a written request for extension approval on or before 90 days before expiration of the initial term of this Agreement and no later than 90 days before expiration of the first five-year extension period if applicable. County shall respond to any such extension request in writing within 90 days, and any failure by County to respond shall be deemed approval of the extension request. Notwithstanding the foregoing, County shall only have the right to deny any extension request by Starbucks in the event that at least one of the conditions set forth in Section 3.05 applies.

- 3.03 In the event Starbucks holds over beyond the term herein provided with the consent, express, or implied, of County, such holding over shall be from month to month only, subject to the conditions of this Agreement; shall not be a renewal thereof; and the monthly compensation payable by Starbucks to County hereunder may be subject to adjustment at the commencement of or at any time during the holdover period, in the County's sole and absolute discretion.
- 3.04 County may terminate this Agreement at any time for the following reason: County decides to change the use of the Civic Park to a public use other than a public park which includes commercial and/or retail uses and County reasonably determines that Starbucks should not operate its concession in or near the Civic Park under its new public or non-commercial public park use. In such event, County shall give Starbucks six months prior written notice of a termination under this Section 3.04, unless such termination is required by law, in which case no notice is required, provided, however, that County shall endeavor to provide Starbucks with notice as soon as possible. Upon termination under this Section 3.04, County shall pay Starbucks an amount sufficient to make it whole to the extent of (i) the unamortized value, as of the date of termination, of all improvements Starbucks has made in or to the Premises, in accordance with this Agreement, and (ii) Starbucks assets used in the Premises which either have no value or cannot be transferred to and utilized at another store operated by Starbucks.
- 3.05 Except as otherwise provided herein, County may deny Starbucks' extension request and terminate this Agreement at the end of the initial term or the end of the first extension period (as applicable) only if the quality of the work product provided or services performed hereunder has deteriorated as indicated by any of the following:

3.05.01 A decrease in Starbucks' annual Gross Receipts hereunder by at least 10% per year for two consecutive years, or

3.05.02 A decrease in Starbucks' annual Gross Receipts hereunder by at least 30% in any single year following the first full year of this Agreement, and any such loss in annual Gross Receipts is not recovered over the remaining term of

the Agreement. The first full year of this Agreement will begin on July 1, 2012 and end on June 30, 2013.

- 3.06 County may not terminate the Agreement if Starbucks' quality of the work product or service performed deteriorates due to:

3.06.01 Causes beyond the reasonable control of Starbucks to the extent such causes materially impact the performance of Starbucks' work, which may include, as applicable: (i) war, (ii) insurrection, (iii) suspension or abandonment of work through strikes, labor disputes, boycotts, or walkouts, (iv) riots, (v) acts of God (including floods, earthquakes, fires and other major catastrophes), (vi) failure of or delay in the availability of any public utility, (vii) shortages encountered in transportation, fuel or material, (viii) unusually severe weather, (ix) delay by any Governing Entity in rendering decisions, recommendations or approvals or disapprovals beyond the time periods required, (x) undisclosed, concealed conditions, or (xi) the actively negligent or wrongful acts or omissions of any Governing Entity (an "Excusable Delay").

3.06.02 Construction that interferes with the direct path of travel of consumers to the store.

- 3.07 Agreement may be terminated at any time by mutual agreement of both parties.

#### 4. PAYMENT

- 4.01 Starbucks shall pay County for the concession and use granted herein a minimum monthly amount of \$3.00 psf/month ("Base Rent") (Base Rent = \$3.00 X 1,195 sf = \$3,585.00 per month) for the initial term commencing with the first day of the first month which immediately follows the later of 1) Starbucks being issued at least a Temporary Certificate of Occupancy; or 2) twelve (12) weeks from the date that the County substantially complies with its obligations under the Work Letter (Exhibit C), receives a Certificate of Occupancy for the new Building/Premises, and Starbucks accepts possession of the Premises. Said date shall be referred to herein as the "Rental Commencement Date." In addition to the Base Rent, Starbucks shall pay County six percent of Gross - Receipts over \$717,000 ("Percentage Rent").

- 4.02 Intentionally deleted.

- 4.03 Except for Percentage Rent payments which shall be paid within 30 days after the end of each calendar year, Base Rent payments shall be made to the County on or before the 15<sup>th</sup> day of the calendar month following each month of the term provided herein. Payment shall be by check or draft and made payable to the County of Los Angeles. Payment shall be mailed to:

Auditor-Controller  
Franchise/Concessions  
603 Kenneth Hahn Hall of Administration  
500 W Temple Street  
Los Angeles California 90012

County acknowledges and agrees that Starbucks, at Starbucks option, shall have the right to pay amounts due under this Agreement to County via electronic funds transfer, and that County shall cooperate with Starbucks, if necessary, to establish that manner of payment by Starbucks. A late payment charge of \$100 plus one and one half (1.5%) percent per month of any amount delinquent for more than 30 days shall be added to any late payment that is received after the last day of the calendar month in which payment is due.

## 5. ACCOUNTING RECORDS

5.01 Starbucks shall be required to maintain a method of accounting which shall, to the reasonable satisfaction of the Auditor-Controller, correctly and accurately reflect the Gross Receipts and disbursements of Starbucks in connection with the coffee bar kiosk operation. The method of accounting, including bank accounts, established for the concession shall be separate from the accounting system used for any other business operated by Starbucks or for recording Starbucks's personal financial affairs. Such method shall include without limitation the keeping of the following documents:

- a. Regular books of accounting such as general ledgers;
- b. Journals including any supporting and underlying documents such as vouchers, checks, tickets, bank statements, etc;
- c. Sales tax returns and checks and other documents providing payment;
- d. Cash register tapes (daily tapes may be separated but shall be of sums shown which shall be kept in confidence by County unless otherwise provided by law and retained so that from day to day the sales can be indentified);
- e. Any other accounting records that the Auditor-Controller deems necessary for proper reporting of receipts, but Starbucks' provision of such other accounting records shall not increase Starbucks' cost of doing business nor shall be substantially different than Starbucks provides in connection with its operation of other stores.

5.02 All sales and fee collections shall be recorded. The means of recording such sales and fee collections may include any of the following equipment; cash registers, electronic data processing and record keeping equipment. The cash registers shall publicly display the amount of each transaction and automatically produce a customer's receipt or certify the amount recorded on a sales slip. Said cash registers shall in all cases have locked-in sales totals and transaction counters which are constantly accumulating and which cannot, in either case, be rest, and in addition thereto, a tape located within the register on which



transaction numbers and sales details are imprinted. Beginning and ending cash register readings shall be made a matter of daily record.

- 5.03 All documents, books, and accounting records relating to Starbucks' business at the Premises shall be open for inspection and re-inspection at any reasonable time with the (10) days notice following the date of this Agreement and for twelve (12) months thereafter; provided, however, in no event is Starbucks required to keep any records longer than four (4) years. In addition, the County may from time to time conduct an audit and re-audit of the books and business conducted by Starbucks at the Premises and observe the operation of the business so that accuracy of the above records can be confirmed. All information obtained in connection with the County's inspection of records or audit shall be treated as confidential information and exempt from public disclosure thereof to the extent permitted by law, including without limitation the California Public Records Act (Govt. Code 6251 et seq.).

Starbucks shall not be required to maintain those documents, books and accounting records, required by this section, that pertain to the period for which an audit has been completed and a report of the findings has been issued by the Auditor-Controller and accepted by the Starbucks. If there is a dispute as a result of said audit, the documents, books and accounting records shall be maintained until all audit disputes have been resolved.

- 5.04 By the 20<sup>th</sup> day of each month, Starbucks shall furnish the CEO with a report showing the previous month's Gross Receipts from the concession. In addition thereto, Starbucks shall furnish the CEO with an annual revenue statement prepared in a form acceptable to the County within 30 days after the close of each calendar year of this Agreement.
- 5.05 In the event that an audit or review conducted by the Auditor-Controller and/or CEO finds, after Starbucks has an opportunity to be heard, that due to Starbucks under-reporting of Gross Receipts received in connection with its operations authorized herein, the County has suffered or will suffer a loss of revenue, County may: (1) bill Starbucks for said losses, said amount to be paid to County within thirty (30) days following Starbucks' receipt of a written billing therefor unless otherwise extended by CEO, and/or (2) utilize any other remedy in law or equity.

Should the County find that the additional payment due to County exceeds five percent (5%) of the total amount which should have been paid as determined by such review or audit, and that there is no reasonable basis for the failure to report and pay thereon, Starbucks shall also pay the cost of the audit as determined by County and any late fee as provided in section 4.03.

## 6. REQUIRED CONSTRUCTION PROGRAM

- 6.01 Relocation of Premises. The County will deliver a new core and shell of approximately 1,195 usable square feet of space as shown on Exhibit A substantially in accordance with its obligations in the Work Letter (Exhibit C) with only minor cosmetic items remaining incomplete and with at least a Temporary Certificate of Occupancy.
- 6.02 Rent Credit. The County will give Starbucks a rent credit in an amount not to exceed \$50,000 for the cost of shell scope of work that Starbucks has agreed to provide as described within the attached Work Letter (Exhibit C), including without limitation all costs associated with providing/installing two (2) four (4) ton HVAC units, providing/installing electrical panels/breakers and distributing service within the Premises, providing wire and run/install from the power source to the Premises, to be applied to monthly "Base Rent" and "Percentage "Rent" until the full value of the rental credit is secured, following Starbucks' provision of copies of actual invoices for said work, to County. After the completion of the County's obligations under the Work Letter and the delivery of the Premises to Starbucks per the Agreement, Starbucks at its sole expense, shall provide for the completion of the construction of the coffee house/bar interior per its permitted plans.
- 6.03 Starbucks' Obligation for Tenant Improvements. Starbucks agrees to complete a set of plans for its interior improvements and submit the same for permit to the County Department of Public Works ("DPW") and/or other required agencies. Starbucks shall obtain jurisdictional approvals of all plans, specifications, and permits for the improvements within the Premises. The CEO will use its best efforts to cooperate with Starbucks to expedite such approvals. Starbucks agrees that County may have on site at any time during the improvement period an inspector from the County or Charles Pankow Builders Ltd., who shall have the right of access to the Premises and the construction work.
- The CEO and Starbucks may agree, from time to time, that various improvements mutually agreed upon, shall be completed as necessary to improve and/or insure the usability of the Premises.
- 6.04 The parties agree that any delay in construction due to fire, earthquake, war, labor dispute, acts of God, other events beyond the control of Starbucks shall extend the time in which said construction must be completed by the length of time of such delay caused by such events.
- 6.05 Starbucks and/or its contractors shall perform, complete and maintain all construction and installations covered by this Agreement in a good and workmanlike manner and with high quality materials, and shall furnish all tools, equipment, labor and material necessary to perform and complete the same and hereby expressly warrants that all said materials and workmanship will be free

from any patent defects. Starbucks shall use its best efforts to require that its contractors' warranties extend to County as well as Starbucks.

## 7. BONDS

- 7.01 If requested by the CEO, Starbucks shall require that its general contractor, during any periods of construction hereby required or otherwise authorized, shall provide a faithful performance bond in an amount equal to one hundred percent (100%) of the cost for the construction to be performed, as evidenced by construction contracts for all required work, payable to the County of Los Angeles and executed by a corporate surety licensed to transact business as a surety in the State of California and acceptable to the CEO. The condition of the bond shall be such that if Starbucks or its contractor(s) shall complete the required construction specified herein in accordance with approved plans and specifications and receive a permanent certificate of occupancy for the building, then surety shall no longer be bound thereon. Said bond shall be maintained in full force and effect by Starbucks' contractor until a Certificate of Occupancy is issued by the governing authority.
- 7.02 Starbucks shall require that its general contractor, during any period of construction hereby required or otherwise authorized, provide a labor and material payment bond in an amount of not less than one hundred percent (100%) of the costs for the construction to be performed as evidenced by construction contracts for all required work, payable to the County of Los Angeles and executed by a corporate surety licensed to transact business as a surety in the State of California and acceptable to the CEO. The payment bond shall also inure to the benefit of all claimants, as said term is presently defined by Section 3085 of the California Civil Code, or may hereafter be amended so as to give such claimants a right of action to recover thereon in any suit brought to foreclose the liens provided for in Title 15 of Par 4, of Division 3 of the California Civil Code or in a separate suit brought upon the bond. The condition of the bond shall be such that if Starbucks' contractor shall well and truly pay or cause to be paid all claims for labor, materials, appliances, teams, or power, or either or all, performed, furnished, or contributed in connection with said works of improvement, then surety shall no longer be bound thereon. Said bond shall be maintained in full force and effect until all claims for labor, materials, appliances, teams, or power have been paid, as evidenced by release of mechanic's liens by all claimants or by other evidence satisfactory to County.
- 7.03 Starbucks shall have the option to deposit with the County cash or United States Government securities in an amount equal to the great of; 1) 150% of the amount of the performance bond in Section 7.01 or 2) 150% of the amount of the labor or material bonds referred to in Section 7.02. This amount of cash deposit shall be in lieu of both bonds previously described in Sections 7.01 and 7.02 and shall be available for all purposes for which the two bonds in Sections 7.01 and 7.02 are available. Said cash or securities shall be deemed deposited with County to

secure full and satisfactory performance of the principal obligations for which bonds described in Sections 7.01 and 7.02 were to be obtained, and shall be released 90 days after satisfactory performance thereof, as evidenced by certification of completion by the CEO and release of mechanic's liens by all claimants. In lieu of depositing the above described amount of money with the County, Starbucks may deposit this amount of money in one or more banks whose deposits are insured under the Federal Deposit Insurance Act (12.U.S.C.1811 et seq.) and in an account made payable to County on demand and the certificate of deposit is delivered to the CEO. Starbucks will not deposit in any one bank more than \$250,000 of this amount of money. Starbucks shall be entitled to all the interest on the deposit and to return of the certificate of deposit unless Starbucks is in default of the required construction of the works of improvement, and/or payment for labor, materials, appliances, teams, or power performed, furnished or contributed to the works of improvement in which event the principal shall be payable on demand to County for expenditure on completion of the works of improvement and payment of any mechanic's claims and/or liens. County and Starbucks may in lieu of the foregoing enter into an escrow agreement providing for the drawdown of monies deposited pursuant to this Section 7.03 to pay costs of construction during the period of construction.

- 7.04 Notwithstanding any other provision in this Agreement, Starbucks shall be entitled to terminate this Agreement without any liability or obligation to or claim or demand by the County, as follows: if the cost of the bonds required by Sections 7.01 and 7.02 exceeds fifteen (15%) percent of the cost for the construction to be performed, Starbucks may give County written notice of its intent to terminate this Agreement pursuant to this Section 7.04. Within thirty days after Starbucks has given this notice, County and Starbucks shall meet and confer in an attempt to agree on a mutually acceptable manner of proceeding with construction under Section 6. If after reasonable efforts County and Starbucks do not reach such an agreement, Starbucks shall be entitled to give County written notice of termination of this Agreement under Section 7.04. This Agreement shall terminate upon Starbucks giving this notice of termination and neither Starbucks nor County shall then have any further liability or obligation to or claim or demand against the other. Termination of this Agreement under this Section 7.04 is intended to effect a mutual general release of all claims, demands, obligations, losses, liabilities, damages and other matters of every kind whatsoever, known or unknown, then existing between Starbucks and County, both of whom are aware of and voluntarily waive the provisions of California Civil Code Section 1542, which provides:

**"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected this settlement with the debtor."**

## 8. OPERATING RESPONSIBILITIES

- 8.01 Compliance with Laws: Starbucks shall conform to and abide by all municipal and County ordinances, and all State and Federal laws and regulations, insofar as the same or any of them are applicable; and where permits and/or licenses are required for the coffee house/bar operation and/or any construction authorized herein, the same must be first obtained from the regulatory agency having jurisdiction there over. The County shall cooperate with Starbucks to identify and obtain such necessary jurisdictional approvals.
- 8.02 Compliance with Administrative Rules and Regulations: Starbucks shall conform to and abide by all administrative rules and regulations and policies of the County's Board of Supervisors, and any other County agencies insofar as the same or any of them are applicable to Starbucks' operations hereunder.
- 8.03 Disorderly Persons: Upon demand of County, Starbucks agrees to exercise every reasonable effort to not allow any loud, boisterous or disorderly persons to loiter about the Premises.
- 8.04 Illegal Activities: Starbucks shall not knowingly permit any illegal activities to be conducted upon the Premises.
- 8.05 Signs: Starbucks shall not post exterior signage upon the Premises or improvements thereon unless prior written approval thereof is obtained from the CEO, which approval shall not unreasonably be withheld.
- 8.06 Public Use: Starbucks shall not interfere with the public use of and the programming within the Civic Park area outside of the Premises.
- 8.07 Concession Staff: Starbucks shall maintain a staffing level for its operations, at its discretion and shall designate one member of the on-site staff as a Store Manager, and one District Manager (not a member of on-site staff) with whom the County may deal on a daily basis regarding the concession granted hereby. Any person selected by Starbucks as a Store Manager shall devote substantial time and attention to the operation of the concession and render such services and convenience to the public as Starbucks deems appropriate. The Store Manager and District Manager shall be fully acquainted with the concession operation, and authorized to act in only the day-to-day operations.

The CEO may at any time give Starbucks written notice to the effect that the conduct or action of a designated employee of Starbucks is detrimental to the interest of the public patronizing the Starbucks. Starbucks shall meet with representatives of the County to consider the appropriate course of action with respect to such matter and Starbucks shall take reasonable measures under the circumstances to assure the County that the future conduct and activities of such

Starbucks employee will not be detrimental to the interests of the public patronizing the Premises.

Starbucks warrants that it fully complies with all laws regarding employment of aliens and others, and that all of its employees performing services hereunder meet the citizenship or alien status requirements contained in Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986 (P.L. 99-603). Starbucks shall obtain, from all covered employees performing services hereunder, all verification and other documentation of employment eligibility status required by federal statutes and regulations as they currently exist and as they may be hereafter amended. Starbucks shall retain copies of such documentation for all covered employees for the period prescribed by law. Starbucks shall indemnify, defend, and hold harmless the County, its officers, agents, and employees from employer sanctions and any other liability which may be assessed against Starbucks or County or both in connection with any alleged violation of federal statutes or regulations pertaining to the eligibility for employment of persons performing services under this Agreement.

- 8.08 Days and Hours of Operation: Starbucks shall have the right to use and operate the Premises between the hours of 5:00 a.m. and Midnight, seven days per week. Starbucks shall maintain operations for a minimum time frame of 7:00 a.m. to 5:30 p.m. Monday through Friday (County holidays excepted).
- 8.09 Prices: Starbucks shall at all times maintain a complete list or schedule of the prices collected for all goods and services, or combinations thereof, supplied to the public on or from the Premises.
- 8.10 Quality of Goods and Services to the public, with goods and merchandise of high quality is of prime concern to County and is considered a part of the consideration for this Agreement. Therefore, Starbucks agrees to operate and manage the concession services and facilities offered in a first-class manner, and comparable to their other first-class facilities providing similar services. Starbucks shall furnish and dispense foods and beverages of high quality and shall maintain a high standard of service at least equal to that of Starbucks' other establishments in Los Angeles County.
- 8.11 Utilities: Starbucks shall pay directly for the cost of electricity supplied to the Premises. County will provide water and garbage disposal. No gas will be provided to the Premises.

County will stub in provided utilities as prescribed in the Work Letter (Exhibit C).

Starbucks waives any and all claims against County for compensation for loss or damage caused by a defect, deficiency or impairment of any utility system, water system, water supply system, drainage system, waste system, heating or gas

system, electrical apparatus or wires serving the Premises and not caused by County's gross negligence or intentional misconduct.

- 8.11.01 County shall not be liable for and Starbucks shall not be entitled to any abatement or reduction of rent by reason of County's failure to furnish any of the foregoing utilities when such failure or delay is caused by accident, breakage, repairs, maintenance, alterations, strikes, lockouts, or other labor disturbances or labor disputes of any character, or is caused directly or indirectly by the limitation, curtailment, rationing, or restrictions on use of water, electricity, gas (if provided), or any other form of energy serving the Premises (or any portion thereof), or by any other cause, similar or dissimilar, beyond the reasonable control of County. Notwithstanding the foregoing, if there is a suspension or material reduction in utilities or services resulting from a cause (other than an act or omission of Starbucks or any of its officers, partners, agents, contractor's employees, licensees, invitees, or customers) that County has the power or ability to cure or control (e.g. a malfunctioning circuit breaker located in the Civic Park or the like), and the County fails to restore any such reduced or suspended utilities or services within five working days after the date County is made aware of such reduction or suspension, then for each day thereafter until County restores such utilities or services, Starbucks, as its exclusive remedy, shall be entitled to an abatement or reduction of the minimum monthly payment based upon the extent to which such interrupted utility interferes with the Starbucks' business at the Premises, as reasonably determined by the County.
- 8.12 Sanitation: Starbucks shall not permit any unlawful matter, refuse, or substance to remain on the Premises. Starbucks shall be responsible for collecting all refuse from the Premises and within 50 feet of the Premises as often as reasonably necessary, but in no case less than once daily when concession is open, and shall pay all reasonable charges which may be made for the removal of such refuse. Starbucks shall furnish all equipment and materials necessary, including without limitation trash receptacles of the size, type, color and number required by the County, to maintain the Premises and the area within a distance of fifty feet thereof in a sanitary condition provided any such "unsanitary condition" outside Premises was substantially caused by Starbucks operation on the Premises. Starbucks may dispose of trash at loading dock of the County Hall of Administration or other location as specified by the County.
- 8.13 Maintenance: Starbucks shall be responsible for maintaining the interior of the Premises in good repair. Starbucks shall be responsible for repairing or replacing damaged items in the Premises caused by malicious mischief, vandalism or burglary of the concession, excluding, however, any damage or replacement caused by the County or its officers, contractors, agents, or employees. Interior maintenance shall include without limitation repairs to or replacement of all equipment, including without limitation painting.

In addition to the foregoing general requirement, Starbucks shall perform any and all repairs and replacements required for the maintenance of the Premises interior in compliance with all laws applicable thereto.

Starbucks shall have the exclusive duty of keeping the grounds within a 50-foot radius of the Premises reasonably free of debris directly associated with its use of the Premises. If Starbucks does not adequately fulfill this responsibility, County may provide a thirty (30) day notice to complete, after which, County may complete and request in writing reimbursement from Starbucks.

- 8.14 **Security Devices:** Starbucks, at its sole expense, may provide any legal devices, installation, or equipment designated for the purpose of protecting the Premises from theft, burglary or vandalism, provided written approval for installation is first obtained from the CEO, and such written approval will not be unreasonably be withheld or delayed.
- 8.15 **Safety:** After actual notice or receipt from County of written notice of any unsafe condition or practice on the Premises, Starbucks shall immediately take reasonable steps to correct any unsafe condition of the Premises, as well as any unsafe practices occurring thereon. Starbucks shall make reasonable efforts to summon emergency medical care of any member of the public who is in need thereof, because of illness or injury occurring on the Premises. Starbucks shall cooperate fully with County in the investigation any injury or death occurring on the Premises, including without limitation a prompt report thereof to the CEO.
- 8.16 **Trade Fixtures:** Starbucks shall provide and install all appliances, furniture, fixtures and equipment that are required for Starbucks' operation of the coffee house/bar operation on the Premises (Exhibit B).
- 8.17 **Merchandise:** Starbucks shall provide and maintain what it believes, in its reasonable discretion, to be the necessary inventory of concession merchandise required to meet the needs of the public. All food and beverages sold or kept for sale by Starbucks shall be of high quality and shall conform to the Federal, State and County food laws, ordinances and regulations in all respects. No adulterated, misbranded or impure articles shall be sold or kept for sale by Starbucks, and all merchandise kept on hand by Starbucks shall be stored and handled with due regard for sanitation. In the event Starbucks food is not first class as determined by County or any governmental authority having jurisdiction, the CEO shall have the right to order the improvement of the quality of any food kept or offered for sale after the CEO has given Starbucks a 3 day written notice and the parties have met and conferred to resolve any dispute within 30 days of the County's written notice. The CEO shall have the right to prohibit any display which, in County's reasonable opinion, may tend to impair the reputation of the County. Upon written notice from County and after Starbucks and County have



met and conferred to resolve any dispute, Starbucks shall within five (5) days thereafter discontinue or cause to be discontinued any such display.

- 8.18 Advertising and Promotional Materials: County recognizes that Starbucks must implement some marketing strategies within County buildings. Such marketing practices may involve the distribution of promotional materials and posting of advertisements on existing kiosks located within the buildings. Any advertising within County buildings or on County property beyond these methods shall be coordinated and approved in writing by the CEO. Said approval shall not be unreasonably withheld or delayed. Starbucks shall not promulgate nor cause to be distributed any advertising or promotional materials unless prior approval thereof is obtained from CEO. Said approval shall not be unreasonably withheld or delayed and shall be deemed denied if no response is made within (10) days following the request for approval.
- 8.19 Intentionally left blank.
- 8.20 Credit in-Promotional Materials: Starbucks agrees that any advertising or promotional materials promulgated by Starbucks relating to the Premises shall contain the words "County of Los Angeles Civic Park" or a derivative thereof.
- 8.21 Habitation: The Premises shall not be used for human habitation or overnight occupancy unless said occupant is a security guard hired by Starbucks to guard the Premises.
- 8.22 Civic Park Events: Starbucks shall provide CEO with a schedule of public activities conducted at the Civic Park in connection with Starbucks. The CEO or Parks Director shall pre-approve each event. Starbucks shall complete any necessary required documents for said approval and submit these documents to the CEO in accordance with the County Rules and Regulations.

Likewise, the CEO or Parks Director will endeavor to provide Starbucks with notice of upcoming events at Civic Park so that Starbucks may plan for appropriate staffing and hours of operation accordingly.

## 9. TRANSFERS

- 9.01 County's consent, which will not be unreasonably withheld, delayed or conditioned, is required for any assignment of all or any portion of this Agreement; provided, however, that Starbucks may, without County's consent, assign this Agreement to (a) a parent, subsidiary, affiliate, division or other entity controlling, controlled by, or under their common control; (b) a successor entity related to Starbucks by merger, consolidation, reorganization or government action; or (c) any entity that engages in a Use consistent with this Agreement, provided that Starbucks shall remain liable for financial performance pursuant to this Agreement.

County will not be entitled to receive any consideration with respect to any assignment of this Agreement.

Starbucks shall not, without written consent of the CEO, hypothecate, or mortgage this Agreement or any portion of the Premises. Any attempted unapproved assignment hypothecation, or mortgage, of all or a portion of the Premises shall be null and void *ab initio*.

- 9.02 Each and all of the provisions, agreements, terms, covenants, and conditions herein contained to be performed by Starbucks shall be binding upon any approved transferee thereof by action of the parties or operation of law.
- 9.03 Neither this Agreement nor any interest therein shall be transferable in proceedings in attachment or execution against Starbucks, nor in voluntary or involuntary proceedings in bankruptcy or insolvency, or receivership taken by or against Starbucks or by any process of law including without limitation proceedings under Title 11 of the United States Code, the "Bankruptcy Act".
- 9.04 County recognizes that Starbucks is a publicly-held corporation and its shareholders have the right to transfer, sell or otherwise divest themselves of any interest they may have in Starbucks without violating the terms of this Agreement.
- 9.05 The prohibition contained in this Section 9 shall not be applicable with respect to transfers of this Agreement arising from the exercise of a power of sale or judicial foreclosure pursuant to the terms and conditions of a hypothecation or mortgage previously approved by the CEO.

#### 10. HOLD HARMLESS AND INDEMNIFICATION

- 10.01 Starbucks agrees to indemnify, defend and save harmless County, its Special District, agents, elected and appointed officers, and employees including without limitation Charles Pankow Builders, Ltd. and The Related Company and Rios Associates Inc. from and against any and all liability, expense, including without limitation reasonable defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, business interruption or property damage proximately caused by: a) the negligence or intentional wrongdoing of Starbucks or any of its agents, employees, contractors, or representatives, or b) Starbucks' operations or its services hereunder, including without limitation any workers compensation suits, liability or expense, arising or connected with services performed on behalf of Starbucks' by any person pursuant to this Agreement. Starbucks duty to indemnify County shall survive the expiration or other termination of this Agreement.

10.02 County agrees to indemnify, defend, and save harmless Starbucks, from and against any and all liability, expense (including without limitation reasonable defense costs and legal fees) and claims for damages of any nature whatsoever proximately caused by the gross negligence or intentional wrongdoing of County or any of its agents, employees, or contractors. This indemnity shall not apply to or include claims for business interruption damages experienced by Starbucks.

## 11. GENERAL INSURANCE REQUIREMENTS

Without limiting Starbucks' indemnification of County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, Starbucks shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 11.01 and 11.02 of this 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 Starbucks pursuant to this Agreement. The County in no way warrants that the Required Insurance is sufficient to protect Starbucks for liabilities which may arise from or relate to this Agreement.

11.01 Evidence of Coverage and Notice to County, a certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (identified below) have been given additional insured status under Starbucks' General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing construction activities under this Agreement.

Renewal Certificates shall be provided to County not less than ten (10) days prior to Starbucks' policy expiration dates. The Certificates shall identify all required insurance coverage types and limits specified herein, reference this Agreement by name or number and be signed by an authorized representative of the insurer(s). The insured party, named on the Certificate shall match the name of the concessionaire identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000) dollars, and list any County required endorsement forms.

Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Starbucks, its insurance broker(s) and/or underwriter(s), shall be construed as a waiver of any of the required insurance provisions.

Certificates and copies of any required endorsements shall be sent to the County at the address specified in Section 27 of this Agreement.

Starbucks shall report to County any claims for injury or property damage accident or incident, including any injury to any of its employees occurring on the Premises, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to them. Starbucks shall insure that their contractors promptly notify their subcontractors of any claim which arises from or relates to this Agreement that could result in the filing of a lawsuit against Starbucks and/or County.

- 11.02 Additional Insured Status and Scope of Coverage: The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Starbucks General Liability policy with respect to liability arising out of Starbucks' ongoing and completed operations performed on behalf of the County. County and its agents shall have additional insured status with respect to liability and defense of suits arising out of the Starbucks' acts or omissions, whether such liability is attributable to them or to County.

The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

- 11.03 Cancellation of or Changes in Insurance: Starbucks shall provide County with, or Starbucks insurance policies shall contain a provision that County shall receive, written notice of cancellation or any material change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or material policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

- 11.04 Failure to Maintain Insurance: Starbucks failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to Starbucks, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Starbucks resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Starbucks, deduct the premium cost from sums due to Starbucks or pursue Starbucks reimbursement.

- 11.05 Insurer Financial Ratings: Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

- 11.06 Starbucks Insurance Shall be Primary: Starbucks insurance policies, with respect to any claims related to this Contract, shall be primary with respect to all other sources of coverage available to Starbucks. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Starbucks coverage required by this Contract.
- 11.07 Waivers of Subrogation: To the fullest extent permitted by law, each party hereby waives its rights and its insurer(s) rights of recovery against the other party under all the Required Insurance for any loss arising from or relating to this Agreement.
- 11.08 Starbucks shall be responsible for verifying that each subcontractor complies with the Required Insurance provisions herein, and shall require that each subcontractor name the County and Starbucks as additional insurers on the subcontractor's General Liability policy. Starbucks shall obtain County's prior review and approval of any subcontractor request for modification of the Required Insurance.
- 11.09 Deductibles and Self-Insured Retentions (SIRs): Starbucks policies shall not obligate the County to pay any portion of any deductible SIR.
- 11.10 Claims Made Coverage: If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Agreement. Starbucks understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.
- 11.11 Application of Excess Liability Coverage: Starbucks may 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 provision.
- 11.12 Separation of Insurers: All liability policies shall provide cross liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insured's provision with no insured versus insured exclusions or limitations.
- 11.13 Alternative Risk Financing Programs: The County approves Starbucks use of self-insurance.
- 11.14 County Review and Approval of Insurance Requirements: The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

## 11.15 INSURANCE COVERAGE REQUIREMENTS

11.15.01 Commercial General Liability Insurance (providing scope of coverage equivalent to ISO policy from CG 00 01), naming County 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

11.15.02 Automobile Liability insurance (providing scope of coverage reasonably equivalent to ISO policy form CA 00 01) with limits or not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Starbucks' use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

11.15.03 Workers Compensation and Employers' Liability insurance or qualified self-insurance satisfying statutory requirements.

11.15.04 Commercial Property Insurance. Such insurance shall:

- Provide coverage for County's property and any 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) or reasonable equivalent, excluding earthquake coverage.
- Be written for the full replacement cost of the Premises.

11.15.05 Installation Floater. Such coverage shall:

- (1) Insure against damage from perils covered by the Causes-of-Loss Special Form (ISO policy form CP 10 30) or reasonable equivalent, and the risk of transit loss, loss during storage (both onsite and offsite) and collapse 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.
- (2) Cover all property to be installed (including labor) for the full contract value (without coinsurance) against loss or damage until completion and acceptance by the County.

## 12. DAMAGE AND DESTRUCTION

12.01 In the event the Premises is totally or partially destroyed or damaged from a risk covered by the insurance required herein, Starbucks, in its reasonable discretion, shall elect either to restore the Premises or to terminate this Agreement, in which case neither party shall have any further liability to the other party hereunder except as expressly provided herein.

12.01.01 In the event the Premises is totally or partially destroyed or damaged from a risk not covered by the insurance required herein and Starbucks, within 60 days after such destruction or damage, elects not to restore the Premises, County shall elect either to restore the Premises at its sole cost or terminate this Agreement.

12.01.02 For any damage or destruction covered by insurance, County shall make the loss adjustment with the insurance company insuring the loss and shall receive payment of the proceeds or insurance, subject to the terms of this Agreement.

12.01.03 If Starbucks has elected to restore the Premises pursuant to Section 12.01.01 above, then any insurance proceeds shall be held for the benefit of Starbucks and shall be disbursed in installments as construction progresses for payment of the costs of restoration upon satisfactory performance of the work required, as evidenced by certification of completion by the County Chief Executive Officer and release of mechanic's liens by all persons furnishing labor and material thereon. If the proceeds of insurance are insufficient to pay the actual costs of restoration, Starbucks may elect to deposit the amount of the deficiency with the County upon demand therefor by the County Chief Executive Officer, and said sums shall be held for payment of said costs and disbursed in the manner heretofore provided. Any undisbursed funds shall be retained by County and credited to the payments due over the remaining term of this Agreement until the undisbursed funds have been exhausted. If Starbucks elects to restore the Premises, plans, specifications, and construction cost estimates for the restoration thereof shall be prepared by Starbucks and forwarded to CEO for approval prior to the performance of any work thereon. Said documents shall be prepared and submitted in a timely manner following adjustment of the loss and receipt of the proceeds of insurance by County. The required construction shall be performed by Starbucks and/or licensed and bondable contractor(s) thereof who shall be required to carry public liability and property damage insurance, workers compensation insurance, and standard fire, and extended coverage insurance, with vandalism and malicious mischief endorsements, during the period of construction, and amounts equal to the insurance limit required herein. Said construction shall be commenced reasonably promptly following the delivery of the

Premises to Starbucks in accordance with the terms of the Work Letter (Exhibit C), issuance of permits therefore by governmental agencies having jurisdiction thereover, and posting of the construction site by County with notices of non-responsibility, and shall be diligently prosecuted to completion.

Starbucks agrees that County may have on the site at any time during the initial construction period, an inspector who shall have the right to access to the Premises and work occurring thereon. Starbucks shall, at the commencement of the construction work, notify the Civic Park Project Manager, Charles Pankow Builders, Ltd. and the CEO in writing of the identity, place of business, and telephone number of responsible person(s) in charge of the construction to be occurring on Premises. All construction shall be performed in a good and workmanlike manner. Upon completion of the restoration Starbucks shall immediately record a notice of completion with County's Registrar-Recorder, in Norwalk, CA.

- 12.02 If either Starbucks or County elects to restore the wholly or partially destroyed or damaged Premises, this Agreement shall continue in full force and effect, except that the payment to be made by Starbucks shall be abated and/or other relief afforded to the extent that the CEO may reasonably and in good faith determine, after Starbucks' opportunity to be heard and to present evidence, the destruction, damage and/or restoration has affected or will affect in any way Starbucks' operation or interfere with the coffee bar kiosk operation provided a claim therefor is filed with the CEO within one hundred (100) days of notice of election to restore the Premises. Any such claim shall be denied, if the destruction of the Premises is found by the CEO to have been caused, in whole or in part, by the fault or neglect of Starbucks. Starbucks agrees to cooperate in the determination of the abatement and/or other relief to be provided by furnishing all information requested relative to the coffee bar kiosk operation and permitted examination and audit of all accounting records kept in connection with the conduct thereof.
- 12.03 Starbucks shall cooperate in the restoration of the Premises by vacating and removing therefrom all items of inventory, trade fixtures, equipment and furnishing for such period as is reasonably required to be removed for restoration.
- 12.04 The aforesaid provisions for abatement and/or other relief shall also be applicable to a total or partial destruction or damage to the Civic Park by any cause, except that the relief to be provided shall be based upon the extent the CEO may in its sole discretion estimate after Starbucks' opportunity to be heard and to present evidence that the damage or destruction of the Civic Park affected Starbucks' operation of the concession and/or its revenue from the concession.



13. CONSTRUCTION BY COUNTY AFFECTING THE PREMISES

- 13.01 In the event County shall construct or cause to be constructed improvements on the Civic Park which negatively impact Starbucks' operation of its concession on the Premises, this Agreement shall continue in full force and effect, except that the payments to be made by Starbucks, as its exclusive remedy, shall be abated to the extent that the CEO in its sole discretion may determine (after Starbucks has had an opportunity to be heard and to present evidence) that the construction has substantially interfered with Starbucks' net income from concession.
- 13.02 Starbucks agrees to cooperate with County in the event the construction in any way affects the Premises by vacating and removing therefrom at County's cost all items of inventory, trade fixtures, equipment and furnishings for such periods as are required by the construction of the Property improvements. Starbucks further agrees to cooperate in the determination of the appropriate concession payment abatement by furnishing all reasonable information requested by the CEO relative to the concession and permitting examination and audit of all accounting records kept in connection with the conduct thereof.
- 13.03 Following completion of the Civic Park improvements, Starbucks shall resume its operation of its concession within thirty (30) days of notice from the CEO that the Premises are ready for occupancy.
- 13.04 The aforementioned provisions of this Section 13 shall also be applicable in the event of performance of any work at or near the Civic Park that requires a partial or total closure thereof, or interference with operation of the concession or causes a substantial decrease in Starbucks revenues except that the abatement of concession payments hereunder to be for any claims of damages, if any, shall be based upon the extent that the CEO, in its exclusive judgment may determine after Starbucks' opportunity to present evidence that such work has negatively affected the Starbucks' net revenues from operation of its concession.
- 13.05 Starbucks agrees to accept abatement of concession payments as the exclusive remedy hereunder for any claims of damages in the event of County's construction or work upon or near the Premises and/or Civic Park and hereby waives any and all additional rights and remedies for relief or compensation that are presently available or may be made available hereafter by law or in equity.

14. SECURITY DEPOSIT

Not applicable.

15. EASEMENTS

15.01 County reserves the right to establish, grant or utilize easements or rights of way (collectively, "Easements") over, near, under, along, or across the Premises for utilities and/or access to Civic Park provided that County shall exercise such rights in such a manner as will avoid any substantial interference with the operations to be conducted hereunder, and/or any material reduction of Starbucks' revenues from operation of its concession. Should the establishment, granting or utilization of such Easements(s) cause such a decrease in Starbucks' gross revenues for more than 48 hours, Starbucks' payments hereunder shall be abated in an amount by which such easement(s) cause a decrease in their revenues, as determined by the County in its sole and absolute discretion.

16. TAXES AND ASSESSMENTS

16.01 The concession granted herein may be subject to possessory interest ad valorem taxation and/or assessment thereon, and in the event thereof, Starbucks shall pay lawful taxes, assessments, fees or charges which at any time maybe levied by the State, County, City or any other tax or assessment-levying body upon the concession Premises.

16.02 Starbucks shall also pay all taxes, assessments, fees and charges on goods, merchandise, fixtures, appliances and equipment it owns or uses in the Premises.

17. NON-DISCRIMINATION

17.01 Starbucks certifies and agrees that all persons employed by it, are and shall be treated equally without regard to or because of race, creed, color, political affiliation, marital status, age, handicap, national origin, or sex and in compliance with all federal and State laws prohibiting discrimination in employment, including, but not limited to, the Federal Civil Rights Act of 1991 and the State Fair Employment Practices Act.

17.02 Starbucks certifies and agrees that subcontractors, bidders, and vendors thereof are and shall be selected without regard to or because of race, creed, color, political affiliation, marital status, national origin, sex, age or handicap.

17.03 All employment records shall be open for inspection and re-inspection at any reasonable time during the term of this Agreement for the purpose of verifying the practice of non-discrimination by Starbucks in the areas heretofore described.

17.04 If after full hearing, trial, and any appeals in courts of competent jurisdiction, it is finally determined that Starbucks has intentionally violated any of the above provisions in Section 17, such violations shall constitute a material breach of this Agreement upon which County may determine to cancel, terminate, or suspend

this Agreement, or seek liquidated damages under Section 17.05 below. A final determination by the California Fair Employment and Housing Department of the Federal Equal Employment Opportunity Commission, after any appeals, that the Starbucks has intentionally violated State of Federal non-discrimination laws or regulations shall constitute a finding by County that Starbucks has violated the non-discrimination provisions in Section 17 of this Agreement.

17.05 The parties agree that in the event Starbucks unintentionally violates the non-discrimination provisions contained herein, County shall, at its option, be entitled to a sum of TWO HUNDRED DOLLARS (\$200) as a reasonable sum under all of the circumstances existing at the time of the execution of this Agreement. It is mutually understood and agreed that Starbucks' violation of the non-discrimination provisions contained herein will result in damages being sustained by the County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for Starbucks' breach. Therefore, in the event of a violation of any of the non-discrimination provisions hereof, it is agreed that the County may, in its sole discretion, assess against Starbucks liquidated damages in the amount of \$200 per violation for each day until the County has been provided with evidence that the violation has been corrected.

## 18. TERMINATION FOR DEFAULT

18.01 Upon the occurrence of any one or more of the events of default described in Section 19 of this Agreement, and after County's written notice of default to Starbucks and its opportunity to cure such default, or to initiate steps diligently to cure any default that cannot be immediately cured, the County shall have the Right to terminate this Agreement. As a condition precedent thereto, the CEO shall give Starbucks twenty (20) days notice by registered or certified mail of the date set for termination; the grounds therefor; and that an opportunity to be heard thereon will be afforded to Starbucks on or before said date, if request is made therefor, and County may then determine not to terminate.

18.02 Upon termination, County shall have the right to take possession of the Premises, including without limitation all improvements, but excluding equipment, fixtures and inventory located thereon, and use such improvements for the purpose of satisfying and/or mitigating all damages arising from a breach of this Agreement.

18.03 Action by County to effectuate a termination and forfeiture of possession shall be without prejudice to the exercise of any other rights provided herein or by law to remedy a breach of this Agreement.

18.04 Intentionally deleted.

## 19. EVENTS OF DEFAULT

- 19.01 Starbucks' abandonment, vacation or discontinuance of operations on the concession Premises for more than five (5) consecutive business days, without good cause, excluding a commercially reasonable time for repair or restoration of Premises.
- 19.02 Starbucks' failure to pay or make any payment required hereunder in accordance with Section 4.03 when due, where the delinquency continues beyond ten (10) days following written demand for payment.
- 19.03 The failure of Starbucks to operate in the manner required by this Agreement, where such failure continues for more than twenty (20) days after written notice from the CEO to correct the condition therein specified and Starbucks has failed diligently to initiate steps to correct such condition.
- 19.04 The failure to maintain the Premises and the improvements constructed thereon in the state of repair required hereunder, and in a clean, sanitary and safe condition, where such failure continues for more than twenty (20) days after written notice from the CEO to begin correction of the condition.
- 19.05 The failure of Starbucks to keep, perform and observe all other promises, covenants, conditions and agreements set forth in this Agreement, where such failure continues for more than thirty (30) days after written notice from the CEO for correction thereof, provided that where fulfillment of such obligation requires activity over a period of time and Starbucks shall have commenced within twenty (20) days after receipt of such notice to perform whatever may be reasonably required to cure the particular default and continues such performance diligently.
- 19.06 The filing of a voluntary petition in bankruptcy by Starbucks; the adjudication of Starbucks as bankrupt; the appointment of any receiver of Starbucks assets; the making of a general assignment for the benefit of creditors, a petition or answer seeking an arrangement for the reorganization of Starbucks under any Federal Reorganization Act, including petitions or answers under Title 11 of the United States Code; the occurrence of any act by Starbucks which operates to deprive it permanently of the rights, powers and privileges necessary for the proper conduct and operation of the concession; the levy of any attachment or execution which substantially interferes with Starbucks' operations under this Agreement and which attachment or execution is not vacated, dismissed, stayed or set aside within a period of sixty (60) days.
- 19.07 In accordance with Section 17.04, final determination by any court of competent jurisdiction, the California Fair Employment and Housing Department, or the Federal Equal Employment Opportunity Commission of discrimination having been intentionally practiced by Starbucks in violation of State and/or Federal laws thereon.

19.08 Transfer of Starbucks' interest in whole or in part in this Agreement without the prior written consent of the CEO.

## 20. WAIVER

20.01 Any waiver by County or Starbucks of any breach of any one or more of the covenants, conditions, terms and agreements herein contained 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 herein contained, nor shall failure on the part of County or Starbucks to require exact, full and complete compliance with any of the covenants, conditions, terms or agreements herein contained be construed as in any manner changing the terms of this Agreement or stopping County from enforcing the full provisions thereof.

20.02 No delay, failure, or omission of County to re-enter the Premise or to exercise any right, power, privilege or option, arising from any default, nor any subsequent acceptance of payments then or thereafter accrued shall impair any such right, power, privilege or option, or be construed as a waiver of or acquiescence in such default or as a relinquishment of any right.

20.03 No notice of Starbucks shall be required to restore or revive "time is of the essence" after waiver by County of any default.

20.04 No option, right, power, remedy or privilege of County shall be construed as being exhausted by the exercise thereof in one or more instances. The rights, powers, options and remedies given County and Starbucks by this Agreement shall be cumulative.

## 21. SURRENDER AND PAYMENT FOR IMPROVEMENTS

21.01 Upon the expiration or termination of this Agreement, Tenant shall surrender the Premises to County in broom clean condition, except for ordinary wear and tear and damage caused by fire or other casualty, whether or not insured or insurable. All personal property, furnishings, machinery, trade fixtures, equipment and improvements (trade or otherwise) which Starbucks installs in the Premises ("Starbucks Property") shall remain the property of Starbucks. Upon the termination or expiration of the Term, Starbucks may remove Starbucks' Property from the Premises no later than the termination or expiration date. In addition, Starbucks may remove from the Premises all items and structural characteristics installed by Starbucks that are indicative of Starbucks' business identity and may otherwise "de-identify" the Premises, as Starbucks reasonably believes necessary or appropriate for the protection of their interest in their trademarks, trade names or copyrights. Starbucks shall repair any damage to the Premises caused by such removal, including patching and filling holes. In no event shall Starbucks remove or be required to remove any restrooms, flooring, ceilings, utility or electrical components located inside the walls or HVAC

systems. All other utility systems will be capped and returned to a condition compatible with code requirements. Any of Starbucks' Property not removed from the Premises on the date this Agreement terminates or expires shall be deemed abandoned and shall thereupon become the property of County. County may possess and dispose of such property provided that County shall not use or permit anyone holding under County to use on the Premises (a) any trademark, trade name, millwork, copyrighted floor plan, copyrighted color palette, or sign used by Starbucks in the Premises; or (b) any item that is similar to any other item protected by Starbucks' intellectual property rights. This provision shall apply under all circumstances, including without limitation default by Starbucks under this Agreement.

## 22. RIGHT OF ENTRY

22.01 Any officer and/or employee of County upon forty-eight (48) hour prior written notice, except in cases of emergency, in which no notice shall be required, may enter upon the Premises only at reasonable times solely for the purpose of determining whether or not Starbucks is complying with the terms and conditions of this Agreement, or for any other purpose incidental to the rights of the County and in exercising its rights under this Section 22.01, County shall not unreasonably interfere with Starbucks' operation of its concession.

## 23. INDEPENDENT CONTRACTOR

23.01 This Agreement is by and between the County of Los Angeles and Starbucks and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture or association, as between County and Starbucks. Starbucks understands and agrees that all persons furnishing services on behalf of Starbucks pursuant to this Agreement are, for purposes of Worker's Compensation Liability, employees solely of Starbucks and not of County. Starbucks shall bear the sole responsibility and liability for furnishing Worker's Compensation benefits to any person for injuries arising from or connected with services on behalf of Starbucks pursuant to this Agreement.

## 24. INTERPRETATION

24.01 This Agreement shall be interpreted according to the rules which govern the interpretation of contracts, as prescribed in Part 2 of Division 3 of the California Civil Code, commencing with Section 1635.

24.02 The headings herein contained are for convenience and reference only and are not intended to define or limit the scope of any provisions thereof.

24.03 The following words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used:

"Auditor-Controller" - The Auditor-Controller of the County of Los Angeles or an authorized representative thereof.

"Building Official" - The Director of the County of Los Angeles Department of Public Works or an authorized representative thereof.

"Concession" - The privilege of engaging in the commercial activities authorized herein under Section 1.01 on the Premises.

"County Chief Executive Officer (CEO)" - The Chief Executive Officer of the County of Los Angeles or an authorized designee.

"Gross Receipts"

- a. Except as specifically provided by policy statement issued by the CEO, the term "Gross Receipts" as used in this Agreement, is defined to be all money, cash receipts, assets, property or other things of value, including but not limited to gross charges, sales, made or earned by Starbucks and/or all the assignees and licensees thereof, whether collected or accrued from any business, use or occupation, or any combination thereof, originating, transacted, or performed in whole or in part, on the Premises, including but not limited to the rendering or supplying of services, and the sale of goods, wares or merchandise.
- b. Except as specifically provided below or by policy statement issued by the CEO, there shall be no deduction from Gross Receipts for any overhead or cost or expense of operations, such as, but without limitation to, salaries, wages, costs of goods, interest, debt amortization, credit, collection costs, discount from credit card operations, insurance, and taxes. There shall be no deduction for bad debts based on past experience or transfers to a bad debt reserve. Subsequent collection of bad debts previously not reported as Gross Receipts shall be included in Gross Receipts at the time they are collected.
- c. Except as specifically provided below or by policy statement, Gross Receipts reported by Starbucks and its assignees, must include the full usual charges for any services, or goods, provided by Starbucks or its assignees. Gross Receipts shall not include direct taxes imposed upon the consumer and collected therefrom by Starbucks such as, but not limited to, retail sales taxes, excise taxes, or related direct taxes, which are direct taxes paid periodically by Starbucks to a governmental agency accompanied by a tax return statement.
- d. The CEO, by policy statement, consistent with recognized and accepted business and accounting practices, and with the approval of Auditor-Controller and County Counsel, may further interpret in a commercially

reasonable manner and in good faith the term "Gross Receipts" as used in this Agreement.

"Coffee Bar Kiosk Operation" - The privilege of engaging in the activities authorized herein on the public property designated therefore.

"Construction" - Construction and improvements to the Premises defined in Section 6.

"Premises" - As shown in Exhibit A.

"State" – the State of California.

## 25. SEVERABILITY

25.01 If any provision of this Agreement is determined to be illegal, invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall not be affected thereby and shall remain in full force and effect.

## 26. CONTRACT ENFORCEMENT AND AMENDMENTS TO THE AGREEMENT

26.01 The CEO shall be responsible for the enforcement of this Agreement on behalf of County and shall be assisted therein by those officers and employees of County having duties in connection with the administration thereof.

26.02 Any officers and/or authorized employees of County may enter upon the Concession Premises at any and all reasonable times for the purpose of determining whether or not Starbucks is complying with the terms and conditions hereof, or for any other purpose incidental to the rights of County within the concession Premises.

26.03 Intentionally deleted.

26.04 This document may be modified only by further written agreement between the parties. Any such modification shall not be effective unless and until executed by Starbucks and in the case of County, unless otherwise specifically authorized hereinbefore, until executed by the Chairman of its Board of Supervisors.

26.05 Whenever under this Agreement the County and/or CEO is given discretion or can make any finding, decision, or determination of any kind, in all such cases due process shall be afforded Starbucks, including without limitation, Starbucks' right to be heard and present evidence on the matter. If there is a dispute relating to either party's actions under this Agreement, including without limitation the County's exercise of its discretion or any finding, decision or determination by County, County and Starbucks shall have the right to seek judicial resolution of such dispute in the Superior Court of California in Los Angeles. In judicial



resolution of any such dispute, there shall be a trial de novo and there shall be no presumption in favor of or against either party's actions under this Agreement.

## 27. NOTICES

27.01 Any notice required to be given under the terms of this Agreement or any law applicable thereto may be placed in a sealed envelope, with postage paid, by certified or registered mail, addressed to the person on whom it is to be served, and deposited in a post office, mailbox, or other like facility regularly maintained by the United States Postal Service. The address to be used for any notice served by mail upon Starbucks shall be:

Starbucks Corporation  
Attn: Property Management Department  
RE: Starbucks Coffee Company Store #9230-CA  
Mailstop S-RE3

by mail at:

P.O. Box 34067  
Seattle, WA 98124-1067

or by overnight delivery to:

2401 Utah Avenue South, Suite 800  
Seattle, WA 98134  
Phone: (206) 447-1575

Or such other place as may hereafter be designated in writing to the CEO by Starbucks. The address to be used for any notice served by mail upon the County shall be the:

Los Angeles County Chief Executive Office  
Real Estate Division  
222 South Hill Street #300  
Los Angeles, California 90012

Or such other place as may hereafter be designated in writing to Starbucks by the CEO. Service by mail shall be deemed complete three days after deposit in the US Mail postage prepaid.

## 28. ENTIRE AGREEMENT

28.01 This document, and the exhibits attached hereto, constitutes the entire Agreement between County and Starbucks for the concession and use granted at the Civic Park. All other agreements, promises and representations with respect thereto, other than those contained herein, are merged into this Agreement or are expressly revoked, as it has been the intention of the parties to

provide for a complete integration within the provisions of this document, and the exhibits attached hereto, the terms, conditions, promises and covenants relating to the concession and the Premises to be used in the conduct thereof.

IN WITNESS WHEREOF, Starbucks has executed this Agreement, or caused it to be duly executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Agreement to be executed on its behalf by the Chairman of said Board and attested by the Executive Officer-Clerk of the Board thereof, on the day and year first above written.

Starbucks

Starbucks Corporation, a Washington Corporation

BY \_\_\_\_\_

**Michael Fink**  
senior vice president,  
deputy general counsel

ITS \_\_\_\_\_

County OF LOS ANGELES

Mayor, Board of Supervisors



ATTEST:

Sachie Hamai **DEPUTY**  
Executive Officer-Clerk of the Board of Supervisors

APPROVED AS TO FORM:  
Andrea Sheridan Ordin

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

Amy M. Caves, Senior Deputy

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

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

By   
**Deputy**

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

7

NOV 01 2011

SACHIA A. HAMAI  
EXECUTIVE OFFICER

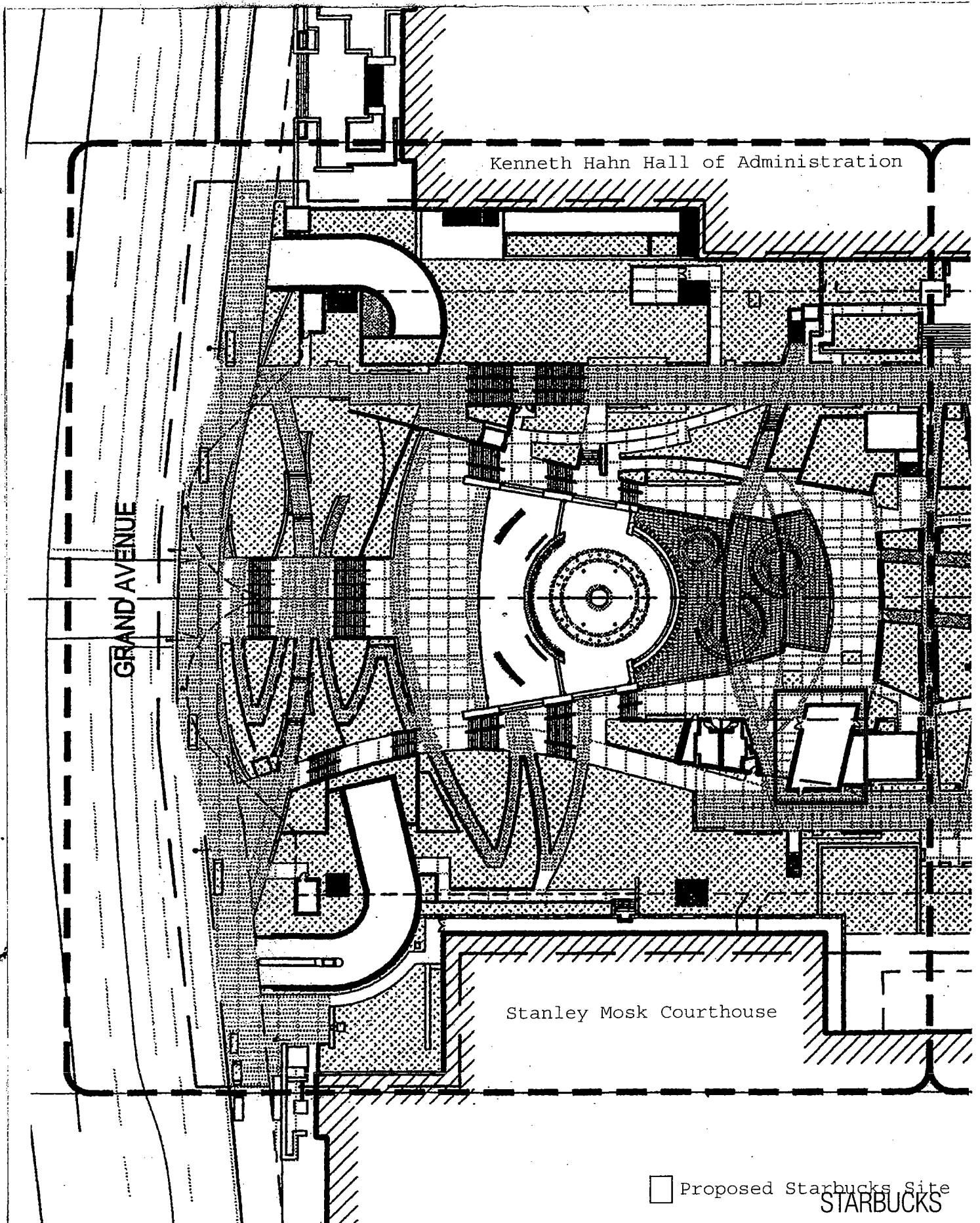
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**EXHIBIT A**

Legal Description to be used in  
Amended and Restated Concession Agreement  
with Starbucks Corporation

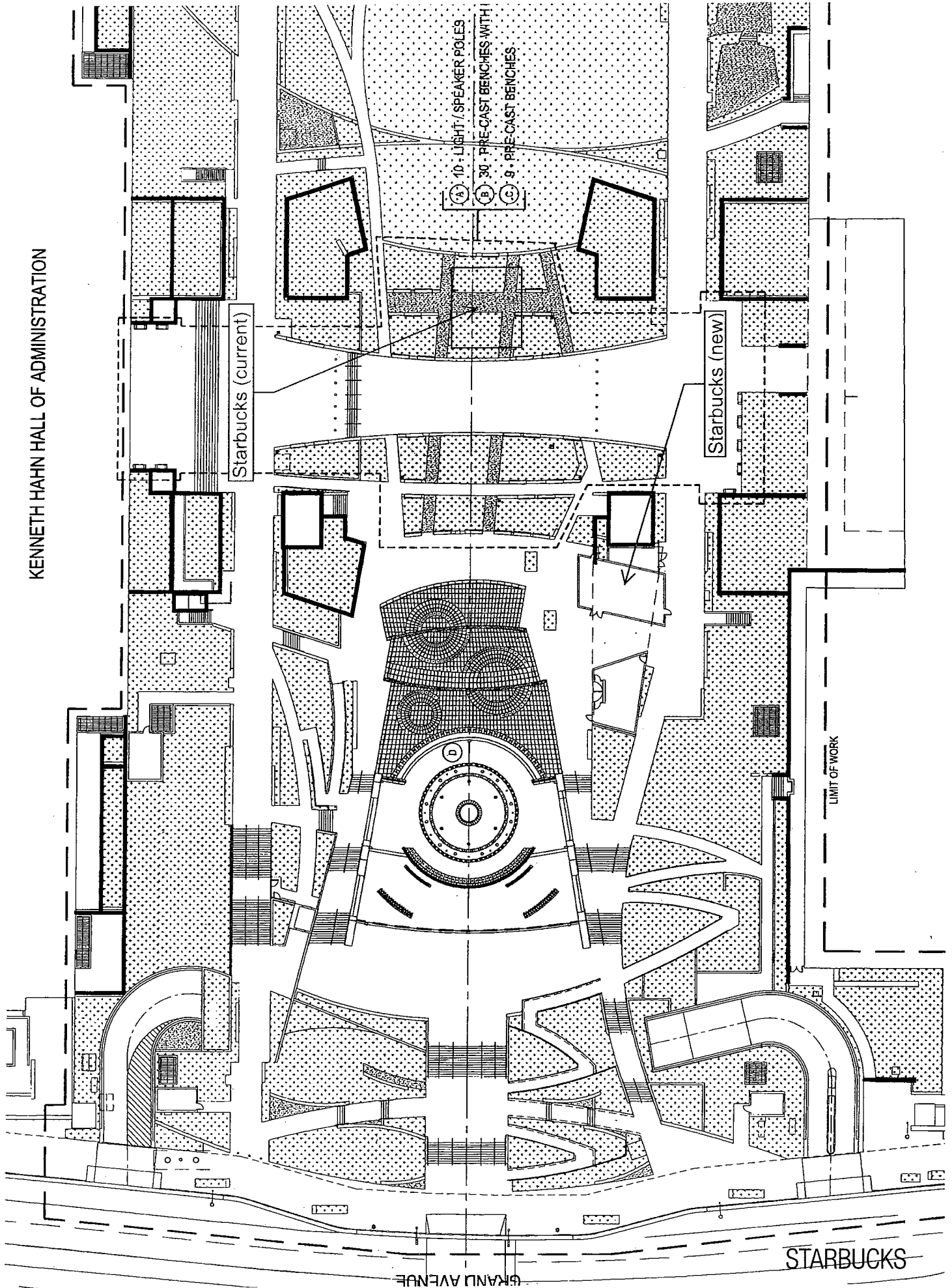
**CIVIC CENTER MALL**

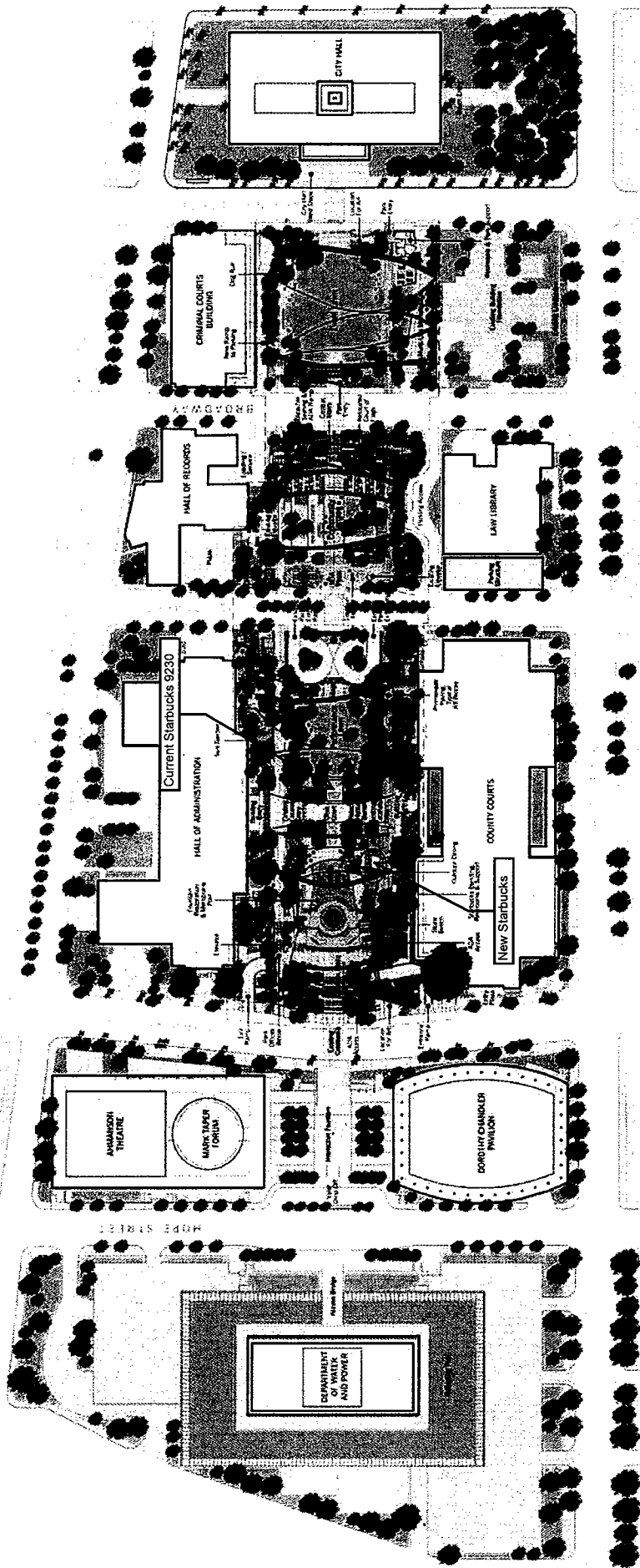
That portion of Parcel 17, in the City of Los Angeles, County of Los Angeles, State of California, as shown on Los Angeles County Assessor's Map No. 94, filed in Book 1, pages 77 to 80 inclusive, of Assessor's Maps, in the office of the Recorder of said County, which lies within the above designated "Proposed Starbucks Site" on the map attached as EXHIBIT "A".



□ Proposed Starbucks Site  
**STARBUCKS**

KENNETH HAHN HALL OF ADMINISTRATION





**STARBUCKS**



**Starbucks Coffee Company**  
 2461 15th Avenue  
 Seattle, Washington 98114  
 (206) 318-1878

Starbucks Coffee Company is pleased to have selected your firm as the design professional for this project. It is our policy to maintain the highest standards of ethical behavior and professional conduct. We expect the same from our consultants and contractors. If you or any of your employees or subcontractors are involved in any activity that could be perceived as a conflict of interest, or if you are unable to provide the services required by this contract, you must advise us immediately in writing.

**Valerio Associates**  
 11500 Wilshire Blvd, Suite 300  
 Los Angeles, CA 90025  
 (310) 201-1100  
 www.valerio.com



NO.	DATE	REVISION
1	10/11/10	ISSUE FOR PERMITS
2	10/12/10	ISSUE FOR PERMITS

**Project Name:**  
**NEC GRAND & 1ST**  
**Project Address:**  
**27 NORTH HILL STREET**  
**LOS ANGELES, CA 90012**

**Date:** 10/11/10  
**Drawn:** D6637-010  
**Checked:** AN/AM  
**Approved:** OCTOBER 11, 2010  
**City:** LOS ANGELES, CA  
**State:** CA  
**Country:** USA

**FLOOR PLAN**  
**Sheet Title:**  
**Sheet Number:** I-111

**FLOOR PLAN NOTES**

A GENERAL CONSULTATION TO VERIFY ALL DIMENSIONS AND NOTATIONS FOR CONSTRUCTION OF THE WALLS TO BE INSTALLED SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR. VERIFY THE EXISTING WALLS AND CONDITIONS TO BE INSTALLED SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR. VERIFY THE EXISTING WALLS AND CONDITIONS TO BE INSTALLED SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR.



**WALL TYPE LEGEND**

- EXISTING WALL - PERMITS TO BE DEMOLISHED AND RECONSTRUCTED TO MEET THE REQUIREMENTS OF THE PERMITS.
- NEW MASONRY WALL TO BE CONSTRUCTED IN ACCORDANCE WITH THE PERMITS AND THE REQUIREMENTS OF THE PERMITS.
- NEW PLASTER WALL TO BE CONSTRUCTED IN ACCORDANCE WITH THE PERMITS AND THE REQUIREMENTS OF THE PERMITS.
- NEW METAL WALL TO BE CONSTRUCTED IN ACCORDANCE WITH THE PERMITS AND THE REQUIREMENTS OF THE PERMITS.

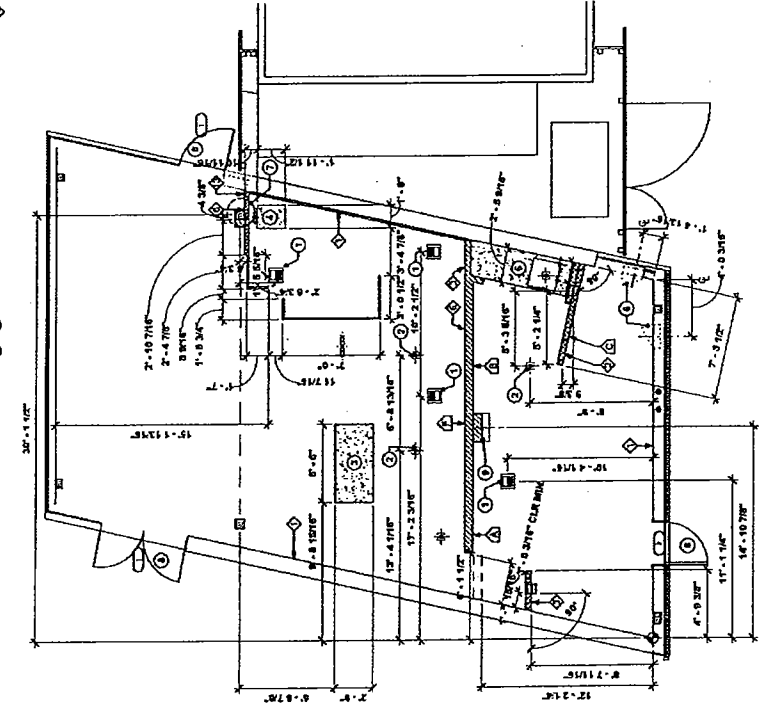
**SHEET NOTES**

- NEW FLOOR FINISH - REFER TO DETAIL AN/AS.
- NEW FLOOR FINISH - REFER TO DETAIL AN/AS.
- LOC TO PROVIDE AND METAL FLOOR FINISH WITH CONCOURSE CURB AND INTEGRATED FLOOR FINISH TO MATCH EXISTING FLOOR FINISH.
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- LOC TO PROVIDE AND METAL FLOOR FINISH WITH CONCOURSE CURB AND INTEGRATED FLOOR FINISH TO MATCH EXISTING FLOOR FINISH.

**WALL LEGEND - FLOOR PLAN**  
 EXISTING WALL  
 NEW MASONRY WALL  
 NEW PLASTER WALL  
 NEW METAL WALL  
 EXISTING WALL  
 EXISTING WALL  
 EXISTING WALL

SYMBOL	DESCRIPTION	HEIGHT	WEIGHT	THICKNESS	FINISH
(A)	CONCRETE	8'-0" TO 12'-0"	4" CONCRETE	8" CONCRETE	PAINTED
(B)	CONCRETE WITH REINFORCING BARS	8'-0" TO 12'-0"	4" CONCRETE WITH REINFORCING BARS	8" CONCRETE	PAINTED
(C)	CONCRETE WITH REINFORCING BARS AND INSULATION	8'-0" TO 12'-0"	4" CONCRETE WITH REINFORCING BARS AND INSULATION	8" CONCRETE	PAINTED
(D)	CONCRETE WITH REINFORCING BARS AND INSULATION AND EXTERIOR FINISH	8'-0" TO 12'-0"	4" CONCRETE WITH REINFORCING BARS AND INSULATION AND EXTERIOR FINISH	8" CONCRETE	PAINTED

SYMBOL	DESCRIPTION	HEIGHT	WEIGHT	THICKNESS	FINISH
(E)	EXISTING DOUBLE & SINGLE ENTRY DOORS	6'-0" TO 8'-0"	2" WOOD	2" WOOD	PAINTED
(F)	EXISTING BIFURCATED ENTRY DOORS	6'-0" TO 8'-0"	2" WOOD	2" WOOD	PAINTED



**FLOOR PLAN**  
 1/8" = 1'-0"



## EXHIBIT B

List of equipment and Trade Fixtures  
Attached to and made a part of this Amended Concession Agreement

- Food Preparation Counters and Services Bars
- Espresso Machine(s)
- Espresso Coffee Grinder/Dosers
- Steam Generator(s) for Espresso Services
- Filter Coffee Brewer(s)
- Filter Coffee Satellite Warmer Bases
- Coffee Grinders
- Reach-In Refrigeration
- Under-Counter Refrigeration
- Refrigerated Preparation Table(s)
- Ice Bin(s)/Cold Plate(s)
- Ice Machine(s)
- Pastry Display Cases
- Refrigerated Display Case(s)
- Cash Handling/Reporting Equipment
  - Cash Register(s)
  - Modem(s)
  - Safe(s)
- Food Warming Cabinet(s) and Ovens
- Handwash Sink(s)
- Multi-Compartment Dishwashing Sink(s)
- Water Filter(s)
- Water Heater
- Blenders

Equipment and Trade Fixtures are subject to change.

**LANDLORD WORKLETTER  
EXHIBIT C  
CONSTRUCTION REQUIREMENTS  
AND STANDARDS**

1. Landlord Construction

Landlord's Work to be completed prior to delivering possession of the Premises to the Tenant and in compliance with standard construction practices and all applicable codes.

Landlord will provide the Tenant with a copy of Landlord's construction schedule, including the name, phone number and address of Landlord's contractor and project manager. The construction schedule must be furnished to the Tenant at least ninety (90) days prior to the Scheduled Delivery Date. The construction schedule must include key completion milestones including completion of access/egress, installation of permanent utility services, Building Certificate of Occupancy, and completion date for Landlord's Work as described herein.

Landlord shall provide Tenant with a weekly construction status report with digital progress photos. Tenant's project manager, or its designated representative, may enter upon the Premises during construction of Landlord's Work to inspect progress, take progress photos, and to determine if Landlord's Work is being completed in accordance with Tenant's standards and construction documents. Upon the completion of the Landlord's Work, the Tenant shall inspect for compliance to the Lease. Landlord shall provide Tenant with as-builts and/or new construction drawings for review.

2. Tenant's Completion of Landlord's Work

Landlord's Work shall be completed in accordance with the Lease and Landlord's construction schedule. Tenant shall retain the option to complete Landlord's Work at Landlord's sole expense in the event the Landlord's Work is not completed in accordance with the Lease and Landlord's construction schedule.

3. Parties Obligations upon Delivery and Possession

Upon delivery of possession of the Premises to Tenant, Tenant shall inspect the Premises to determine whether Landlord's Work has been completed. At this time, Landlord and Tenant shall execute the Date Certificate in accordance with the Lease.

HOA.819157.1LL Initials \_\_\_\_\_ Date \_\_\_\_\_

Tenant Initials \_\_\_\_\_ Date \_\_\_\_\_



At the time of Tenant's inspection, Landlord shall demonstrate all of Landlord's Work including all mechanical systems of the Premises. Tenant shall deliver to Landlord a written punch list of all incomplete or faulty items of construction or mechanical installation, and any necessary mechanical adjustments and finish work needed to bring the Premises into the condition required by the description of Landlord's Work and the Lease. Landlord shall repair all punch list items prior to Tenant's acceptance of the Premises, or if Tenant chooses to accept delivery of the Premises prior to completion, within thirty (30) days of the date Tenant accepts the Premises.

If the Premises and the Building are not in the condition required by the description of Landlord's Work and the Lease on the delivery date described in the Lease (or if the Lease is silent, the delivery date Landlord communicated to Tenant in Landlord's construction schedule delivered to Tenant as defined above) then Tenant may, at its option, either (a) delay acceptance of possession until the Premises and the Building are in the condition required by the Lease and pursue its remedies in the Lease for Landlord's failure to deliver on time; (b) accept possession of the Premises and complete all outstanding Landlord's Work necessary to bring the Premises into the required condition; or (c) enter the Premises to begin performing Tenant's improvements in accordance with the Lease without accepting possession of the Premises. If Tenant elects to proceed under the foregoing subsection (b), then Landlord shall reimburse Tenant for the reasonable cost of such work, within thirty (30) days of receipt of an invoice for such sums; provided that Landlord shall be entitled to request supporting documentation of such sums. If Landlord does not reimburse Tenant as required by this Section, then Tenant may offset any such sum against Rent and all other charges due Landlord until such sum has been fully recouped. If Tenant elects to proceed under the foregoing subsection (c) and if the Landlord's Work is not completed within fourteen (14) days after commencement of Tenant's improvements, then Tenant reserves the right to complete the outstanding Landlord's Work as described under subsection (b).

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**EXHIBIT C-2**  
**Description of Landlord Work**  
**New and/or Existing Construction**

CSI#	Scope Category	Details
01321	Landlord Work	<ul style="list-style-type: none"> <li>Landlord Development and/or building shall NOT be LEED certified or registered for certification. But Landlord will reasonably cooperate with Tenant so that it can secure LEED certification on its interior improvements at Tenant sole cost and expense.</li> </ul>
02200	Selective Demolition	<ul style="list-style-type: none"> <li>Space shall be left in "broom clean" condition.</li> </ul>
02500	Utility Service	<ul style="list-style-type: none"> <li>Furnish Tenant electrical, water and sanitary service to Premises as outlined below.</li> <li>Tenant to distribute all under-slab utilities within the Premises at its expense (inc floor sinks per its interior design), per additional coordination required by "structural" slab as noted in "Flooring" scope category below.</li> <li>Provide temporary power into the premises, if permanent electrical power is not available at time of possession. Permanent power is required no later than 2 weeks into Tenant's construction.</li> <li>Provide temporary water if domestic water is not available at time of possession. Permanent water is required no later than 2 weeks into Tenant's construction.</li> </ul>

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CSI#	Scope Category	Details
02510	Water Distribution	<ul style="list-style-type: none"> <li>• Furnish and install one domestic water [DW] service sized per local code (minimum 1 ½"), and a meter independently designated for Tenant's service, stubbed via copper piping into the Premises with shut off valve, in accordance with Landlord plans. The DW service must be capable of providing a minimum operating flow rate of 50 gallons per minute [gpm]; at a minimum operating pressure of 50 psig and a maximum of 80 psig dynamic pressure at all times. If flow rate or pressure is not sufficient, Landlord shall engineer, furnish and install a booster pump in a location agreed upon with the Tenant.</li> <li>• All under slab water distribution lines, if any, are to be distributed within Premises by Tenant at its expense (inc floor sinks per its interior design) and per local code, and per additional coordination required by "structural" slab as noted in "Flooring" scope category below.</li> <li>• Furnish and install an approved, tested and certified backflow prevention assembly, if required by applicable codes, in a location identified on Tenant's construction documents. Landlord shall select backflow prevention assembly with a maximum water pressure drop of 15 psig at 50 gpm.</li> <li>• If required by applicable agency or jurisdiction, the fire protection system and domestic water system may not be supplied from the same service.</li> </ul>
02530	Sanitary Sewer	<ul style="list-style-type: none"> <li>• Provide a min. 4" sanitary sewer waste line to the Premises dedicated to Tenant's use, stubbed in a location within Premises as determined by Landlord and invert elevation and slope shall be per local code.</li> <li>• Septic tanks or similar drainage systems are not acceptable.</li> </ul>
02550	Gas Distribution	<ul style="list-style-type: none"> <li>• NONE</li> </ul>
02580	Site Electrical Distribution	<ul style="list-style-type: none"> <li>• Furnish and install source of electrical power at an electrical room outside the Premises. Electrical switch gear service disconnects and distribution shall be dedicated for Tenant's use only.</li> <li>• Location of the main panel shall be specified by the Tenant.</li> <li>• Furnish and install empty conduit and pull string from the electrical source to Tenant specified location of Tenant panels at Premises, Tenant shall provide the wire and pull it from Landlord-provided electrical source to Tenant electrical panels, over a distance not to exceed 150 feet.</li> <li>• The service shall be a minimum of 400 Amps, 120/208 Volt 3 phase 4 wire power service connected to Tenant's main electrical panel.</li> <li>• Tenant to distribute all interior Premises electrical lines per Tenant's construction documents and per local code, per additional coordination required by "structural" slab as noted in "Flooring" scope category below.</li> </ul>

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CSI#	Scope Category	Details
02775	Sidewalks & Patios	<ul style="list-style-type: none"> <li>• Provide a non-exclusive Outdoor Seating Area for Tenant's use which shall be shared with Public Park. Landlord to provide and repair/maintain non-exclusive outdoor furniture. Exhibit of Outdoor Seating Area schematic to be attached to the Lease (Amendment).</li> <li>• Provide outdoor lighting for adequate safety and security during evening use of non-exclusive exterior patio and public park per Landlord specifications</li> </ul>
02800	Trash Enclosure	<ul style="list-style-type: none"> <li>• Provide a trash enclosure per code with space inside the enclosure for a trash container and a recycling container. The trash enclosure shall be physically located near the Premises in a safe and convenient location as shown on the site plan, and shall comply with all applicable codes including drainage, building, zoning and health requirements. The trash service shall be provided at Landlord's cost.</li> <li>• If Tenant is required to share trash removal or recycling containers with other tenants, such shared containers shall be adequately sized and serviced to handle Tenants' trash and recycling requirements. Trash and recycling containers provided shall comply with all city, county and state waste removal mandates.</li> <li>• Keyed, recessed hose bib accessible to trash enclosure per Tenant's construction documents. The hose bib must be connected to 1/2" copper pipe. Pipe must be exposed and visible for Tenant's connection.</li> </ul>
02805	Site Improvement	<ul style="list-style-type: none"> <li>• Furnish and install bike rack</li> </ul>
02810	Irrigation Systems	<ul style="list-style-type: none"> <li>• Furnish and install appropriate surface irrigation system to ensure establishment of high efficiency, native plants.</li> </ul>
02900	Landscaping	<ul style="list-style-type: none"> <li>• Provide all landscaping to meet local code and agreed upon by Tenant's representative.</li> <li>• Landscaping to be designed in accordance with the overall Civic Park Plan as approved by the LA County Board of Supervisors.</li> </ul>

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CSI#	Scope Category	Details
03300	Flooring	<ul style="list-style-type: none"> <li>• Provide level reinforced, interior structural mat concrete slab (and Tenant to provide 4" (four inch) topping slab as part of its scope of work) in stable, condition. Concrete floor must be smooth, level and properly cured, sealed joints and ready to accept Tenant's floor finishes.</li> <li>• All interior flooring must meet applicable dead and live load codes, including but not limited to all applicable building, structural and ADA jurisdictional requirements. The floor structure must have deflection per code.</li> <li>• If slab is "structural" and Tenant cannot cut into slab to distribute utilities etc... once poured by LL, Tenant Design Manager and Construction Project Manager shall be given reasonable adequate notice prior to Landlord slab pour in order to enter Premises to mark and sleeve its penetration points per its plans (and then Tenant will distribute its underground utilities as part of its scope of work). Landlord reps shall protect the integrity of these marks and sleeves leading up to and during the slab pour.</li> </ul>
07500	Roof	<ul style="list-style-type: none"> <li>• Provide flashed roof penetrations for all Tenant vents including Tenant supplied water heater (B vent) and remote roof top condensing units per Tenant's construction documents. Coordination of vents and Tenant provided HVAC installation shall be completed in mutual cooperation between Landlord and Tenant prior to the Roof being closed.</li> <li>• Provide sleepers, curbs and pads to support Tenant supplied roof top equipment per Tenant's construction documents.</li> <li>• Landlord to insulate the ceiling with batt insulation.</li> <li>• LOW ROOF - Provide a roofing material that has a Solar Reflectance Index (SRI) equal to or greater than 79 for roofs less than or equal to 2:12 slope. Provide an SRI equal to or greater than 29 for steeper roofs. Thickness and installation details per manufacturer's instructions. [Sustainable Element]. HIGH ROOF – manufacturer does not provide an SRI index for the approved custom LL color.</li> </ul>
08100	Metal Doors & Frames	<ul style="list-style-type: none"> <li>• Furnish and install a commercial grade 42" x 84" hollow metal exterior rear service door in compliance with all building and fire agencies having jurisdiction.</li> <li>• Furnish and install all exterior door hardware including door closure, lock set, peep hole, threshold, weather stripping, door sweep and drip edge.</li> </ul>
08400	Storefront Windows & Doors	<ul style="list-style-type: none"> <li>• Storefront glazing to be clear, non-tinted, non-reflective, double glazed and low-e with U-value complying with the appropriate climatic zone in the ICC International Energy Conservation Code or local jurisdictional requirements. [Sustainable Element]</li> <li>• Provide either (a) all entrances at street or walkway level, or (b) entrances in compliance with all applicable codes that meet federal, state, provincial, and local building, life safety, and handicap accessibility codes.</li> <li>• Provide storefront system and storefront entry door.</li> <li>• Provide door hardware.</li> </ul>
09200	Gypsum Board	<ul style="list-style-type: none"> <li>• Provide unfinished demised and/or perimeter walls per applicable codes.</li> <li>• Tenant to provide and install Gypsum wall board [GWB] and insulation within Landlord provided perimeter walls.</li> </ul>

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CSI#	Scope Category	Details
13851	Fire Alarm	<ul style="list-style-type: none"> <li>• If required by applicable codes for Tenant's use: Permit, furnish and install building monitoring and fire protection alarm system</li> <li>• Provide all tie-ins to building smoke detectors, flow switch valve, and duct smoke/heat detectors. The system must be programmed and functional.</li> <li>• Central station monitoring, if required, shall be provided by Landlord.</li> <li>• Provide all coordination, testing and inspections for a fully functional fire alarm system able to obtain Tenant's permanent Certificate of Occupancy and to meet Tenant's opening schedule.</li> </ul>
13900	Fire Protection	<ul style="list-style-type: none"> <li>• If required by applicable codes for Tenant's use: Engineer, furnish and install a 4" fire main within Tenant space accessible to Premises via a main line connection, including sprinkler coverage (drops and up-heads only) distributed throughout Premises per Tenant's construction documents and local fire code requirement.</li> <li>• The sprinkler system must include flow and tamper devices, fire alarm system disconnects and back flow prevention as required by agencies having jurisdiction.</li> <li>• System must be pressure tested, fully operational, inspected and approved by local agencies having jurisdiction.</li> </ul>
15400	Plumbing Fixtures & Equipment	<ul style="list-style-type: none"> <li>• Tenant to furnish and install all plumbing vents per its construction documents from the roof through flashing to a location above the proposed Tenant ceiling in the Premises.</li> <li>• Only at initial delivery and if required per applicable codes or jurisdiction, furnish and install a grease interceptor/grease trap sized and located per Landlord's construction documents and/or in accordance with jurisdictional water/waste management board.</li> </ul>
15500	HVAC	<ul style="list-style-type: none"> <li>• Tenant to provide and install HVAC rooftop units. Landlord provided roof structure shall be designed to receive Tenant installation of a maximum 8 tons HVAC from 2 units.</li> </ul>
15800	Ductwork	
16210	Electrical Panels	<ul style="list-style-type: none"> <li>• Tenant to install its electrical panels at its expense in Tenant designated location.</li> </ul>

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Tenant Initials \_\_\_\_\_ Date \_\_\_\_\_





CSI#	Scope Category	Details
16500	Lighting	<ul style="list-style-type: none"> <li>• Furnish and install a security light, consisting of a compact fluorescent or metal halide lamping sufficient to provide a minimum of 5000 lumens or higher or per local code requirement at exterior rear door at a minimum dimension 10' above finished floor [AFF] and controlled in Tenant's space. [Sustainable Element]</li> </ul>
16720	Telephone System	<ul style="list-style-type: none"> <li>• Tenant to initiate telephone service with LEC (Local Exchange Carrier or telephone service provider).</li> <li>• Landlord to provide all necessary pathways from the designated LEC central location to the specific designated location(s) on site.</li> <li>• Provide necessary and compliant space and supporting structures for telephone cable/wire, as required by local and state LEC, tariffs and jurisdiction to ensure timely telephone service connection to the site.</li> <li>• Furnish and install one (1) 2" empty conduit with pull string from the building's main point of entry [MPOE] to the rear wall of Tenant's space above ceiling.</li> </ul>

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Tenant Initials \_\_\_\_\_ Date \_\_\_\_\_



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Landlord: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

Tenant: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

HOA.819157.1LL Initials \_\_\_\_\_ Date \_\_\_\_\_

Tenant Initials \_\_\_\_\_ Date \_\_\_\_\_

EXHIBIT C

DATE CERTIFICATE

Date

Attn: Name
Company Name
Address
City, State, Zip

Re: Starbucks Coffee at
City, State
Starbucks Store #

Dear Name:

Please confirm the following list of dates pursuant to the Lease by and between
and Starbucks Corporation [or Starbucks Coffee Canada, Inc.] for the above referenced location:

Possession Date:
Permit Date: [if referenced in the Lease]
Commencement Date:
Starbucks Store Opening Date:
Rent Commencement Date:
Expiration Date:

Pursuant to Section of the Lease, the Base Rent schedule shall be as set forth below:

day(s) Pro-rated: \$ ÷ days x
Per month
Per month
[If applicable:]
Option1 Per month
Option2 Per month
Option3 Per month
Option4 Per month

Please have both copies of this letter signed and dated by Landlord and return one (1) of the originals in the envelope provided. If you have any questions regarding the above information please contact Name at (phone number).

Agreed to this day of 200, by and between:

Landlord: Starbucks Corporation:

By: Signature Name
Printed name and title title

EXHIBIT D  
RENTAL COMMENCEMENT DATE MEMORANDUM

Reference is made to that certain Amended and Restated Concession Agreement ("Agreement") dated \_\_\_\_\_, 2011, between County of Los Angeles, a body politic and corporate ("County"), and Starbucks Corporation, a Washington Corporation ("Starbucks"), whereby County granted to Starbucks a concession located in a newly constructed building in the County of Los Angeles Civic Park as more particularly described in Exhibit A to the Agreement (the "Premises") and Starbucks agreed to operate said concession according to the terms and conditions set forth in the Agreement.

Pursuant to Section 3.01 of the Agreement, County and Starbucks hereby acknowledge as follows:

The Rental Commencement Date is \_\_\_\_\_.

IN WITNESS WHEREOF, this Rental Commencement Date Memorandum is executed this \_\_\_\_ day of \_\_\_\_\_, 2011.

COUNTY OF LOS ANGELES, a body politic and corporate	Starbucks Corporation, a Washington Corporation a _____ corporation
By: _____	By: _____
Name: _____	Name: _____
Its: _____	Its: _____