AGN. NO.

MOTION BY SUPERVISORS HOLLY J. MITCHELL AND JANICE HAHN

June 28, 2022

Completing the Return of Bruce's Beach to the Legal Heirs of Charles and Willa Bruce

Peck's Manhattan Beach Tract Block 5 ("Block 5"), part of the property commonly known as "Bruce's Beach," is currently owned by the County of Los Angeles ("County") and is the site of the County Lifeguard Administration Building. In the early 1900s, Charles and Willa Bruce owned Lots 8 and 9 of Block 5 (the "Property") and operated a successful seaside resort there that welcomed Black beachgoers from all over Los Angeles.

In 1924, the Manhattan Beach Board of Trustees voted to condemn Bruce's Beach through eminent domain under the ostensible purpose of building a park, but it is well documented that this move was a racially motivated attempt to drive out the successful Black business and its patrons. The Bruces' Property was condemned in 1929, the City of Manhattan Beach demolished the Bruces' resort, and the Bruces left Manhattan Beach.

In 1948, the City of Manhattan Beach transferred Block 5, including the Property, to the State of California ("State"). This land remained State property until 1995, when the State transferred it to the County as part of a larger transfer of eight State beaches to the County. This transfer included statutory conditions that restrict use and ownership of the land. The County Fire Department currently uses this property for its lifeguard operations.

At the request of the County, Senate Bill ("SB") 796, "Returning Bruce's Beach to its Rightful Owners," was introduced to eliminate the statutory restrictions previously

- MORE -

	MOTION
SOLIS	_____
KUEHL	_____
HAHN	_____
BARGER	_____
MITCHELL	_____

placed on Block 5 that prohibited the County from transferring the Property back to the legal heirs of Charles and Willa Bruce.

On April 20, 2021, the County Board of Supervisors ("Board") voted to support SB 796, and directed County staff to formulate a plan for the return of the Property to the legal heirs of Charles and Willa Bruce. In response to the Board's April 20th motion, the Chief Executive Officer released the "Report Back on Returning Bruce's Beach to its Rightful Owners" ("Report") that included a plan to return the Property to the Bruce family.

The Report affirmed that returning the Property is in the public interest and laid out the next steps needed for land assessment, property tax evaluation, continued County occupancy of the site and/or relocation, and appropriate safeguards to ensure that the Property is transferred to the legal heirs of Charles and Willa Bruce.

On July 13, 2021, the Board directed County staff to implement the plan set forth in the Report to prepare to return the Property to the legal heirs of Charles and Willa Bruce, including retaining a third-party law firm to conduct a thorough and transparent legal heir determination process.

Both houses of the State Legislature unanimously approved SB 796, and on September 30, 2021, Governor Gavin Newsom signed SB 796 into law at Bruce's Beach. As an urgency bill, SB 796 took effect immediately upon being signed by the Governor.

In enacting SB 796, the State Legislature made findings in support of the public purpose behind the return of the Property to the legal heirs of Charles and Willa Bruce.

SB 796 directed the State Department of Parks and Recreation ("State DPR") to amend the property deed for Block 5 no later than December 31, 2021, to remove the restrictions placed upon it. Pursuant to SB 796, upon removal of the deed restrictions, notwithstanding any other law, easement, covenant, restriction, or servitude, the Property may be sold, transferred, or encumbered upon terms and conditions determined by the Board to be in the best interest of the County and the general public.

On October 5, 2021, to implement SB 796, the Board directed County staff to coordinate with State DPR to amend the property deed, prepare and present to the Board a resolution of acceptance of the amended property deed, and pursue an expeditious process to determine the legal heirs of Charles and Willa Bruce.

On December 10, 2021, State DPR provided the County with an executed grant deed modification reflecting the removal of the restrictions, as authorized by SB 796. On December 21, 2021, the Board adopted a resolution approving and authorizing acceptance of the grant deed modification, giving the County the authority to transfer the Property.

On April 14, 2022, the Honorable Mitchell Beckloff upheld the County's proposed return of the Property to the legal heirs of Charles and Willa Bruce in the matter of *Ryan v. Los Angeles County Board of Supervisors* (Los Angeles Superior Court Case No. 21STCV38353), finding that: "where the appropriation of public funds and/or property is to address and/or remedy racial discrimination committed by government, it serves a public purpose." Judge Beckloff further found that: "redressing past acts of discrimination as well as preventing such acts in the future benefits the whole of the community and its general welfare . . .," and that "the public purpose served by SB 796 is direct and substantial."

On May 26, 2022, the County completed the legal heir determination process, which confirmed that Marcus and Derrick Bruce, the great-grandsons of Charles and Willa Bruce, are their legal heirs. Marcus and Derrick Bruce have caused the formation of Bruce Family LLC to hold the Property upon transfer by the County.

County staff has negotiated a transfer agreement to return the Property to the Bruces ("Transfer Agreement"), and a 24-month lease agreement, with an annual rent of $413,000 plus responsibility for all operation and maintenance costs, to lease the Property back to the County ("Lease Agreement"). The Lease Agreement includes the Bruces' right to require the County to acquire the Property within a certain timeframe, and the County's right to require the Bruces' to sell the Property to the County within a certain timeframe, for a purchase price not to exceed $20 million. The annual rental amount is supported by an economic analysis. The purchase price has been confirmed by appraisals to be equivalent to or less than fair market value.

The Transfer Agreement will accomplish the objective of this Board and SB 796 to rectify the historic injustice that was done to the Bruce family by returning the Property to the legal heirs of Charles and Willa Bruce. The Lease Agreement will allow the Bruce

family to realize the generational wealth previously denied them, while allowing the County's lifeguard operations to continue for the foreseeable future without interruption.

WE THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

1. Find that the proposed transfer, lease back, and repurchase of Lots 8 and 9 of Peck's Manhattan Beach Tract, Block 5 (the "Property") is not a project under the California Environmental Quality Act ("CEQA") because they are activities that are excluded from the definition of a project by section 21065 of the California Public Resources Code and section 15378(b) of the State CEQA Guidelines, as the actions involve organizational and administrative activities of government that will not result in direct or indirect physical changes in the environment. The proposed transfer, lease back, and repurchase of the Property also is exempt from CEQA pursuant to State CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that the actions will not have a significant adverse impact on the environment. In the alternative, the proposed transfer, lease back, and repurchase of the Property is categorically exempt from CEQA pursuant to State CEQA Guidelines section 15301 (Existing Facilities) and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G, because there will be no or negligible expansion of use beyond that previously existing on the Property. In addition, based on the record, the proposed transfer, lease back, and repurchase of the Property will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code section 65962.5, or indication that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable. Upon approval, the Chief Executive Office (CEO) will file a Notice of Exemption ("Notice") with the County Clerk pursuant to section 21152 of the Public Resources Code and will post the Notice to the County's website pursuant to section 20192.2 of the Public Resources Code.
2. Adopt the resolution making findings in support of, and approving and

authorizing, the return of the Property to the legal heirs of Charles and Willa Bruce (Attachment A).

3. Pursuant to Senate Bill ("SB") 796, approve and authorize the transfer of the Property to Bruce Family LLC, and delegate authority to the Chair of the Board of Supervisors ("Chair") to execute the Transfer Agreement between the County and Bruce Family LLC (Attachment B) and any ancillary deed or agreement, approved as to form by County Counsel, necessary to effectuate the terms of the Transfer Agreement, including the payment of any associated transaction costs.
4. Pursuant to SB 796, approve and authorize the lease back of the Property from Bruce Family LLC, and delegate authority to the Chair to execute the Lease Agreement between the County and Bruce Family LLC (Attachment C) with annual rent of $413,000, and any ancillary deed or agreement, approved as to form by County Counsel, necessary to effectuate the terms of the Lease Agreement, including for the repurchase of the Property for a purchase price not to exceed $20 million plus any associated transaction costs.
5. Approve and establish the proposed Bruce's Beach, Capital Project (C.P.) No. 70033 in the amount of $21,500,000.
6. Approve the attached appropriation adjustment to transfer $21,500,000 from the Provisional Financing Uses budget unit to Bruce's Beach, C.P. No. 70033.
7. Pursuant to SB 796, delegate authority to the CEO, or her designee, to take any action, and approve and execute any ancillary escrow documents, approved as to form by County Counsel, that are necessary to effectuate the closing of the transactions contemplated by the terms of the Transfer Agreement and Lease Agreement.

# # #

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PINK

BA FORM 05262022

BOARD OF SUPERVISORS
OFFICIAL COPY

June 28, 2022

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICER

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HER RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFORE

FY 2021-22

3 - VOTES

SOURCES		USES	
		VARIOUS CAPITAL PROJECTS	
PFU-VARIOUS		**BRUCE'S BEACH**	
A01-CB-2000-13749-13760		A01-CP-6006-65099-70033	
SERVICES & SUPPLIES		CAPITAL ASSETS - LAND	
DECREASE APPROPRIATION	**21,500,000**	**INCREASE APPROPRIATION**	**21,500,000**
SOURCES TOTAL	**$ 21,500,000**	**USES TOTAL**	**$ 21,500,000**

JUSTIFICATION

The appropriation adjustment is necessary to transfer $21,500,000 from the Provisional Financing Uses budget unit to Bruce's Beach project, CP No. 70033.

Amir Alam Digitally signed by Amir Alam Date: 2022.06.10 14:16:03 -07'00'

AUTHORIZED SIGNATURE AMIR ALAM, MANAGER, CEO

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

☐ ✔

✔ ☐

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR---

239

AUDITOR-CONTROLLER

B.A. NO. 239

☐ ACTION

✔ RECOMMENDATION

BY Lan Sam 6/10/22 Digitally signed by Lan Sam Date: 2022.06.10 16:55:02 -07'00'

DATE 6/10/22

✔ APPROVED AS REQUESTED

☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY Matthew Diaz 6/10/22 Digitally signed by Matthew J. Diaz Date: 2022.06.10 17:19:39 -07'00'

DATE 6/10/22

ATTACHMENT A

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES MAKING FINDINGS IN SUPPORT OF, AND APPROVING AND AUTHORIZING, THE RETURN OF "BRUCE'S BEACH" TO THE LEGAL HEIRS OF CHARLES AND WILLA BRUCE

WHEREAS, Peck's Manhattan Beach Tract Block 5 ("Block 5"), part of the property commonly known as "Bruce's Beach," in the City of Manhattan Beach, is currently owned by the County of Los Angeles ("County");

WHEREAS, in the early 1920s, Charles and Willa Bruce owned Lots 8 and 9 of Block 5 (the "Property") and operated a successful seaside resort there that welcomed Black beachgoers from all over Los Angeles;

WHEREAS, in 1924, the Manhattan Beach Board of Trustees voted to condemn Bruce's Beach through eminent domain under the ostensible purpose of building a park, but it is well documented that this move was a racially motivated attempt to drive out the successful Black business, its patrons and other Black property owners in the area;

WHEREAS, the Bruces' Property was condemned, the City of Manhattan Beach demolished the Bruces' resort, and the Bruces left Manhattan Beach;

WHEREAS, in 1948, the City of Manhattan Beach transferred Block 5, including the Property, to the State of California ("State"). This transfer included conditions that restrict use and ownership of the land. This land remained State property until 1995, when the State transferred it to the County as part of a larger transfer of eight State beaches to the County. The County Fire Department uses this property for its lifeguard operations;

WHEREAS, at the request of the County, Senate Bill ("SB") 796, "Returning Bruce's Beach to its Rightful Owners," was introduced to eliminate the restrictions previously placed on Block 5 that prohibited the County from transferring the Property back to the legal heirs of Charles and Willa Bruce;

WHEREAS, on April 20, 2021, the County Board of Supervisors ("Board") voted to support SB 796, and directed County staff to formulate a plan for the return of the Property to the legal heirs of Charles and Willa Bruce;

WHEREAS, in response to the Board's April 20th motion, the Chief Executive Officer released the "Report Back on Returning Bruce's Beach to its Rightful Owners" ("Report") that included a plan to return the Property to the Bruce family;

WHEREAS, the Report affirmed that returning the Property is in the public interest and laid out the next steps needed for land assessment, property tax evaluation, continued County occupancy of the site and/or relocation, and appropriate safeguards to ensure that the Property is transferred to the legal heirs of Charles and Willa Bruce;

WHEREAS, on July 13, 2021, the Board directed County staff to implement the plan set forth in the Report in order to prepare to return the Property to the legal heirs of Charles and Willa Bruce, including retaining a third-party law firm to conduct a thorough and transparent legal heir determination process;

WHEREAS, both houses of the State Legislature unanimously approved SB 796, and on September 30, 2021, Governor Gavin Newsom signed SB 796 into law at Bruce's Beach. As an urgency bill, SB 796 took effect immediately upon being signed by the Governor;

WHEREAS, in enacting SB 796, the State Legislature found and declared the following:

(a) The United States of America has never fully addressed the institution and practice of 250 years of chattel slavery; the ideology that established and maintained it has left an indelible stain on the fabric of this nation and is embedded in virtually every facet of American culture and civil society.

(b) The legacy of the intentional structuring of opportunity, implementation of policies and practices, and assignment of value based solely on skin color and other physical characteristics has created, and continues to create, unfair disadvantages for Black people.

(c) Racial discrimination has prevented entire communities of people from achieving their full potential due to its manifestations, including, but not limited to, the implementation of Black codes and Jim Crow laws, the widespread and accepted practices of lynching and sexually assaulting Black men and women, voter suppression of Black Americans, the false concept of separate but equal schools, state-sanctioned housing discrimination in the form of redlining and enforcement of racially restrictive covenants, disparate access to and substandard treatment within the health care system, police brutality in Black communities, the misguided war on drugs, and mass incarceration.

(d) Racism aggravates and exacerbates historical inequities and consequently deprives marginalized communities of access to land, economic opportunities, and a stable future.

(e) The experience of Willa and Charles Bruce is an example of how racism against Black people has reached crisis proportions and has resulted in large disparities in family stability, health and mental wellness, education, employment, economic development, public safety, criminal justice, and housing.

(f) In 1912, Willa and Charles Bruce purchased the first of two lots of land along the Strand in the City of Manhattan Beach and turned the location into a seaside resort that welcomed Black beach goers from all over and became colloquially referred to as "Bruce's Beach."

(g) In 1924, the Manhattan Beach Board of Trustees voted to condemn Bruce's Beach and the surrounding land through the power of eminent domain under the ostensible purpose of building a park. The true purpose of the Manhattan Beach Board of Trustees in condemning Bruce's Beach, as evidenced by historical materials, including those cited or discussed in the June 7, 2021, City of Manhattan Beach History

Advisory Board Report that was adopted by the Manhattan Beach City Council at its June 15, 2021, regular meeting, was to shut down the Bruce's Beach resort because the Bruces and their patrons were Black. At the same time, the Manhattan Beach Board of Trustees enacted ordinances precluding the opening of any new beach resort in order to prevent the Bruces from relocating their business elsewhere in the city. As a result of these intentional racially discriminatory acts, the Bruces lost their land and their business, the Bruce family moved out of the City of Manhattan Beach, and the city immediately demolished the Bruce's Beach resort. Thereafter, in 1948, the city transferred this empty land to the state. In 1995 the state transferred this land to the County of Los Angeles subject to various deed restrictions that effectively precluded the county from returning to the Bruce family their wrongfully condemned land.

(h) Willa and Charles Bruce were deprived of their rightful property, as well as their right to derive the benefits of that property, including the freedom and fortune of operating their own business on their land.

(i) The fraudulent appropriation of land from private persons in general, and especially on the basis of race, is against the public interest and denies individuals and communities the right to enjoyment, the right to own property alone, as well as in association with others, the right to inherit, and the right to control one's property.

(j) Government has a responsibility to prohibit and eliminate racial discrimination in all forms and to ensure that all persons are entitled to security against forced removal, harassment, and intimidation by entities who seek to deprive individuals of their rights to self-determination and dignity on the basis of their race.

(k) Government must act in the public's interest to ensure that communities can fairly access justice and an effective remedy, including, when appropriate, the potential return, restitution, resettlement, rehabilitation, or compensation, for unlawful and race-based displacements.

(l) The land in the City of Manhattan Beach, which was wrongfully taken from Willa and Charles Bruce, should be returned to their living descendants, and it is in the public interest of the State of California, the County of Los Angeles, the City of Manhattan Beach, and the People of the State of California to do so;

WHEREAS, SB 796 directed the State Department of Parks and Recreation ("State DPR") to amend the property deed for Block 5 no later than December 31, 2021 to remove the restrictions placed on it;

WHEREAS, pursuant to SB 796, upon removal of the deed restrictions, notwithstanding any other law, easement, covenant, restriction, or servitude, the Property may be sold, transferred, or encumbered upon terms and conditions determined by the Board to be in the best interest of the County and the general public;

WHEREAS, on October 5, 2021, in order to implement SB 796, the Board directed County staff to coordinate with State DPR to amend the property deed, prepare and present to the Board a resolution of acceptance of the amended property deed, and pursue an expeditious process to determine the legal heirs of Charles and Willa Bruce;

WHEREAS, on December 10, 2021, State DPR provided the County with an executed grant deed modification reflecting the removal of the restrictions, as authorized by SB 796. On December 21, 2021, this Board adopted a resolution approving and authorizing acceptance of the grant deed modification, giving the County the authority to transfer the Property;

WHEREAS, on April 14, 2022, the Honorable Mitchell Beckloff upheld the County's proposed return of the Property to the legal heirs of Charles and Willa Bruce in the matter of *Ryan v. Los Angeles County Board of Supervisors* (Los Angeles Superior Court Case No. 21STCV38353), finding that: "where the appropriation of public funds and/or property is to address and/or remedy racial discrimination committed by government, it serves a public purpose." Judge Beckloff further found that: "redressing past acts of discrimination as well as preventing such acts in the future benefits the whole of the community and its general welfare . . .," and that "the public purpose served by SB 796 is direct and substantial";

WHEREAS, on May 26, 2022, the County completed the legal heir determination process, which confirmed that Marcus and Derrick Bruce, the great-grandsons of Charles and Willa Bruce, are the legal heirs of Charles and Willa Bruce; and

WHEREAS, Marcus and Derrick Bruce have caused the formation of Bruce Family LLC to hold the Property upon transfer by the County.

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES DOES HEREBY PROCLAIM, RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

I. **Incorporation of Recitals.** The foregoing Recitals are true and correct and incorporated herein by reference, and the Board of Supervisors ("Board") adopts the foregoing Recitals, and the findings of the Legislature set forth therein, as its own.

II. **Finding of Public Purpose.** Based on the foregoing, the Board hereby finds and determines that: (1) the Bruces' Property was taken in an act of racism; (2) the return of the Property will further help remedy racial discrimination committed by a government agency; and (3) therefore, the return of Lots 8 and 9 of Peck's Manhattan Beach Tract Block 5 (the "Property") to the legal heirs of Charles and Willa Bruce, and the lease back and repurchase of the Property by the County of Los Angeles ("County"), serves public purposes.

III. **Finding of Best Interest.** Based on the foregoing, pursuant to section 5002.6 of the Public Resources Code (Senate Bill 796), the Board further finds that the terms and conditions of the Transfer Agreement and Lease Agreement are in the best interest of the County and the general public.

IV. Transfer, Lease Back, and Repurchase of the Property. Pursuant to section 5002.6 of the Public Resources Code, the Board hereby:

A. Approves and authorizes the transfer of the Property to Bruce Family LLC, and hereby delegates authority to the Chair of the Board to execute the Transfer Agreement between the County and Bruce Family LLC and any ancillary deed or agreement, approved as to form by County Counsel, necessary to effectuate the terms of the Transfer Agreement, including payment of any associated transaction costs;

B. Approves and authorizes the lease back of the Property from Bruce Family LLC, and hereby delegates authority to the Chair to execute the Lease Agreement between the County and Bruce Family LLC, with an initial annual base rent of $413,000, and any ancillary deed or agreement, approved as to form by County Counsel, necessary to effectuate the terms of the Lease Agreement, including for the repurchase of the Property for a purchase price not to exceed $20 million, plus any associated transaction costs; and

C. Delegates authority to the Chief Executive Officer, or her designee, to take any action, and approve and execute any ancillary closing documents, approved as to form by County Counsel, that are necessary to effectuate closing of the transactions contemplated by the terms of the Transfer Agreement and Lease.

The foregoing resolution was on the 28th day of June, 2022, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

CELIA ZAVALA,
Executive Officer
Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
Acting County Counsel

By: _____
Thomas J. Faughnan
Senior Assistant County Counsel

ATTACHMENT B

TRANSFER AGREEMENT

This Transfer Agreement (this "**Agreement**") is effective as of June ____, 2022 (the "**Effective Date**"), by and between the COUNTY OF LOS ANGELES, a body corporate and politic ("**County**"), Bruce Family LLC, a California limited liability company (collectively, "**Bruce**"). Each of County and Bruce are sometimes referred to herein individually as a "**Party**" and collectively, as the "**Parties**."

RECITALS

A. County is the fee owner of certain real property commonly referred to as "Bruce's Beach," which is described as Lots 8 and 9 of Block 5, located between 26th and 27th Street and the Strand and Ocean Drive, in the City of Manhattan Beach, County of Los Angeles, State of California, as more particularly described on Exhibit A attached hereto (the "**Land**").

B. The Land is currently improved with a County building (the "**Building**") that is situated on the Land, in part, and on the parcel of land described as Lot 10 of Block 5, which is adjacent to the Land, in part. The Building is operated by County as a lifeguard training center and governmental offices.

C. In order to effectuate the purposes set forth in, and pursuant to, California Senate Bill 796 (effective September 30, 2021), County desires to transfer the Land, which shall not include the Building, to the legal heirs of Willa and Charles Bruce.

D. The legal heirs of Willa and Charles Bruce have created Bruce for the benefit of the living descendants of Willa and Charles Bruce, including themselves and their legal heirs, and desire that the County transfer the Land (which shall not include the Building), to Bruce, pursuant to and in accordance with the terms of this Agreement.

E. Simultaneously upon consummation of the transfer of the Property (as defined below) to Bruce, Bruce desires to lease to County, and County desires to lease from Bruce, the Property, pursuant to and in accordance with the terms of that certain Lease Agreement attached hereto as Exhibit C (the "**Lease**").

AGREEMENT

NOW, THEREFORE, in reliance upon the foregoing Recitals, which are hereby incorporated by this reference, and in consideration of the agreements and covenants set forth herein, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Conveyance of the Property**.

1.1 The Property. Subject to satisfaction of the terms and conditions set forth in this Agreement, County agrees to transfer, assign, and convey to Bruce, and Bruce agrees to assume and accept all of the following (collectively, the "**Property**"): (a) the Land; and (b) all easements, rights of way and other rights appurtenant to the Land (the Land and all easements,

rights of way and other rights appurtenant to the Land are collectively referred to as the "**Real Property**").

1.2 Deed. County shall transfer the Real Property to Bruce by grant deed in the form attached hereto as Exhibit B (the "**Deed**").

2. **Escrow; Instructions**. The transfer of the Property (the "**Transfer**") shall be consummated by means of an escrow (the "**Escrow**") to be opened with First American Title Insurance Company ("**Escrow Holder**"), acting as both escrow agent and title agent (the "**Title Company**"), whose contact information is as follows: 777 S. Figueroa Street, 4th Floor, Los Angeles, California 90017, Attention: Brian Serikaku, Telephone: (213) 271-1774, E-mail: bmserikaku@firstam.com. This Agreement, together with such further written instructions the Parties shall provide to Escrow Holder, if any, shall constitute the instructions to Escrow Holder (the "**Escrow Instructions**") with respect to the transaction contemplated by this Agreement. Any additional or supplemental instructions given to Escrow Holder shall be consistent with the terms of this Agreement, and the terms of this Agreement shall prevail if there is any inconsistency. By executing this Agreement, Escrow Holder acknowledges that this Agreement constitutes the Escrow Instructions for the sale of the Property and agrees to follow the Escrow Instructions provided in this Agreement.

3. **Title Policy**.

3.1 Preliminary Title Report. As of the Effective Date, Bruce has (a) obtained a standard preliminary title report (the "**PTR**") issued by Title Company, with respect to the Land, and copies of all recorded documents referred to in the PTR, and (b) approved of all matters shown in or disclosed by the PTR and set forth on Schedule 1 attached hereto. By not later than the Closing Date, County shall cause the removal as exceptions to the Title Policy any and all money judgments and liens arising from County's activities, deeds of trust, mortgages, security interests, and related encumbrances and any delinquent real property taxes and assessments, but excluding any money judgments and liens (including any mechanic's and materialmen's liens or liens or other claims) arising from or related to Bruce, its officers, partners, shareholders, members, employees, contractors or agents, or their respective actions or failure to act.

3.2 Permitted Exceptions. At Closing, Bruce shall accept title to the Real Property subject to: (a) the Lease; (b) the encumbrances, reservations, and easements of record set forth on Schedule 1; (c) the lien of all ad valorem real estate taxes and assessments not yet due and payable as of the date of Closing (if any), subject to adjustment as herein provided; (d) covenants, conditions, restrictions, reservations, easements, rights, and rights-of-way of record, if any; (e) local, state, and federal laws, ordinances or governmental regulations, including but not limited to, building and zoning laws, ordinances and regulations, now or hereafter in effect relating to the Property; (f) such statement of facts as may be shown in an ALTA survey of the Real Property; and (g) such other exceptions as may be approved by Bruce pursuant to this Section 3.2 (clauses (a) through (g), collectively, the "**Permitted Exceptions**").

3.3 Choice of Policy and Expenses. At Closing, County shall provide Bruce (at County's sole cost and expense) a standard CLTA owner's policy of title insurance issued by the Title Company or any other title company approved by County insuring fee title to the Real

Property (excluding the Building) vested in Bruce, subject only to the Permitted Exceptions with liability in the amount of twenty million dollars ($20,000,000) (a "**CLTA Policy**"); provided, however, Bruce may elect to obtain from the Title Company an ALTA extended coverage owner's policy of title insurance insuring fee title to the Real Property vested in Bruce, subject only to the Permitted Exceptions with liability in the amount of twenty million dollars ($20,000,000) (an "**ALTA Policy**"). In the event that Bruce elects to obtain an ALTA Policy, Bruce shall pay the difference in cost between a CLTA Policy and an ALTA Policy and the cost of any related survey. Bruce shall pay the cost of any endorsements to the CLTA Policy or ALTA Policy that Bruce may elect to obtain.

3.4 Condition of Closing. The selected policy (whether it be a CLTA Policy or an ALTA Policy) shall be referred to herein as the "**Title Policy**," and the issuance of, or commitment by Title Company to issue, the Title Policy shall be a condition to the Closing for the benefit of Bruce.

3.5 Covenant Not to Encumber. During the term of this Agreement, County shall not convey or encumber any portion of the Property or any rights therein, nor enter into any conveyance, security document, easement, or other agreement granting to any person or entity any rights with respect to the Property or any part thereof, or any interest whatsoever therein (except for this Agreement, as the same may be amended from time to time), or any option with respect thereto, without the prior written consent of Bruce, which may be withheld in Bruce's sole and absolute discretion.

4. **Closing Costs**. Transaction costs (collectively, the "**Closing Costs**") shall be paid by each of the Parties as set forth below in this Section 4, the provisions of which shall survive Closing and delivery and recording of the Deed:

4.1 Paid by County. At Closing, County shall pay the cost of the following:

4.1.1 A CLTA Policy;

4.1.2 Any documentary transfer taxes due with respect to recording of the Deed;

4.1.3 Any recording fees required in connection with the Transfer of the Property;

4.1.4 All actual and reasonable (a) fees, (b) costs and (c) any additional charges customarily charged by the Escrow Holder in accordance with common escrow practices in Los Angeles County; and

4.1.5 Any other charges, fees, taxes or costs relating to Closing that are customarily paid by sellers of commercial properties in the County.

4.2 Paid by Bruce. At Closing, Bruce shall pay the cost of:

4.2.1 the difference in cost between a CLTA Policy and an ALTA Policy (if an ALTA Policy is requested by Bruce);

4.2.2 any title endorsements requested by Bruce; and

4.2.3 any survey ordered by Bruce.

4.3 Legal Fees. Each Party shall be responsible for its own attorney fees, if any, incurred in connection with the negotiation of this Agreement. Notwithstanding the foregoing, County shall reimburse Bruce an amount up to a maximum of fifty thousand dollars ($50,000) (the "**Legal Fees**") for legal fees and costs actually incurred by Bruce in connection with the negotiation of this Agreement and the Lease, provided that any such Legal Fees are donated by Bruce to a nonprofit legal services provider assisting Bruce with the transactions contemplated thereby. County shall fund the Legal Fees into escrow at the Closing. In order to receive a reimbursement of Legal Fees, Bruce shall, by not later than ten (10) days prior to the Closing Date, provide County and Escrow Holder an invoice, and any other documentation reasonably requested by County and Escrow Holder, evidencing the Legal Fees actually incurred by Bruce in connection with the negotiation of this Agreement and the Lease and, upon receipt of written approval by County, Escrow Holder shall pay such amount pursuant to written instructions received from County.

5. **Taxes; Insurance**.

5.1 Property Taxes. Bruce shall be responsible for all real estate taxes and assessment on the Property payable in respect to, (x) in the current fiscal year of the applicable taxing authority in which the Closing Date occurs (the "**Current Tax Year**"), the period on and after the Closing Date (which shall be allocated to Bruce), and (y) all periods after the Current Tax Year.

5.2 Insurance. As of the Closing Date, Bruce shall be solely responsible for general liability and property insurance or any other insurance that Bruce elects to purchase and no such insurance charges shall be paid for by County.

5.3 This Section 5 shall survive the Closing.

6. **Conditions Precedent to Closing**. In addition to any other conditions precedent to Closing expressly set forth elsewhere in this Agreement, prior to the Closing Date, each as a condition precedent to Closing:

6.1 County's Deliveries. As a condition precedent to Closing for the benefit of Bruce, County shall deliver to Escrow Holder:

6.1.1 The Deed in recordable form, duly executed by County and acknowledged by a notary;

6.1.2 The Lease, duly executed by County; and

6.1.3 Any other documents that may be reasonably requested by Escrow Holder and the Title Company and that are customarily delivered in connection with the closing of real estate transactions in Los Angeles County.

6.2 Bruce's Deliveries. As a condition precedent to Closing for the benefit of County, Bruce shall deliver to Escrow Holder:

6.2.1 any cash required for Closing from Bruce pursuant to this Agreement;

6.2.2 the Lease, duly executed by Bruce; and

6.2.3 Any other documents that may be reasonably requested by Escrow Holder and the Title Company and that are customarily delivered in connection with the closing of a real estate transaction in Los Angeles County.

6.3 Closing Documents. All documents and sums required to be deposited under Sections 6.1 and 6.2 may be singularly referred to as a "**Closing Document**" and collectively as the "**Closing Documents**."

6.4 County's Performance. As a condition precedent to Closing for the benefit of Bruce, County shall have duly performed in all material respects each and every covenant of County hereunder.

6.5 Bruce's Performance. As a condition precedent to Closing for the benefit of County, Bruce shall have duly performed in all material respects each and every covenant of Bruce hereunder.

6.6 Accuracy of Representations and Warranties. On the Closing Date, all representations and warranties made by County and Bruce in Section 11 shall be true and correct in all material respects as if made on and as of the Closing Date.

6.7 Failure of Conditions Precedent to Bruce's Obligations. Bruce's obligations with respect to the transactions contemplated by this Agreement are subject to the satisfaction of the conditions precedent to such obligations for Bruce's benefit set forth in Sections 6.1, 6.4 and 6.6. If Bruce terminates this Agreement by notice to County because of the failure of a condition precedent, then County shall pay any escrow cancellation fees or charges, and except for obligations under this Agreement that expressly survive termination of this Agreement, the Parties shall have no further rights or obligations to one another under this Agreement.

7. **Closing; Closing Date; Closing Procedure**. The closing of the Transfer (the "**Closing**") shall be deemed to occur as of the date and time that the Deed is recorded in the Official Records of Los Angeles County ("**Recorded**").

7.1 The Closing shall occur by not later than the date that is thirty (30) days after the Effective Date, or such other date as County and Bruce may agree in writing (the "**Closing Date**").

7.2 By not later than one (1) Business Day prior to the Closing Date, Bruce and County shall deliver to Escrow Holder the Closing Documents. A "**Business Day**" shall mean any day of the year that is not a County holiday (as such County holidays are disclosed on

https://www.lacounty.gov/government/about-la-county/county-holidays/) and any other day in which commercial banks are either not required to open or are authorized to close in Los Angeles, California.

7.3 By not later than ten (10) days prior to the Closing Date (after notice of the Closing Date is communicated to Escrow Holder), Escrow Holder shall commence preparation of an estimated settlement statement (the "**Settlement Statement**"), which it shall provide to Bruce and County for review and approval no later than five (5) days prior to the Closing Date.

7.4 Upon (a) County's and Bruce's written approval of the Settlement Statement, (b) confirmation from County that all of County's conditions precedent set forth in this Agreement below have been satisfied or waived, and (c) confirmation from Bruce that all of Bruce's conditions precedent set forth in this Agreement have been satisfied or waived, Escrow Holder shall cause the Deed to be Recorded and then pay any funds due under this Agreement in accordance with the Settlement Statement to County.

8. **Acknowledgement of Condition of Property**.

8.1 AS-IS SALE.

8.1.1 Neither County (except as expressly set forth in this Agreement or in any Closing Documents), nor any parent, affiliate, advisor, broker, officer, elected official, director, trustee, member, employee, agent, attorney or contractor of or for County, nor any employee, agent or affiliate of any of the foregoing (all of the foregoing including County are referred to herein, individually and collectively, as the "**County Parties**") is making or shall be deemed to have made, nor does any County Party have the authority to make, any express or implied representation, warranty, promise or statement, express or implied, of any kind or nature as to the Property (or its use or development thereof), County or the transaction provided for in this Agreement, including, without limitation, as to (A) the financial status of the Property, including without limitation, income or expenses generated, paid or incurred in connection with the Property, (B) the nature, physical or environmental condition, safety or any other aspect of the Property, including, without limitation, any patent or latent defects, surface or subsurface soil conditions, grading or construction defects or flaws, ground water issues, status of entitlements, adequacy of existing entitlements, availability of new entitlements, availability of water or other utilities or services at the Property, (C) the Property's compliance with applicable federal, state or municipal laws, statutes, ordinances, orders, rules, regulations, codes or other requirements (collectively, "**Laws**"), including, without limitation, zoning ordinances, subdivision Laws, building codes (including, without limitation, the Americans With Disabilities Act) and environmental, hazardous material and endangered species statutes, (D) the accuracy or completeness of any information or data provided or to be provided by County Parties, including, without limitation, copies of any reports or documents prepared for County Parties whether by third parties or otherwise which may be included with such information, or (E) any other matter relating to the Property, County or the transaction provided for in this Agreement.

8.1.2 Bruce acknowledges and agrees that, except as otherwise expressly set forth in this Agreement or in any Closing Document: (1) Bruce has had a reasonable opportunity to inspect and investigate the Property, and all aspects relating thereto, either

independently or through agents and experts of Bruce's choosing; (2) Bruce shall rely upon Bruce's own due diligence in determining whether the Property is suitable for purchase by Bruce; (3) Bruce is acquiring the Property based exclusively upon Bruce's own investigations and inspections thereof; (4) County has no obligation to repair or correct any facts, circumstances, conditions or defects or compensate Bruce therefor; and (5) by reason of all of the foregoing except as set forth in this Agreement or in any Closing Documents, Bruce shall assume the full risk of any loss or damage occasioned by any fact, circumstance, condition or defect pertaining to the Property.

8.1.3 Without limiting the generality of the foregoing, Bruce hereby acknowledges that, except as expressly set forth in this Agreement or in any Closing Documents, the Property will be sold to Bruce **"AS IS**," **"WHERE IS**" and **"WITH ALL FAULTS**," and there are no representations or warranties, express or implied, made by County Parties in connection with the transaction contemplated in this Agreement.

8.2 RELEASE AND WAIVER. BRUCE HEREBY AGREES AND ACKNOWLEDGES THAT THIS AGREEMENT AND THE LEASE CONSTITUTE A FULL AND FINAL SETTLEMENT AND RESOLUTION OF ALL DISPUTES BETWEEN THE PARTIES RELATED TO THE OWNERSHIP OF THE PROPERTY AND BRUCE HEREBY WAIVES, RELINQUISHES, AND RELEASES EACH OF THE COUNTY PARTIES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES OF ANY AND EVERY KIND OF CHARACTER, KNOWN OR UNKNOWN (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COSTS) (COLLECTIVELY, "**CLAIMS**") ARISING THEREFROM AND RELATED THERETO. EFFECTIVE UPON THE CLOSING, BRUCE HEREBY WAIVES, RELINQUISHES AND RELEASES EACH OF THE COUNTY PARTIES FROM AND AGAINST ANY AND ALL CLAIMS ARISING FROM OR RELATING TO THE PROPERTY OR THE TRANSACTION DESCRIBED IN THIS AGREEMENT, WHICH, BUT FOR THIS RELEASE, BRUCE COULD ASSERT OR ALLEGE AGAINST THE COUNTY PARTIES AND ANY AND ALL ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS ARISING FROM OR RELATING TO OR OTHERWISE REGARDING THE PROPERTY WHATSOEVER, EXCEPT AS EXPRESSLY SET FORTH OTHERWISE IN THIS AGREEMENT OR IN ANY CLOSING DOCUMENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS SECTION 8.2, THE FOREGOING WAIVER, RELINQUISHMENT AND RELEASE SHALL NOT RELEASE COUNTY FROM (i) ANY TERMS OF, OR OBLIGATIONS UNDER, THIS AGREEMENT THAT EXPRESSLY SURVIVE THE CLOSING, OR (ii) COUNTY'S FRAUD, WILLFUL MISCONDUCT, OR INTENTIONAL MISREPRESENTATION, OR (iii) A BREACH BY COUNTY OF COUNTY'S EXPRESS REPRESENTATIONS IN SECTION 13.1 OF THIS AGREEMENT.

IN CONNECTION THEREWITH BRUCE EXPRESSLY WAIVES ALL RIGHTS AND PRIVILEGES UNDER SECTION 1542 OF THE CALIFORNIA CIVIL CODE (AND UNDER ANY OTHER SIMILAR APPLICABLE LAW OR LEGAL PRINCIPLE) WHICH PROVIDES AS FOLLOWS:

GENERAL RELEASE; EXTENT.

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

BRUCE SHALL PLACE ITS SIGNATURE BELOW TO AFFIRM ITS AGREEMENT WITH THE FOREGOING WAIVER AND RELEASE.

Bruce

THE FOREGOING WAIVER AND RELEASE SHALL SURVIVE THE CLOSING AND THE DELIVERY AND RECORDING OF THE DEED.

8.3 Survival. This Section 8 shall survive indefinitely the Closing, and delivery and recording of the Deed, and shall remain in effect even if the other terms of the Agreement cease to be effective.

9. **Cooperation**. After the Effective Date and prior to the Closing Date, County shall use commercially reasonable efforts to cooperate with Bruce in the satisfaction or removal of contingencies to Closing; provided, however, except for County's express obligations under this Agreement, County shall not be obligated to take any actions that may be reasonably expected to (a) adversely affect the Property or its value if the Closing does not occur and (b) give rise to any liability by County. County shall cooperate in good faith with Bruce in defending against any third party lawsuits challenging the conveyance of the Property to Bruce.

10. **Assignment**. Bruce shall not have the right to assign this Agreement without the prior written consent of County, and any such prohibited assignment shall be void.

11. **Representations and Warranties**.

11.1 County's Representations and Warranties. County represents and warrants to Bruce that, except as otherwise disclosed to Bruce, the following matters are true and correct as of the Effective Date and shall also be true and correct as of the Closing:

11.1.1 Organization. County is a public body, corporate and politic.

11.1.2 Authority. County has the full power and authority to enter into and comply with the terms of this Agreement and has obtained all necessary consents and approvals required for County to enter into and consummate the transaction described in this Agreement.

11.1.3 Valid and Binding Obligations. This Agreement, and all instruments referenced herein to be executed by County in connection with the transaction described in this Agreement, are, or at the time of Closing will be, duly authorized, executed and delivered by

County, and are, or at Closing will be, legal, valid and binding obligations of County and do not, and at the time of Closing will not, violate any provisions of any agreement or judicial order to which County is a party or to which County is subject.

11.1.4 No Breach. The execution and delivery of this Agreement, the consummation of the transaction contemplated by this Agreement and the compliance with the terms of this Agreement, will not, to County's actual knowledge, constitute a default under any contract or agreement to which County is a party or to which any portion of the Property is bound.

11.1.5 Insolvency. County is not the subject of any bankruptcy, insolvency, or reorganization proceeding.

11.1.6 Authorized Signatory. The individual executing this Agreement on behalf of County and any other documents or agreements to be executed and/or delivered by County in connection with or pursuant to this Agreement has been duly authorized to do so.

As used herein, the term "**County's actual knowledge**" means the current, actual and personal knowledge of (and only of) D'Artagnan Scorza and does not include knowledge imputed to County from any other person or entity. County represents and warrants that the named individual is the person employed by the County most knowledgeable about the Property. The named individual is acting for and on behalf of County and in a capacity as an employee of County and is in no manner expressly or impliedly making any representations or warranties in an individual capacity. Bruce waives any right to sue or to seek any personal judgment or claim against the named individual.

11.2 Bruce's Representations and Warranties. Bruce represents and warrants to County that the following matters are true and correct as of the Effective Date and also shall be true and correct as of the Closing:

11.2.1 Organization of Bruce. Bruce is a limited liability company duly organized and existing in the State of California, and was created for the benefit of the living descendants of Willa and Charles Bruce. Bruce has the requisite right, power and authority to execute, deliver and perform the terms and conditions of this Agreement and to consummate the transactions contemplated in this Agreement.

11.2.2 Due Authorization, Execution and Delivery. Bruce has taken all actions necessary to authorize the execution, delivery and performance of the terms and conditions of this Agreement and all other documents and agreements to be executed and/or delivered in connection with or pursuant to this Agreement. No further consent of any person or entity is required in connection with the execution and delivery of, or performance by Bruce of its obligations under this Agreement.

11.2.3 Valid and Binding Obligations. This Agreement is, and all the Closing Documents executed by Bruce shall be legal, valid, and binding obligations of Bruce enforceable against Bruce in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the right of contracting parties generally), and does not and shall not violate any provisions of any agreement to which Bruce is a party or to which it is subject.

11.2.4 Insolvency. Bruce is not the subject of any bankruptcy, insolvency, or reorganization proceeding.

11.2.5 No Breach. The execution and delivery of this Agreement, the consummation of the transaction contemplated by this Agreement and the compliance with the terms of this Agreement will not, to Bruce's actual knowledge, conflict with and will not, with or without notice or the passage of time, or both, result in a breach of any of the terms or provisions of or constitute a default under Bruce's articles of organization, operating agreement, or any contract, agreement, indenture, mortgage, loan agreement or instrument, judgment, order or decree to which Bruce is bound.

11.2.6 Authorized Signatory. The individual executing this Agreement on behalf of Bruce and any other documents or agreements to be executed and/or delivered by Bruce in connection with or pursuant to this Agreement has been duly authorized to do so.

11.2.7 OFAC Compliance. Bruce is not a person or entity with whom U.S. persons or entities are restricted from doing business under the Office of Foreign Assets Control ("**OFAC**") regulations of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under and any U.S. statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto.

As used herein, the term "**Bruce's actual knowledge**" means the current, actual and personal knowledge of (and only of) Anthony Bruce, and does not include knowledge imputed to Bruce from any other person or entity. Bruce represents and warrants that the named individual is the person employed by the Bruce most knowledgeable about Bruce. The named individual is acting for and on behalf of Bruce and in a capacity as a representative of Bruce and is in no manner expressly or impliedly making any representations or warranties in an individual capacity. County waives any right to sue or to seek any personal judgment or claim against the named individual.

11.3 Survival. The representations and warranties contained in this Section 11 shall survive Closing and delivery and recording of the Deed and the Closing for a period of twelve (12) months and shall be deemed to have been made again at Closing as a condition to the Closing, and shall remain in full force and effect regardless of any investigation made by or on behalf of any Party or of the actual or constructive knowledge by any Party of any inaccuracy or breach thereof; provided, however, that in the case of County's or Bruce's fraud or intentional or willful misrepresentation with respect to any representation or warranty, such representation and/or warranty shall survive until the expiration of the longest running applicable statute of limitations period.

12. **Covenants**. After the Effective Date, no part of the Property, or any interest therein, will be sold, further encumbered or otherwise transferred, and County will not, without

Bruce's prior written consent, which consent may be withheld in Bruce's sole discretion, enter into any contracts or agreements that will affect the Property after the Closing.

13. **Risk of Loss**. If prior to the Closing, the Real Property or any part thereof, is damaged, and such damage shall cost in excess of One Million Dollars ($1,000,000.00) to repair, Bruce has the right, exercisable by giving written notice to County within ten (10) Business Days after receiving written notice of such damage or destruction (but in no event later than one (1) Business Day prior to the Closing), either to (a) terminate this Agreement, or (b) accept the Property in its then-current condition and to proceed with the Closing, and receive an assignment of all of County's right to any insurance proceeds payable by reason of such damage or destruction. In the event any damage occurs costing One Million Dollars ($1,000,000.00) or less to repair, if the Closing occurs, Bruce shall receive an assignment of any insurance proceeds payable by reason of such damage or destruction. Notwithstanding anything to the contrary in the foregoing, if, prior to the Closing any damage to the Real Property occurs as the result of a release of Hazardous Substances to, on, under or in the Property (by a party other than Bruce or its agents or representatives), Bruce shall have the option to terminate this Agreement upon written notice to County given not later than twenty (20) Business Days after Bruce's receipt of written notice thereof from County. In the event that this Agreement is terminated in accordance with this Section 13, then this Agreement and the obligations of the Parties hereunder shall terminate (other than the obligations that survive the termination of this Agreement), and neither Party shall have any further right or obligation hereunder other than such surviving obligations.

14. **Default and Remedies**.

14.1 Bruce's Remedies. If the Closing does not occur on or before the Closing Date as a result of a material default by County under this Agreement (and Bruce is not otherwise in material default under this Agreement), then Bruce may provide County written notice of County's default under this Agreement (the "**Bruce Default Notice**"). The Bruce Default Notice shall set forth the nature of County's default in reasonable detail. County shall have ten (10) Business Days after receipt of the Bruce Default Notice (the "**County Cure Period**") to cure any defaults set forth in the Bruce Default Notice and any other defaults that may thereafter arise. In the event that County does not cure the default described in the Bruce Default Notice or any other County default that arises during the County Cure Period, then, upon expiration of the County Cure Period, as Bruce's sole and exclusive remedy, Bruce may elect any one of the following by delivering written notice to County within twenty (20) Business Days after the end of the County Cure Period: (a) pursuing specific performance of this Agreement so long as any petition for specific performance commenced by Bruce against County shall be filed with the Superior Court of Los Angeles County and served within sixty (60) days after the scheduled Closing Date; or (b) waive the County default and proceed to the Close of Escrow; or (c) terminate this Agreement, whereupon both Bruce and County will thereafter be relieved of any further obligations or liabilities under this Agreement, except for those obligations which expressly survive any termination hereof.

14.1.1 Special Remedies. County acknowledges the unique and special character of the Property and its utility to Bruce and agrees that specific performance is an appropriate remedy for County's default under this Agreement.

14.1.2 Waiver of Other Remedies. Bruce hereby waives all remedies not expressly set forth in this Section 14.2, including without limitation, any claim against County for damages of any type or kind (other than as expressly provided in this Section 14.1).

14.1.3 Time Periods. Failure of Bruce to make the election described above in Section 14.1 within the twenty (20) Business Day period set forth above shall be conclusively deemed an election by Bruce to pursue the remedy set forth in clause (b) above.

14.2 No Consequential or Punitive Damages. Notwithstanding anything to the contrary elsewhere in this Agreement, for matters arising under or related to this Agreement, Bruce waives any right to bring an action or proceeding against the other for any consequential or punitive damages (other than as expressly provided in Section 14.1). This Section 14 shall indefinitely survive Closing and delivery and recording of the Deed or termination of this Agreement.

15. **Miscellaneous**.

15.1 Exculpation of Certain Persons. No individual trustee, officer, elected official, director, shareholder, member, constituent partner, employee or agent of any Party, in his or her individual capacity as such, shall have any personal liability for the performance of any obligation of such Party under this Agreement solely by reason of such status.

15.2 Headings. Section headings of this Agreement are solely for convenience of reference and shall not govern the interpretation of any of the provisions of this Agreement. References to "Sections" are to sections of this Agreement, unless otherwise specifically provided.

15.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws.

15.4 Entire Agreement. This Agreement (together with its exhibits) contains the entire agreement and understanding between Bruce and County with respect to the subject matter hereof. There are no oral understandings, terms or conditions, and neither Party has relied upon any representation, express or implied, that is not contained in this Agreement. This Agreement cannot be changed or supplemented orally, but only by an agreement in writing signed by both Parties.

15.5 Binding Effect. The covenants, terms, conditions, provisions, and undertakings in this Agreement shall extend to, and be binding upon, the successors and permitted assigns of the Parties.

15.6 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile transmission, .pdf or other electronic means shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes (and such signatures of the Parties transmitted by facsimile, .pdf or other electronic means shall be deemed to be their original signatures for all purposes).

15.7 Exhibits. All references in this Agreement to "Exhibits" shall be construed as though the words "hereby made a part hereof and incorporated herein by this reference" were, in each case, appended thereto.

15.8 Brokers. The Parties hereby warrant that they have dealt with no real estate broker in this transaction and that no broker or other person is entitled to any commission, finder's fee or other similar compensation by virtue of the Parties entering into or consummating this Agreement. Each Party hereby defends and indemnifies the other Party against any claims, losses, liability and damages, including reasonable attorneys' fees and costs, in connection with any commissions, finders' fees or other similar compensation sought, based upon some obligation of the indemnifying Party with respect to this transaction. This Section 15.8 shall survive indefinitely the Closing and shall remain in effect even if the other terms of this Agreement cease to be effective.

15.9 Time of Essence. Time is of the essence of this Agreement and of the Escrow provided for herein.

15.10 Waiver. Any of the terms or conditions of this Agreement may be waived at any time by the Party entitled to the benefit thereof, but no such waiver shall affect or impair the right of the waiving Party to require observance, performance or satisfaction either of that term or condition as it applies on a subsequent occasion or of any other term or condition of this Agreement.

15.11 Severability. If (a) any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable and (b) the invalidity or unenforceability of such a provision does not deny a Party the material benefit of this Agreement, then the remainder of this Agreement which can be given effect without the invalid provision shall continue in full force and effect and shall in no way be impaired or invalidated.

15.12 Real Estate Reporting Person. The Escrow Holder is hereby designated the "real estate reporting person" for purposes of Section 6045 of Title 26 of the United States Code and Treasury Regulation 1.6045 4 and any instructions or settlement statement prepared by the Escrow Holder shall so provide. Upon the consummation of the transaction contemplated by this Agreement, the Escrow Holder shall file the Form 1099 information return and send the statement to County as required under the aforementioned statute and regulation.

15.13 Notice. All notices shall be in writing and either (a) personally served at the appropriate address (including by means of professional messenger service or recognized overnight delivery service, provided that any such delivery is confirmed by written receipts signed on behalf of the receiving Party or by adequate proof of service) or (b) deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, or (c) sent via electronic mail (e-mail), addressed to the appropriate addressee and shall be deemed received and effective on the day such notice is actually received if received before 5:00 p.m. on a Business Day, or on the following Business Day if received at any other time. E-mail deliveries shall be deemed received upon entry of such message into the recipient's e-mail server. All addresses of the Parties for receipt of any notice to be given pursuant to this Agreement are as follows:

If to County:

Chief Executive Office
Asset Management Branch
Real Estate Division
320 West Temple Street, 7th Floor
County of Los Angeles
Los Angeles, California 90012
Attention: Senior Manager

If to Bruce:

Bruce Family LLC
6161 Memorial Highway #2214
Tampa, Florida 33615
Attention: Anthony Bruce

With a copy to:

Office of County Counsel
County of Los Angeles
648 Kenneth Hahn Hall of Admnistration
500 West Temple St.
Los Angeles, CA 90012-2713
Attention: Property Division

With a copy to:

Sidley Austin LLP
555 West 5th Street, Suite 4000, 40th Floor
Los Angeles, California 90013
Attention: George C. Fatheree III
gfatheree@sidley.com

15.14 Further Assurances. In addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by either party at Closing, each Party agrees to perform, execute and deliver, but without any obligation to incur any additional liability or expense, on or after the Closing, any further deliveries and assurances as may be reasonably necessary to consummate the transactions contemplated hereby or to further perfect the conveyance, transfer and assignment of the Property to Bruce.

[*Signatures on following page*.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

BRUCE:

BRUCE FAMILY LLC.,
a California limited liability company

By: _____
Name: Anthony Bruce
Title: Manager

COUNTY:

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____
HOLLY J. MITCHELL
Chair, Board of Supervisors

ATTEST:
CELIA ZAVALA
Executive Officer, Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON,
Acting County Counsel

By: _____
Thomas J. Faughnan
Senior Assistant County Counsel

ATTACHMENT B

ACKNOWLEDGMENT OF RECEIPT AND AGREEMENT OF ESCROW HOLDER

_____ acknowledges receipt of a fully-executed copy or executed counterparties of this Agreement and agrees to act as Escrow Holder in accordance with the terms of this Agreement and to be bound by and perform the terms thereof as such terms apply to Escrow Holder.

First American Title Insurance Company

By:_____
Name:_____
Its:_____

Dated as of _____, 2022

ATTACHMENT B

ANNEX A

CONSENT TO CONVEYANCE

The undersigned, being the legal heirs to Willa and Charles Bruce, do hereby consent to the conveyance of the Property to Bruce Family LLC, a California limited liability company, created for the benefit of the living descendants of Willa and Charles Bruce.

_____
DERRICK BRUCE, an individual

_____
MARCUS BRUCE, an individual

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 8 AND 9 IN BLOCK 5 OF PECK'S MANHATTAN BEACH TRACT, IN THE CITY OF MANHATTAN BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7, PAGE 34 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE EASTERLY 10 FEET OF "THE STRAND", ADJOINING SAID LOTS ON THE WEST AND LYING BETWEEN THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF LOT 8 AND WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF LOT 9, AS VACATED BY ORDER OF THE BOARD OF TRUSTEES OF SAID CITY OF MANHATTAN BEACH, A CERTIFIED COPY OF WHICH SAID ORDER IS RECORDED IN BOOK 256 PAGE 39, OF MISCELLANEOUS RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER THE PROPERTY ABOVE-DESCRIBED WITH THE RIGHT TO SLANT DRILL FROM ADJACENT OR OTHER PROPERTY AND TO REMOVE THE SAME BUT WITHOUT ANY RIGHT IN GRANTOR TO USE OR DISTURB THE SAID PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF FOR ANY SUCH PURPOSE, NOR TO DO ANY DRILLING WITHIN 1500 FEET OF THE UPLAND PROPERTY LINE DESCRIBED AND RESERVED IN DEED RECORDED MARCH 31, 1949 AS INSTRUMENT NO. 823, IN BOOK 29723 PAGE 156, OF OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL MINERALS DEPOSITS NOT PREVIOUSLY RESERVED AS DEFINED IN SECTION 6407 OF THE PUBLIC RESOURCE CODE, BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHTS OF ENTRY, AS RESERVED BY THE STATE OF CALIFORNIA IN DEED RECORDED SEPTEMBER 19, 1995 AS INSTRUMENT NO. 95-1527005, OF OFFICIAL RECORDS.

ALSO LESS AND EXCEPT THE BUILDING SITUATED THEREON, WHICH BUILDING SHALL REMAIN REAL PROPERTY OF GRANTOR.

ATTACHMENT B

EXHIBIT B

FORM OF GRANT DEED

FREE RECORDING IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTIONS 6103 AND 27383 RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO: _____ _____ _____ _____ MAIL TAX STATEMENT TO: _____ _____ _____	

(Space Above Line for Recorder's Use Only)

Exempt from documentary transfer tax pursuant to California Public Resources Code Section 5002.6(h)(3)(C).

GRANT DEED

A. The County of Los Angeles, a body corporate and politic ("**County**"), is the fee owner of that certain real property situated in the City of Manhattan Beach, County of Los Angeles, State of California, legally described on Exhibit A attached hereto and by this reference incorporated herein (the "**Land**"), which is commonly referred to "Bruce's Beach."

B. In order to effectuate the purposes set forth in, and pursuant to, California Senate Bill 796 (effective September 30, 2021), County desires to transfer the Land to the legal heirs of Willa and Charles Bruce.

C. The County has determined to its satisfaction the identity of the sole legal heirs of Willa and Charles Bruce (the "**Legal Heirs**").

D. The Legal Heirs have created Bruce Family LLC, a California limited liability company ("**Grantee**") for the benefit of the living descendants of Willa and Charles Bruce, including themselves and their legal heirs, and desire that the County transfer the Land (which shall not include the improvements thereon), to Grantee.

E. Section 5002.6 of the California Public Resources Code provides that, "[n]otwithstanding any other law, easement, covenant, restriction, or servitude, the [Land] may be sold, transferred, or encumbered upon terms and conditions determined by the Board of Supervisors of the County of Los Angeles to be in the best interest of the County of Los Angeles and the general public." Cal. Pub. Res. Code §5002.6(h)((2); amended by Stats. 2021, Ch. 435, Sec. 2. (SB 796), effective September 30, 2021.

F. On December 21, 2021, the Board of Supervisors of the County adopted a resolution approving and accepting the State of California's Grant Deed Modification, which effectuated the removal of certain statutory use restrictions on the Land.

G. On _____, 2022, the Board of Supervisors of the County determined that it was in the public's interest to convey the Property (as defined below) to Grantee and approved the transfer of the Property to Grantee free and clear of restrictions on the use of the Property.

NOW, THEREFORE, in reliance upon the foregoing, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the undersigned grantor declares:

County, as Grantor, hereby grants and conveys to Grantee the Land, together with all easements, rights of way and other rights appurtenant thereto (but excluding any improvements upon the Land) (the "**Property**"), subject to: (a) all taxes, interest, penalties, and assessments of record, if any; (b) covenants, conditions, restrictions, reservations, easements, liens, rights of occupancy, and encumbrances of record; (c) all matters that may be disclosed by an inspection and/or by a current survey of the Property; and (d) subject to the terms and conditions set forth in this Grant Deed, any and all applicable laws, ordinances, rules regulations and permits affecting the Property or governing the use thereof.

[*Signatures on Following Page*]

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below:

Dated: _____, 2022

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____
Name: _____
Title: _____

ATTEST:

DEAN C. LOGAN
Registrar-Recorder\County Clerk

By:_____
Deputy

ATTACHMENT B

PUBLIC AGENCY CERTIFICATE OF ACKNOWLEDGEMENT (CC 1190)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) SS.
County of Los Angeles)

On the ____ day of _____ 2022, before me, Roger W. Hernandez, Deputy Registrar-Recorder/County Clerk of the County of Los Angeles, personally appeared Fesia A. Davenport, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal the day and year in this Certificate of Acknowledgement first written above.

DEAN C. LOGAN

Registrar-Recorder/County Clerk

By _____
Roger W. Hernandez
Deputy

ATTACHMENT B

EXHIBIT A TO FORM OF GRANT DEED

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 8 AND 9 IN BLOCK 5 OF PECK'S MANHATTAN BEACH TRACT, IN THE CITY OF MANHATTAN BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7, PAGE 34 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE EASTERLY 10 FEET OF "THE STRAND", ADJOINING SAID LOTS ON THE WEST AND LYING BETWEEN THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF LOT 8 AND WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF LOT 9, AS VACATED BY ORDER OF THE BOARD OF TRUSTEES OF SAID CITY OF MANHATTAN BEACH, A CERTIFIED COPY OF WHICH SAID ORDER IS RECORDED IN BOOK 256 PAGE 39, OF MISCELLANEOUS RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER THE PROPERTY ABOVE-DESCRIBED WITH THE RIGHT TO SLANT DRILL FROM ADJACENT OR OTHER PROPERTY AND TO REMOVE THE SAME BUT WITHOUT ANY RIGHT IN GRANTOR TO USE OR DISTURB THE SAID PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF FOR ANY SUCH PURPOSE, NOR TO DO ANY DRILLING WITHIN 1500 FEET OF THE UPLAND PROPERTY LINE DESCRIBED AND RESERVED IN DEED RECORDED MARCH 31, 1949 AS INSTRUMENT NO. 823, IN BOOK 29723 PAGE 156, OF OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL MINERALS DEPOSITS NOT PREVIOUSLY RESERVED AS DEFINED IN SECTION 6407 OF THE PUBLIC RESOURCE CODE, BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHTS OF ENTRY, AS RESERVED BY THE STATE OF CALIFORNIA IN DEED RECORDED SEPTEMBER 19, 1995 AS INSTRUMENT NO. 95-1527005, OF OFFICIAL RECORDS.

ALSO LESS AND EXCEPT THE BUILDING SITUATED THEREON, WHICH BUILDING SHALL REMAIN REAL PROPERTY OF GRANTOR.

ATTACHMENT B

EXHIBIT C

LEASE AGREEMENT

[attached]

ATTACHMENT C

LEASE AGREEMENT
BETWEEN
COUNTY OF LOS ANGELES
AND
BRUCE FAMILY LLC

LEASE SUMMARY

For information purposes only – not part of Lease Agreement

PREMISES:	Lots 8 and 9 of Block 5, located between 26th and 27th Street and the Strand and Ocean Drive, in the City of Manhattan Beach, County of Los Angeles, State of California.
SQ. FEET:	Approximately 6,999 square feet of land.
LANDLORD:	BRUCE FAMILY LLC, a California limited liability company.
TENANT:	COUNTY OF LOS ANGELES
USE:	The Premises (as defined in Section 3.1) are improved with a County building, which County operates as a lifeguard training center and governmental offices.
TERM:	Commences on the Effective Date (as defined below) and expires on the date that is twenty-four (24) months after the Effective Date.
BASE RENT:	Annual Rent in the amount of $413,000. Annual Rent shall increase each year by the lesser of three percent (3%) and the adjustment of the CPI; provided, however, no such annual increase in Annual Rent shall be less than two percent (2%) or greater than three percent (3%) per year.
OPERATING EXPENSES:	County shall be responsible for all costs associated with the maintenance and operation of Property, including the costs of repairs, maintenance, insurance, property taxes, and utilities. County has a right to self-insure.
SECURITY DEPOSIT:	None.
PARKING:	County shall have the exclusive right to use all parking spaces contained within the Property, if any.

For information purposes only – not part of Lease Agreement

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EXHIBITS

EXHIBIT A: PREMISES
EXHIBIT B: BUY-OUT PSA
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LEASE AGREEMENT

ARTICLE 1 BASIC PROVISIONS

1.1 Date and Parties. This Lease Agreement (this "**Lease**") is effective, as of _____, 2022 (the "**Effective Date**"), and is entered into by and between BRUCE FAMILY LLC, a California limited liability company ("**Landlord**") and COUNTY OF LOS ANGELES, a body corporate and politic ("**County**"), upon the provisions and conditions contained in this Lease. Landlord is a California limited liability company, organized under the laws of the State of California, located at the address set forth in Section 2.2 below. County is a political subdivision of the State of California having corporate powers, with its principal office at the address set forth in Section 2.2 below. Each of Landlord and County are occasionally referred to herein as a "**Party**" and collectively as the "**Parties**."

1.2 Capacity of County. Except where clearly and expressly provided otherwise in this Lease, the capacity of County in this Lease shall be as a tenant only, and any obligations or restrictions imposed by this Lease on County shall be limited to that capacity and shall not relate to or otherwise affect any activity of the County in its governmental capacity, including, but not limited to, enacting laws, inspecting structures, reviewing and issuing permits, and all other legislative, administrative, or enforcement functions of the County pursuant to federal, state, or local law.

ARTICLE 2 NOTICES

2.1 Notices. All notices and demands that may be, or are required or permitted to be, given by either Party to the other hereunder shall be in writing. All notices and demands shall be personally delivered (including by means of professional messenger service), sent by United States registered or certified mail, postage prepaid, return receipt requested, or electronic mail, followed by hard copy sent by United States regular mail, in which case the receiving Party shall immediately confirm receipt of such notice. All notices are effective upon receipt. The County contract number for this Lease (i.e., County Lease No. ___) shall be included in all notices. For the purposes of such notices, the addresses for the parties are set forth in Section 2.2 below. Either Party may from time to time designate another person or place in a notice.

2.2 Notices - Where Sent. All notices given under this Lease that are mailed or telecopied shall be addressed to the respective Parties as follows:

If to Landlord:

Bruce Family LLC
c/o Anthony Bruce
6161 Memorial Highway #2214
Tampa, Florida 33615

With a copy to:

Sidley Austin LLP
c/o George Fatheree, Esq.
555 West Fifth Street, 40th floor
Los Angeles, California 90013
gfatheree@sidley.com

If to County:

County of Los Angeles
Chief Executive Office
Real Estate Division
320 West Temple Street, 7th Floor
Los Angeles, California 90012
Attention: Senior Manager

With a copy to :

County of Los Angeles
Office of the County Counsel
648 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012-2713
Attention: Property Division

ARTICLE 3 PREMISES

3.1 Ownership and Authority. Landlord hereby represents and warrants that, pursuant to that certain Transfer Agreement dated _____, by and between County and Landlord (the "**Transfer Agreement**") Landlord: (i) is the fee owner of that certain real property (not including the improvements thereon) described as Lots 8 and 9 of Block 5, located between 26th and 27th Street and the Strand and Ocean Drive, in the City of Manhattan Beach, County of Los Angeles, State of California, a more particularly described in Exhibit A attached hereto (the "**Premises**")**,** and (ii) is legally authorized to enter into this Lease.

3.2 Lease of Premises. Landlord hereby leases to County, and County hereby leases from Landlord, the Premises.

ARTICLE 4 USE

4.1 Use by County. County is the owner of certain improvements on the Premises, including an approximately 6,910 square foot building (the "**Building**" and together with the Premises, the "**Property**"), which the County operates as a lifeguard training facility and governmental offices (the "**Training Facility**"). County shall be permitted to use the Premises for the Training Facility and/or any other lawful purposes (the "**Permitted Use**").

4.2 Use by Landlord. Landlord shall, at its own cost and expense, be permitted to use the Property for the purpose of hosting up to a maximum of twelve (12) private events per year (the "**Landlord Events**"), subject to the following: (a) Landlord provides County with not less than thirty (30) days' prior written notice of its desire to use the Property for a Landlord Event, including a reasonably detailed description of the intended Landlord Event; and (b) Landlord applies for, and obtains, a standard day-use permit issued by County for the intended Landlord Event. Landlord shall, within thirty (30) days of receipt of an invoice from County, reimburse County for any actual costs reasonably incurred by County arising from any Landlord Events.

ARTICLE 5 TERM

5.1 Term.

5.1.1 Term. The term of this Lease (the "**Term**") shall commence on the Effective Date and terminate at 11:59 p.m. on the day prior to the date that is twenty-four (24) months after the Effective Date (the "**Expiration Date**").

5.2 Holdover. If County holds over after the expiration of the Term with the express written consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term. Such month-to-month tenancy shall be subject to every applicable term, covenant and agreement contained herein.

5.3 Surrender of Premises. On the expiration or earlier termination of the Term, County shall, subject to Section 5.4, peaceably and quietly surrender the Premises to Landlord, in "broom clean" condition, free and clear of all personal property, trash, effects and debris, ordinary wear and tear. In the event County does not demolish the Building pursuant to Section 5.4, then, on the expiration or earlier termination of the Term, the Building shall become property of Landlord, in their then- "as is" condition, with no warranty of any kind.

5.4 Right to Demolish. On the expiration or earlier termination of the Term, County may, in its sole and absolute discretion, elect to demolish and remove the Building. If County elects to demolish and remove the Building pursuant to this Section 5.4, then County shall:

5.4.1 Raze the then-existing Building;

5.4.2 Clear the Premises, including removal of all rubble, debris and Hazardous Material (as defined in Section 13.1.5) placed on the Premises by County between the Effective Date and the date upon which the Premises are surrendered to Landlord by County; and

5.4.3 Fill all holes, excavations and indentations resulting from any such razing and removal activities, with properly compacted backfill material containing no Hazardous Material.

ARTICLE 6 RENT

6.1 Rent Obligations.

6.1.1 Annual Rent. Commencing on the Effective Date, and continuing through the Term, County shall pay Landlord, in advance, annual rent ("**Annual Rent**") in the amount of four hundred thirteen thousand dollars ($413,000).

6.1.1.1 Annual Rent shall be payable on the Effective Date and on each anniversary of the Effective Date each calendar year thereafter until this Lease is terminated or expires.

6.1.1.2 Annual Rent shall increase each year by the lesser of three percent (3%) and adjustment of the CPI; provided, however, in no event shall any annual increase in Annual Rent under the provisions of this Section 6.1 be less than two percent (2%) or greater than three percent (3%) per year. The term "**CPI**" means the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for All Urban Consumers (CPI-U)- Los Angeles-Long Beach- Anaheim, CA CBSA, All Items (1982-1984 = 100). On April 1, 2023, and on each April 1 thereafter (or as soon thereafter as available), the CPI figure for the preceding calendar year shall be determined, and the Annual Rent for the new year shall be increased or decreased by the same percentage as the percentage, if any, by which the CPI for the April of the preceding year shall have increased as compared with the CPI for the April of the current year. Landlord shall

provide written notice of the CPI adjustment to County. In the event that the adjustment has not been determined in time for any invoicing sent, then upon determination of the adjustment, Landlord shall send out adjustment invoice(s).

6.2 Security Deposit. None.

6.3 Property Taxes. County shall be responsible for all real property taxes, assessments and special assessments that may be levied or assessed against the Property, if any, during the Term, or any renewal or holdover period thereof.

6.4 Personal Property Taxes. Personal property owned by County is exempt from state taxation under California Revenue and Taxation Code Section 202(a)(4) and Section 3(b) of Article XIII of the California Constitution. County shall, at its own cost and expense, be responsible for any property taxes assessed on County's personal property.

ARTICLE 7 CONDITION OF PREMISES

7.1 General Condition. County, in leasing the Premises, is relying solely on its own due diligence, investigation and inspection of the Premises, and acknowledges that the Premises will leased to the County in it's present "AS IS, WHERE IS" condition. County acknowledges that Landlord has not made any representations or warranty, expressed or implied, written or oral, concerning the Premises, including but not limited to the size or use thereof.

7.2 Acceptance of Premises. Except as otherwise provided in this Lease, County hereby accepts the Premises in its condition existing as of the Effective Date, subject to all applicable zoning, municipal, county, state, and other governmental laws, ordinances and regulations governing and regulating the use of the Premises, and any easements, covenants or restrictions of record, and accepts this Lease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto.

ARTICLE 8 MAINTENANCE AND REPAIRS

8.1 Maintenance and Repair of Premises. Throughout the Term, County, at its sole cost and expense, shall keep and maintain the Premises in good condition and repair, and in compliance with all federal, state, county, or government agency laws, statutes, ordinances, standards, rules, requirements, or orders now in force or hereafter enacted, promulgated, or issued, including, without limitation, government measures regulating or enforcing public access, occupational, health, or safety standards for employers, employees, landlords, or tenants (collectively, "**Applicable Laws**"). County shall, at its sole cost and expense, be responsible for any capital improvements that County elects, in its sole and absolute discretion, to make to the Building.

8.2 Alterations and Improvements. County may make alterations and improvements to the Property ("**Alterations**") for the purposes of repairing, replacing, and/or maintaining the Premises for the Permitted Use. County shall obtain Landlord's prior approval of the plans and specifications for any Alterations, which Landlord approval shall not be unreasonably withheld, conditioned or delayed. Landlord shall not be obligated to pay for the cost of any Alterations.

8.3 Manner of Construction. County shall construct the Alterations, if any, in a good and professional manner, and in compliance with all Applicable Laws. Upon completion of any Alterations, County agrees at the request of Landlord to cause a Notice of Completion to be recorded in the office of the Recorder of the County of Los Angeles in accordance with Section 8182 of the California Civil Code or any successor statute.

8.4 Ownership of Alterations. All Alterations which may be installed or placed in or about the Property, from time to time, shall be at the sole cost of County. County may remove any Alterations at any time, provided County repairs any damage to the Premises caused by such removal. Subject to Section 5.4, any Alterations remaining at the Property after the vacation of the Premises by County shall be and become, at the election of Landlord, the property of Landlord.

8.5 Personal Property. All articles of personal property and all business and trade fixtures, machinery and equipment, furniture and movable partitions owned by County or installed by County at County's expense on the Premises (collectively, the "**Personal Property**") shall be, and remain, the property of County and may be removed by County at any time during the Term. If County fails to remove any of County's Personal Property from the Property upon termination or expiration of the Term, then, subject to Section 5.4, Landlord may, at Landlord's option any time after ten (10) calendar days' written notice to County, (i) assume ownership of a portion or all of such Personal Property, (ii) remove and dispose of a portion or all of such Personal Property in any manner that Landlord shall choose, and/or (iii) remove and store such Personal Property without liability to County for loss thereof.

8.6 Liens. County shall be solely responsible for all liens and encumbrances placed on the Property by County or County's officers, or employees, or as a result of the use of the Property by any of the foregoing.

ARTICLE 9 SERVICES PROVIDED

9.1 Access. Subject to damage and destruction, County shall be permitted to access the Property at all times twenty-four (24) hours per day, seven (7) days a week, every day of the year.

9.2 Utilities. County shall, at its sole cost and expense, make arrangements for, and pay directly to the utility provider, all utilities used by County to operate the Property for the Permitted Use.

9.3 Custodial and Security Services. County shall, at its sole cost and expense, be responsible for all custodial and security services for the Property.

ARTICLE 10 PARKING

County shall have the exclusive right to use, at no additional cost to County, all of the parking spaces within the Premises.

ARTICLE 11 ASSIGNMENT AND SUBLETTING

11.1 Landlord's Consent. County shall not voluntarily or by operation of law assign, transfer, mortgage, sublet or otherwise transfer or encumber all or any part of County's interest in this Lease or in the Premises, without Landlord's prior written consent, which shall not be unreasonably withheld, delayed or conditioned. Any attempted assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void, and shall constitute a material default and breach of this Lease.

ARTICLE 12 INSURANCE AND INDEMNIFICATION

12.1 Indemnification.

12.1.1 County shall indemnify, defend and hold harmless Landlord and Landlord's officers, agents, partners, employees, contractors, subcontractors, and assignees from and against any and all loss, liability, or expense for claims for injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including reasonable attorney and expert witness fees), to the extent arising or alleged to arise from (a) County's use, occupancy, or operation of the Property, or (b) any acts or omissions of County or County's officers, agencies, employees, contractors, agents, representatives in the occupancy or use of the Property to the extent such acts or omissions constitute a breach of this Lease or gross negligence or willful misconduct by County, all except to the extent of any gross negligence or willful misconduct by Landlord. Landlord shall notify County of any claims for which County may be liable under this Section.

12.1.2 Landlord shall indemnify, defend and hold harmless County and County's officers, officials, agents, partners, employees, contractors, subcontractors, and sublessees/assignees from and against any and all loss, liability, or expense for claims for injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including reasonable attorney and expert witness fees), to the extent arising or alleged to arise from (a) Landlord's use, occupancy, or operation of the Property, or (b) any acts or omissions of Landlord or Landlord's officers, agencies, employees, contractors, agents, representatives in the occupancy or use of Property to the extent such acts or omissions constitute a breach of this Lease or gross negligence or willful misconduct by Landlord, all except to the extent of any gross negligence or willful misconduct by County. County shall notify Landlord of any claim for which Landlord may be liable under this Section.

12.1.3 In the event of third Party personal injury claims made against both Parties in which liability is attributed to the negligence or wrongful act or omission of both County and Landlord, the ultimate financial responsibility of each Party shall be in accordance with its percentage of fault or as may otherwise be mutually agreed between County and Landlord.

12.2 Liability Insurance - County. Subject to County's right to self-insure (pursuant to Section 12.3), County shall, at its sole expense, procure and maintain in force during the Term general liability insurance against bodily injury (including death and property damage) arising from County's occupancy and use of Premises. Such insurance shall have a combined single limit

of not less than One Million Dollars ($1,000,000) per occurrence and be in addition to and not in lieu of insurance carried by Landlord.

12.3 Self-Insurance. Notwithstanding anything to the contrary, at its sole option, County may satisfy its obligations under the insurance requirements of this Article by a combination of commercial insurance, formal risk pooling under California statutory provisions, and/or a self-funded loss reserve in whatever proportions are deemed appropriate by County's risk management staff. County shall furnish Landlord a certificate or other written evidence of its election to provide all or part of its coverage under a risk pooling, risk retention, or self-insurance program or combination thereof. In the event that County elects to satisfy any of its insurance requirements of this Article (or any portion(s) thereof) by self-insuring, no requirement relating to the form of insurance policies shall be applicable to such self-insurance, provided that any self--insurance shall be deemed to contain all of the terms and conditions applicable to such insurance as required by this Lease, including, without limitation, a waiver of subrogation. This provision shall apply to County only, and may not be assigned. In no event shall any self-insurance result in a detriment to Landlord or an increase in the amount payable by Landlord's insurance companies.

12.4 Property Insurance. County shall maintain in effect throughout the Term physical damage insurance in a commercially reasonable amount (but no in event less than the replacement cost value of the Building). Such insurance shall provide protection against any peril generally included within the classifications of fire, extended coverage, vandalism, malicious mischief, sprinkler leakage and loss of income. Subject to County's right to self-insure (pursuant to Section 12.3 above), County shall, at its sole option and expense, obtain physical damage insurance covering its Alterations, equipment, stored goods, other personal property, fixtures or tenant improvements. County shall provide Landlord with copies of the applicable certificates of insurance covering such property.

12.5 Waiver of Subrogation. Each Party hereto agrees to waive its rights of recovery against the other for any physical damage it may sustain to the extent that such damage is covered by valid and collectible property insurance. Each Party shall notify its respective insurers of such agreement. Further, each Party agrees to waive in advance its insurer's rights of subrogation to the extent that its insurance policies so permit. Notwithstanding the foregoing, all amounts which County pays or is required to pay and all loss or damage resulting from risks for which County has elected to self-insure shall be subject to this waiver of subrogation and the exercise by County of its right of self-insurance shall not in any manner limit any of County's indemnification obligations under this Lease.

12.6 Form of Policies. The minimum limits of policies of insurance required of County under this Lease shall in no event limit the liability of County under this Lease. Subject to County's right to self-insure (pursuant to Section 12.3 above), all insurance policies carried by County shall: (i) name Landlord, and any other Party the Landlord so specifies, as an additional insured, including Landlord's managing agent, if any; (ii) specifically cover the liability assumed by County under this Lease, including, but not limited to, County's obligations under Section 16.1 of this Lease; (iii) be issued by an insurance company having a rating of not less than A-X in Best's Insurance Guide or which is otherwise acceptable to Landlord and licensed to do business in the State of California; (iv) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is non-contributing with any insurance requirement of

County; (v) be in form and content reasonably acceptable to Landlord; and (vi) provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice shall have been given to Landlord and any mortgagee of Landlord. County shall deliver said policy or policies or certificates thereof to Landlord on or before the Effective Date and at least thirty (30) days before the expiration dates thereof. In addition, all insurance policies required to be carried by Landlord shall name County as an additional insured.

ARTICLE 13 HAZARDOUS MATERIALS

13.1 Hazardous Materials. Landlord and County agree as follows with respect to the existence or use of Hazardous Material (as defined in Section 13.1.5) on the Property:

13.1.1 Prohibition. Landlord and County shall each comply with all federal, state, or local laws, ordinances, or regulations relating to industrial hygiene and environmental conditions on, under, or about the Premises including, but not limited to, soil and ground water conditions. Without limiting the generality of the foregoing, County shall not transport, use, store, maintain, generate, manufacture, handle, dispose, release, or discharge any Hazardous Material (as defined in Section 13.1.5) upon or about the Premises or the land upon which the Premises sits, nor shall County permit its officers, agents, contractors, or employees to engage in such activities upon or about the Premises or the land upon which the Premises sits. Notwithstanding the forgoing, County may transport to and from, use, store, maintain, and handle within, the Premises substances customarily used in connection with the Permitted Use provided that: (1) such substances shall be used and maintained only in such quantities as are reasonably necessary for the Permitted Use of the Premises, strictly in accordance with Applicable Laws and the manufacturers' instructions therefor; (2) such substances shall not be disposed of, released, or discharged at the Premises, and shall be transported to and from the Premises in compliance with all Applicable Laws; (3) if any Applicable Law requires that any such substances be disposed of separately from ordinary trash, County shall make arrangements at County's expense for such disposal directly with a qualified and licensed disposal company at a lawful disposal site (subject to scheduling and approval by Landlord), and shall ensure that disposal occurs frequently enough to prevent unnecessary storage of such substances in the Premises; and (4) any remaining such substances shall be completely, properly, and lawfully removed from the Premises upon expiration or earlier termination of this Lease.

13.1.2 Clean Up of Hazardous Material.

13.1.2.1 Clean Up by Landlord. If any Hazardous Material is released, discharged, or disposed of by Landlord, or Landlord's officers, agents, contractors, or employees on or about the Premises in violation of this Section 13.1, Landlord shall immediately, properly, and in compliance with Applicable Laws, clean up and, where required, remove the Hazardous Material from the Premises and any other affected property and clean or replace any affected personal property (whether or not owned by County), at Landlord's expense. Such clean up and removal work shall be subject to County's prior written approval (except in emergencies), and shall include, without limitation, any testing, investigation, and the preparation and implementation of any remedial action plan required by any governmental body having jurisdiction or reasonably required by County. If Landlord shall fail to comply with the provisions of this Section 13.1.2.1 within ten (10) business days after written notice by County, or such shorter

time as may be required by Applicable Law or in order to minimize any hazard to persons or property, County may (but shall not be obligated to) arrange for such compliance directly or on Landlord's behalf through contractors or other parties selected by County, at Landlord's expense (without limiting County's other remedies under this Lease or Applicable Law).

13.1.2.2 Clean Up by County. If any Hazardous Material is released, discharged, or disposed of by County, or County's officers, agents, contractors, employees, or invitees on or about the Premises in violation of this Section 13.1.2.2, County shall immediately, properly, and in compliance with Applicable Laws, clean up and, where required, remove the Hazardous Material from the Premises and any other affected property and clean or replace any affected personal property (whether or not owned by Landlord), at County's expense. Such clean up and removal work shall be subject to Landlord's prior written approval (except in emergencies), and shall include, without limitation, any testing, investigation, and the preparation and implementation of any remedial action plan required by any governmental body having jurisdiction or reasonably required by Landlord. If County shall fail to comply with the provisions of this Section 13.1.2.2 within ten (10) business days after written notice by County, or such shorter time as may be required by Applicable Law or in order to minimize any hazard to persons or property, Landlord may (but shall not be obligated to) arrange for such compliance directly or on County's behalf through contractors or other parties selected by Landlord, at County's expense (without limiting Landlord's other remedies under this Lease or Applicable Law).

13.1.2.3 Casualty Damage. If any Hazardous Material is released, discharged, or disposed of on or about the Premises and such release, discharge, or disposal is not caused by Landlord or Landlord's officers, agents, contractors, or employees or other occupants of the Premises, such release shall be deemed casualty damage under Article 15 to the extent that the Premises is affected thereby; in such case, Landlord and County shall have the obligations and rights respecting such casualty damage provided under Article 15.

13.1.2.4 Joint Liability. As between Landlord and County, nothing in this Section 13.1.2 shall be construed to prohibit or prevent, where appropriate, joint liability for the costs of clean up and removal of Hazardous Material, in proportions according to proof.

13.1.3 Compliance Costs**.** Landlord and County acknowledge that Landlord may become legally liable for the costs of complying with Applicable Laws relating to Hazardous Material which are not specifically made the responsibility of either Party under the provisions of this Lease, including the following: (1) Hazardous Material present in the soil or ground water; (2) a change in Applicable Laws that relate to Hazardous Material, which make such Hazardous Material that is present on the Premises or in the Premises as of the Effective Date, whether known or unknown to Landlord, a violation of such new laws; (3) Hazardous Material that migrates, flows, percolates, diffuses or in any way moves on to or under the land; (4) Hazardous Material present within the Premises as a result of any discharge, dumping or spilling (whether accidental or otherwise) within the Premises by other lessees within the Premises or their agents, employees, contractors or invitees, or by others. Accordingly, Landlord and County agree that the cost of complying with Applicable Laws relating to Hazardous Material within the Premises shall be borne by Landlord, unless the cost of such compliance, as between Landlord and County, is made specifically the responsibility of County pursuant to this Lease.

13.1.4 Termination**.** This Section is applicable upon any discovery of Hazardous Material in, on or about the Premises not placed in, on or about the Premises by County or County's employees, agents, contractors, or invitees, that, considering the nature and amount of the substances involved, materially and adversely interferes with County's use of the Premises for the Permitted Use or, in the prudent judgment of County, presents a health risk to any occupants of the Premises. Where such a state of affairs is present, if it is unlikely that County can be given reasonable use of, and access to, a fully repaired, restored, safe and healthful Premises (and the utilities and services pertaining to the Premises), all suitable for the use of the Premises for the Permitted Use, within thirty (30) calendar days from the date County is notified or becomes aware of such state of affairs, then County may elect to terminate the Lease upon ten (10) calendar days written notice sent to Landlord at any time within a period of ninety (90) calendar days following the date County is notified or becomes aware of such state of affairs.

13.1.5 Definition of Hazardous Material. The term "**Hazardous Material**" means any chemical, substance, material, or waste or component thereof the presence of which requires investigation or remediation under any federal, state, or local statute, regulation, ordinance, order, action, policy, or common law, or which is now or hereafter listed, defined, or regulated as a flammable explosive, radioactive material, hazardous or toxic chemical, substance, material or waste or component thereof (whether injurious by themselves or in conjunction with other materials) by any federal, state, or local governing or regulatory body having jurisdiction, or which would trigger any employee or community "right-to- know" requirements adopted by such body, or for which any such body has adopted any requirements for the preparation or distribution of a material safety data sheet. Without limiting the generality of the foregoing, Hazardous Material shall include, but not be limited to, any material or substance which is: (1) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (2) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code Section 25300, et seq.); (3) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory, California Health and Safety Code Section 25500, et seq.); (4) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances, California Health and Safety Code Section 25280, et seq.); (5) petroleum; (6) asbestos; (7) defined as a "hazardous constituent," "hazardous material," "hazardous waste," or "toxic waste" under Article 2 of Chapter 10 (Section 66260.10) or defined as a "hazardous waste" under Article 1 of Chapter 11 (Section 66261.3) of Title 22 of the California Code of Regulations, Division 4.5 (Environmental Health Standards for the Management of Hazardous Waste, 22 C.C.R. Section 66001, et seq.); (8) designated as a "hazardous substance" pursuant to Section 311 (33 U.S.C. § 1321) of the Clean Water Act of 1977, as amended (Federal Water Pollution Control Act, 33 U.S.C. § 1251, et seq.); (9) defined as a "hazardous waste" pursuant to Section 1004 (42 U.S.C. § 6903) of the Federal Resource Conservation and Recovery Act of 1976, as amended (RCRA, 42 U.S.C. § 6901, et seq.); (10) defined as a "hazardous substance" pursuant to Section 101 (42 U.S.C. § 9601) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA, 42 U.S.C. § 9601, et seq.); or (11) defined as "hazardous material" under Section 103 (49 U.S.C. § 1802) of the Hazardous Materials

Transportation Act (49 U.S.C. § 1801, et seq.), as such laws may be amended from time to time, and the regulations adopted and publications promulgated pursuant to such laws.

13.1.6 Notice Regarding Hazardous Materials**.** Landlord shall promptly notify County, with respect to the Premises, and County shall promptly notify Landlord, with respect to the Premises, of: (1) any enforcement, cleanup, or other regulatory action taken or threatened by any governmental or other regulatory authority with respect to the presence of any Hazardous Material or the migration thereof from or to other property; (2) any demands or claims made or threatened by any Party against Landlord or County, as applicable, relating to any loss or injury resulting from any Hazardous Material; (3) any release, discharge, or non-routine, improper or unlawful disposal or transportation of any Hazardous Material; and (4) any matters where Landlord or County, as applicable, is required by law to give a notice to any governmental or regulatory authority respecting any Hazardous Material. Landlord and County shall have the right (but not the obligation) to join and participate, as a Party, in any legal proceedings or actions affecting the Premises or the Premises initiated in connection with any environmental, health, or safety law. At such times as Landlord may reasonably request, County shall provide Landlord with a written list identifying any Hazardous Material then used, stored, or maintained upon the Premises, the use and approximate quantity of each such material, a copy of any material safety data sheet issued by the manufacturer thereof, written information concerning the removal, transportation and disposal of the same, and such other information as Landlord may reasonably require or as may be required by Applicable Law. In addition, California Health and Safety Code Section 25359.7(a) requires any owner of nonresidential real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property, prior to the lease or rental of that real property or when the presence of such release is actually known, to give written notice of that condition to the lessee or renter. California Health and Safety Code Section 25359.7(b) requires any tenant of real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property to give written notice of such condition to the owners. Landlord and County shall comply with the requirements of Section 25359.7 and any successor statute thereto.

ARTICLE 14 INSPECTION BY LANDLORD

14.1 Inspection by Landlord. Landlord shall, with reasonable prior notice to the supervising County employee in charge of the Premises, have the right, to be exercised reasonably (and with the least amount of interference with County's business) and only at times that County employees are present in the Premises, to enter the Premises, inspect the same, to post notices of non-responsibility, and to alter, improve or repair the Premises and any portion of the Premises of which the Premises are a part that Landlord may deem necessary or desirable, without abatement of rent. Notwithstanding anything to the contrary contained in this Section, Landlord, or its employees, agents, or subcontractors, shall have the right to enter the Premises on a customary and regular basis to supply services to be provided by Landlord to County hereunder, providing that Landlord shall use its commercially reasonable efforts to minimize interference with the business of County. In the case of an emergency, neither prior notice to County nor the presence of County employees on the Premises shall be required to enter and inspect the Premises or to take such steps as are necessary to abate the emergency, but County shall receive prompt notice after such entry.

14.2 Secured Areas. County may designate certain areas of the Premises as "Secured Areas" should County require such areas for the purpose of securing certain valuable property or confidential information. Landlord may not enter such Secured Areas except in the case of emergency or in the event of a Landlord inspection, in which case Landlord shall provide County with ten (10) days' prior written notice of the specific date, time, and purpose of such Landlord inspection.

ARTICLE 15 DAMAGE OR DESTRUCTION

15.1 Damage or Destruction. The Premises are improved with improvements constructed by County. If any portion of the Property is damaged by fire, or any other cause rendering the Property totally or partially inaccessible or unusable, then County (a) may (but shall not be obligated to) repair and/or restore the Property to its condition existing prior to the damage or destruction, or (b) commencing ten (10) months after the Effective Date may terminate this Lease. By not later than six (6) months following the discovery of the damage or destruction, County shall provide Landlord with written notice of its election ("**County's Notice**") pursuant to this Section 15.1. If County elects to terminate this Lease pursuant to this Section 15.1, then this Lease shall be terminated as of the date that is sixty (60) days after the date of County's Notice, but in no event less than ten (10) months after the Effective Date. Rent and other charges shall be payable up to the effective date of termination and shall account for any abatement. .

15.2 Waiver. The provisions of this Lease constitute an express agreement between Landlord and County with respect to any and all damage to, or destruction of, all or any part of the Property, and any statute or regulation of the State of California, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the Parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises.

ARTICLE 16 DEFAULT

16.1 Default by County. The occurrence of any one or more of the following events shall constitute an "**Event of Default**" of this Lease by County: the failure by County to observe or perform any of the covenants or provisions of this Lease to be performed by County, other than as specified in Section 16.1.1 above, where such failure shall continue for a period of thirty (30) calendar days after written notice thereof from Landlord to County specifying the nature of such failure or such longer period as is reasonably necessary to remedy such default, provided that County shall continuously and diligently pursue such remedy at all times until such default is cured.

16.2 Remedies. In the event of any Event of Default or breach of this Lease by County, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have by reason of such default:

16.2.1 Right to Terminate. Upon the occurrence of an Event of Default, in addition to any other remedies available to Landlord at law or in equity, Landlord may terminate this Lease

and all rights of County hereunder by giving County thirty (30) days written notice of such election to terminate.

16.2.2 Surrender of Premises. If Landlord elects to terminate this Lease as a result of County's default of its obligations under this Lease, this Lease and the Term hereof, as well as all of the right, title and interest of County hereunder, shall wholly cease and expire and become void in the same manner and with the same force and effect (except as to County's liability) as if the date fixed in such notice were the date herein specified for expiration of the Term of this Lease. Thereupon, County shall immediately quit and surrender to Landlord the Premises as set forth in Section 5.3 above, and Landlord may enter into and repossess the Premises following receipt of a court order permitting same.

16.2.3 Continuation of Lease. Upon the occurrence of an Event of Default, in addition, Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations).

16.2.4 Landlord's Cumulative Rights; No Waiver of Default. Except where otherwise provided, all rights, options and remedies of Landlord contained in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Landlord shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law, whether or not stated in this Lease. No waiver of any default by County hereunder shall be implied from any acceptance by Landlord of any rent or other payments due hereunder or any omission by Landlord to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than as specified in said waiver. The consent or approval of Landlord to any act by County requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent or approval to any subsequent similar acts by County.

16.2.5 Right of Re-Entry. If, an Event of Default by County has occurred and County has abandoned the Property, then Landlord shall also have the right to enforce the provisions of California Civil Code Sections 1980 through 1991. No re-entry or taking of possession of the Premises by Landlord pursuant to this Section 16.2 shall be construed as an election to terminate this Lease unless a written notice of such intention shall be given to County or unless the termination hereof shall be decreed by a court of competent jurisdiction. For the purposes of this Article 16, County's right to possession shall not be deemed to have terminated by efforts of Landlord to relet the Premises, by its acts of maintenance or preservation with respect to the Premises, or by appointment of a receiver to protect Landlord's interests hereunder. Notwithstanding any reletting without termination by Landlord because of any Event of Default of County, Landlord may at any time after such reletting elect to terminate this Lease for any such Event of Default. The foregoing enumeration is not exhaustive, but merely illustrative of acts which may be performed by Landlord without terminating County's right to possession.

16.3 Default by Landlord. Landlord shall not be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease, unless Landlord neglects or fails to perform or observe any of the covenants, provisions or conditions contained in this Lease on its part to be performed or observed within thirty (30) calendar days after written notice of

default from County to Landlord (or if more than thirty (30) calendar days is required due to nature of the default, and Landlord fails to commence work to cure it within said thirty (30) days after notice and diligently pursue work to completion). Upon the occurrence of an event of default by Landlord, County shall have the right to pursue any remedy now or hereafter available to County under the laws or judicial decisions of the State of California.

ARTICLE 17 CONDEMNATION

17.1 Definitions.

17.1.1 "**Condemnation**" means (1) the exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemnor and (2) a voluntary sale or transfer by Landlord to any Condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

17.1.2 "**Date of taking**" means the date the Condemnor has the right to possession of the property being condemned.

17.1.3 "**Award**" means all compensation, sums, or anything of value awarded, paid, or received on a total or partial Condemnation.

17.1.4 "**Condemnor**" means any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

17.2 Parties' Rights and Obligations to be Governed by Lease. If, during the period of time between the Effective Date and the full expiration or termination of this Lease, there is any taking of all or any part of the Property or any interest in this Lease by Condemnation, the rights and obligations of the parties shall be determined pursuant to this Article 17.

17.3 Total Taking. If the Property is totally taken by Condemnation, this Lease shall terminate on the date of taking.

17.4 Partial Taking. If any portion of the Property is taken by Condemnation, this Lease shall remain in effect, except, commencing ten (10) months after the Effective Date, County may elect to terminate this Lease if the remaining portion of the Property is rendered unsuitable for County's continued use of the Premises. If County elects to terminate this Lease pursuant to this Article 17, County shall provide written notice to Landlord within thirty (30) calendar days after the nature and extent of the taking have been finally determined. Such termination shall be effective on the later of (a) the date of the taking and (b) the date that is ten (10) months after the Effective Date. If County does not terminate this Lease within such period, this Lease shall continue in full force and effect.

17.4.1 Award. Landlord shall be entitled to receive the entire award or payment in connection with a Condemnation, except that County shall have the right to file any separate claim available to County for any taking of the Building or Personal Property belonging to County and removable by County upon expiration of the Term pursuant to the provisions of this Lease, and for moving expenses, so long as such claim is payable separately to County. All rent shall be apportioned as of the date of termination of this Lease pursuant to the provisions of this Article

17. If any part of the Property shall be taken, and this Lease shall not be so terminated, the rent shall be proportionately abated.

17.4.2 Waiver of CCP §1265.130. Each Party waives the provisions of the California Code of Civil Procedure Section 1265.130 allowing either Party to petition the superior court to terminate this Lease in the event of a partial taking of the Property.

ARTICLE 18 BUY-OUT OPTION

18.1 Buy-Out Option. Commencing on the earlier to occur of (a) receipt by Landlord of a determination from the Internal Revenue Service in response to Landlord's request for a private letter ruling (an "**IRS Response**") and (b) the date that is six (6) months after the Effective Date, and ending thirty (30) days following the earlier to occur of (a) and (b) (the "**Buy-Out Option Expiration Date**"), Landlord shall have an exclusive option to cause County to purchase the Premises (the "**Buy-Out Option**") for the amount of nineteen million five hundred and fifty thousand dollars ($19,550,000) (the "**Landlord Buy-Out Price**"), all substantially on the terms and conditions set forth in the purchase and sale agreement attached hereto as Exhibit B (the "**PSA**").

18.2 Option Exercise by Landlord. If Landlord elects, in Landlord's sole and absolute discretion, to exercise the Buy-Out Option, then Landlord shall, by not later than 5:00 p.m. (California time) on the Buy-Out Option Expiration Date, exercise the Buy-Out Option by delivering the following to Escrow Holder (as defined in the Transfer Agreement), with a copy to County:

18.2.1 one (1) Option Exercise Notice in the form attached hereto as Exhibit C (the "**Option Exercise Notice**"), executed by Landlord; and

18.2.2 two (2) originals of the PSA, executed in counterpart by Landlord, with all exhibits and blanks (other than the date thereof) completed.

18.3 Closing. County shall acquire the Property pursuant to the terms of the PSA within thirty (30) days of Landlord's delivery of the items set forth in Section 18.2.

18.4 Survival. This Article 18 and the Buy-Out Option set forth herein are only for the benefit of Landlord, and no other person or entity shall be a beneficiary of this provision or have any rights to enforce the same. The Buy-out Option may be waived by Landlord in writing or modified by Landlord and County in writing without the consent or approval of any other person or entity.

ARTICLE 19 COUNTY OPTION

19.1 County Option. Commencing on the date that is eighteen (18) months after the Effective Date and ending thirty (30) days thereafter (the "**County Option Expiration Date**"), County shall have an exclusive option to cause Landlord to sell the Premises to County (the "**County Option**") for the amount of nineteen million one hundred and fifty thousand dollars ($19,150,000) (the "**County Buy-Out Price**"), all substantially on the terms and conditions set forth in the PSA.

19.2 Option Exercise by County. If County elects, in County's sole and absolute discretion, to exercise the County Option, then County shall, by not later than 5:00 p.m. (California time) on the County Option Expiration Date, exercise the County Option by delivering the following to Escrow Holder (as defined in the Transfer Agreement), with a copy to Landlord:

19.2.1 one (1) Option Exercise Notice executed by County; and

19.2.2 two (2) originals of the PSA, executed in counterpart by County, with all exhibits and blanks (other than the date thereof) completed.

19.3 Closing. County shall acquire the Property pursuant to the terms of the PSA within thirty (30) days of County's delivery of the items set forth in Section 19.2.

19.4 Survival. This Article 19 and the County Option set forth herein are only for the benefit of County, and no other person or entity shall be a beneficiary of this provision or have any rights to enforce the same. The County Option may be waived by County in writing or modified by Landlord and County in writing without the consent or approval of any other person or entity.

ARTICLE 20 MISCELLANEOUS PROVISIONS

20.1 Accord and Satisfaction. No payment by County or receipt by Landlord of a lesser amount than the rent payment herein stipulated shall be deemed to be other than on account of the rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease. County agrees that each of the foregoing covenants and agreements shall be applicable to any covenant or agreement either expressly contained in this Lease or imposed by any statute or at common law.

20.2 Binding Effect. The covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

20.3 Legal Fees. Each Party shall be responsible for its own attorney fees, if any, incurred in connection with the negotiation of this Lease.

20.4 Brokers' Commissions. Landlord and County hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. County hereby agrees to indemnify and hold harmless Landlord from and against any claims for brokers' commissions asserted by making a claim based on its representation and/or alleged representation of County. Landlord hereby agrees to indemnify and hold harmless County from and against any claims for brokers' commissions asserted by making a claim based on its representation and/or alleged representation of Landlord.

20.5 Captions, Table of Contents. The titles or captions of all Articles, Sections, or Sections, as well as the Table of Contents, contained herein, are for convenience and reference

only, are not intended to define or limit the scope of any provisions of this Lease, and shall have no effect on the interpretation of any provision of this Lease.

20.6 Conflict of Laws and Venue. This Lease shall be governed by and construed pursuant to the laws of the State of California and any litigation concerning this Lease between the parties hereto shall be initiated in Los Angeles County.

20.7 Covenants and Agreements. Each provision of this Lease performable by County shall be deemed both a covenant and a condition. The failure of Landlord or County to insist in any instance on the strict keeping, observance or performance of any covenant or agreement contained in this Lease, or the exercise of any election contained in this Lease shall not be construed as a waiver or relinquishment for the future of such covenant or agreement, but the same shall continue and remain in full force and effect.

20.8 Business Days. A "**Business Day**" shall mean any day of the year that is not a County holiday (as such County holidays are disclosed on https://www.lacounty.gov/government/about-la-county/county-holidays/) and any other day in which commercial banks are either not required to open or are authorized to close in Los Angeles, California.

20.9 Exhibits - Incorporation. All exhibits referred to are attached to this Lease and incorporated by reference.

20.10 Force Majeure. Except as otherwise provided in this Lease, whenever a day is established in this Lease on which, or a period of time, including a reasonable period of time, is designated within which, either Party is required to do or complete any act, matter or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such Party is prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or thing because of strikes, lockouts, embargoes, unavailability of services, labor or materials, disruption of service or brownouts from utilities not due to action or inaction of Landlord, wars, insurrections, rebellions, civil disorder, declaration of national emergencies, acts of God, or other causes beyond such Party's reasonable control (financial inability excepted) ("**Force Majeur**e"); provided, however, that nothing contained in this Section shall excuse County from the prompt payment of any rental or other charge required of County hereunder. Neither Party shall be liable for, and in particular County shall not be entitled to any abatement or reduction of rent or right to terminate by reason of, any such delays or failures or other inability to provide services or access under this Lease due to Force Majeure.

20.11 Limitation of Landlord's Liability.

20.11.1<u>Personal Liability</u>. The obligations of Landlord hereunder do not constitute personal obligations of the individual partners, directors, officers or shareholders of Landlord. Thus, County shall not seek recourse against the individual partners, directors, officers or shareholders of Landlord or any of their personal assets for satisfaction of any liability in respect

to this Lease. Any liability of Landlord hereunder shall be limited to Landlord's interest in the Premises.

20.11.2Consequential Damages. Notwithstanding any contrary provision herein, in no event shall either Landlord or County be liable under any circumstances for injury or damage to, or interference with, the others' business, including but not limited to, loss of profits or other revenues, or loss of business opportunity or loss of goodwill, in each case, however occurring.

20.12 Prohibition Against Recording. Unless required by law, neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by County or by anyone acting through, under or on behalf of County. Notwithstanding the foregoing, Landlord acknowledges that this Lease shall be a public record subject to disclosure under the California Public Records Act.

20.13 No Partnership. Nothing contained in this Lease shall be deemed or construed to create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and County. Neither the method of computation of rent nor any other provision contained in this Lease, nor any acts of the parties hereto, shall be deemed to create any relationship between Landlord and County other than the relationship of landlord and tenant.

20.14 Partial Invalidity. If any provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

20.15 Accessibility Disclosure. As required by Section 1938(e) of the California Civil Code, Landlord hereby states as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." In furtherance of the foregoing, Landlord and County hereby agree that any CASp inspection requested by County shall be conducted, at County's sole cost and expense, by a CASp approved in advance by Landlord. If any such CASp inspection requested by County indicates that repairs or modifications are required to cause the Premises to comply with applicable construction-related accessibility standards, then Landlord shall, at Landlord's sole cost and expense, perform such repairs.

20.16 Prior Agreement/Amendments. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding, oral or written, express or implied, pertaining to any such matter shall

be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. The Parties acknowledge that all prior agreements, representations and negotiations are deemed superseded by the execution of this Lease to the extent they are not incorporated herein.

20.17 Quiet Possession. Upon County paying the rent required hereunder and observing and performing all of the covenants, conditions and provisions on County's part to be observed and performed hereunder, County shall have quiet possession of the Premises for the entire Term hereof, subject to all the provisions of this Lease.

20.18 Signs. County shall not place any sign upon the Premises without Landlord's prior written consent. Landlord hereby agrees that County shall be permitted to install identification signage necessary to identify the Training Facility, its operating hours, and the services provided therein.

20.19 Time. Time is of the essence with respect to the performance of every provision of this Lease in which time or performance is a factor.

20.20 Counterparts; Electronic Execution. This Lease may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. The exchange of copies of this Lease and of signature pages by facsimile transmission, .pdf or other electronic means shall constitute effective execution and delivery of this Lease as to the Parties and may be used in lieu of the original Lease for all purposes (and such signatures of the Parties transmitted by facsimile, .pdf or other electronic means shall be deemed to be their original signatures for all purposes).

[*signatures on next page*]

IN WITNESS WHEREOF, the Parties have executed this Lease as of the Effective Date.

LANDLORD:

BRUCE FAMILY LLC,
a California limited liability company

By:_____
Name: Anthony Bruce
Title: Manager

APPROVED AS TO FORM:

DAWYN R. HARRISON,
Acting County Counsel

By:_____
Thomas J. Faughnan
Senior Assistant County Counsel

COUNTY:

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____
HOLLY J. MITCHELL
Chair, Board of Supervisors

ATTEST:

CELIA ZAVALA
Executive Officer, Board of Supervisors

By:_____
Deputy

IN WITNESS WHEREOF, the Parties have executed this Lease as of the Effective Date.

LANDLORD:

BRUCE FAMILY LLC,
a California limited liability company

By: Anthony Bruce
Name: Anthony Bruce
Title: Manager

APPROVED AS TO FORM:

DAWYN R. HARRISON,
Acting County Counsel

By:_____
Thomas J. Faughnan
Senior Assistant County Counsel

COUNTY:

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____
HOLLY J. MITCHELL
Chair, Board of Supervisors

ATTEST:

CELIA ZAVALA
Executive Officer, Board of Supervisors

By:_____
Deputy

EXHIBIT A

PREMISES

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 8 AND 9 IN BLOCK 5 OF PECK'S MANHATTAN BEACH TRACT, IN THE CITY OF MANHATTAN BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7, PAGE 34 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE EASTERLY 10 FEET OF "THE STRAND", ADJOINING SAID LOTS ON THE WEST AND LYING BETWEEN THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF LOT 8 AND WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF LOT 9, AS VACATED BY ORDER OF THE BOARD OF TRUSTEES OF SAID CITY OF MANHATTAN BEACH, A CERTIFIED COPY OF WHICH SAID ORDER IS RECORDED IN BOOK 256 PAGE 39, OF MISCELLANEOUS RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER THE PROPERTY ABOVE-DESCRIBED WITH THE RIGHT TO SLANT DRILL FROM ADJACENT OR OTHER PROPERTY AND TO REMOVE THE SAME BUT WITHOUT ANY RIGHT IN GRANTOR TO USE OR DISTURB THE SAID PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF FOR ANY SUCH PURPOSE, NOR TO DO ANY DRILLING WITHIN 1500 FEET OF THE UPLAND PROPERTY LINE DESCRIBED AND RESERVED IN DEED RECORDED MARCH 31, 1949 AS INSTRUMENT NO. 823, IN BOOK 29723 PAGE 126, OF OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL MINERALS DEPOSITS NOT PREVIOUSLY RESERVED AS DEFINED IN SECTION 6407 OF THE PUBLIC RESOURCE CODE, BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHTS OF ENTRY, AS RESERVED BY THE STATE OF CALIFORNIA IN DEED RECORDED SEPTEMBER 19, 1995 AS INSTRUMENT NO. 95-1527005, OF OFFICIAL RECORDS.

EXHIBIT B

BUY-OUT PSA

[attached]

ATTACHMENT C

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "**Agreement**") is effective as of _____, 202_ (the "**Effective Date**"), by and between the COUNTY OF LOS ANGELES, a body corporate and politic ("**County**"), Bruce Family LLC, a California limited liability company (collectively, "**Bruce**"). Each of County and Bruce are sometimes referred to herein individually as a "**Party**" and collectively, as the "**Parties**."

RECITALS

A. Bruce is the fee owner of certain real property commonly referred to as "Bruce's Beach," which is described as Lots 8 and 9 of Block 5, located between 26th and 27th Street and the Strand and Ocean Drive, in the City of Manhattan Beach, County of Los Angeles, State of California, as more particularly described on Exhibit A attached hereto (the "**Land**").

B. The Land is currently improved with a County building (the "**Building**") that is situated on the Land, in part, and on the parcel of land described as Lot 10 of Block 5, which is adjacent to the Land, in part, which Building is operated by County as a lifeguard training center and governmental offices.

C. Now, Bruce and County desire that Bruce transfer the Land, which shall not include the Building, to County, pursuant to and in accordance with the terms of this Agreement.

AGREEMENT

NOW, THEREFORE, in reliance upon the foregoing Recitals, which are hereby incorporated by this reference, and in consideration of the agreements and covenants set forth herein, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Conveyance of the Property**.

1.1 The Property. Subject to satisfaction of the terms and conditions set forth in this Agreement, Bruce shall transfer, assign, and convey to County, and County shall assume and accept all of the following (collectively, the "**Property**"): (a) the Land; and (b) all easements, rights of way and other rights appurtenant to the Land (the Land and all rights appurtenant to the Land are collectively referred to as the "**Real Property**").

1.2 Purchase Price. The total purchase price for the Property shall be an amount equal to [[FOR THE BUY-OUT OPTION:] nineteen million five hundred and fifty thousand ($19,550,000)/ [FOR THE COUNTY OPTION:] nineteen million one hundred and fifty thousand dollars ($19,150,000)] (the "**Purchase Price**").

1.3 Deed. Bruce shall transfer the Real Property to County by grant deed in the form attached hereto as Exhibit B (the "**Deed**").

2. **Escrow; Instructions**. The transfer of the Property (the "**Transfer**") shall be consummated by means of an escrow (the "**Escrow**") to be opened with First American Title

Company ("**Escrow Holder**"), acting as both escrow agent and title agent (the "**Title Company**"), whose contact information is as follows: [ ] Attention:[ ]E-mail: [ ] This Agreement, together with such further written instructions the Parties shall provide to Escrow Holder, if any, shall constitute the instructions to Escrow Holder (the "**Escrow Instructions**") with respect to the transaction contemplated by this Agreement. Any additional or supplemental instructions given to Escrow Holder shall be consistent with the terms of this Agreement, and the terms of this Agreement shall prevail if there is any inconsistency. By executing this Agreement, Escrow Holder acknowledges that this Agreement constitutes the Escrow Instructions for the sale of the Property and agrees to follow the Escrow Instructions provided in this Agreement.

3. **Title Policy**.

3.1 Preliminary Title Report. As of the Effective Date, County has (a) obtained a standard preliminary title report (the "**PTR**") dated on or after the date of this Agreement issued by Title Company, with respect to the Land, and copies of all recorded documents referred to in the PTR, and (b) approved of all matters shown in or disclosed by the PTR. By not later than the Closing Date, Bruce shall cause the removal as exceptions to the Title Policy any and all money judgments and liens arising from Bruce's activities, deeds of trust, mortgages, security interests, and related encumbrances and any delinquent real property taxes and assessments, but excluding any money judgments and liens (including any mechanic's and materialmen's liens or liens or other claims) arising from or related to County, its officers, partners, shareholders, members, employees, contractors or agents, or their respective actions or failure to act.

3.2 Permitted Exceptions. At Closing, County shall accept title to the Real Property subject to the "Permited Exceptions" as defined in that certain Transfer Agreement between the Parties dated _____2022 (the "**Permitted Exceptions**").

3.3 Choice of Policy and Expenses. At Closing, Bruce shall provide County (at County's sole cost and expense) a standard CLTA owner's policy of title insurance issued by the Title Company or any other title company approved by Bruce insuring fee title to the Real Property vested in County, subject only to the Permitted Exceptions with liability in the amount of the Purchase Price (a "**CLTA Policy**"); provided, however, County may elect to obtain from the Title Company an ALTA extended coverage owner's policy of title insurance insuring fee title to the Real Property vested in County, subject only to the Permitted Exceptions with liability in the amount of the Purchase Price (an "**ALTA Policy**"). In the event that County elects to obtain an ALTA Policy, County shall pay the difference in cost between a CLTA Policy and an ALTA Policy and the cost of any related survey. County shall pay the cost of any endorsements to the CLTA Policy or ALTA Policy that County may elect to obtain.

3.4 Condition of Closing. The selected policy (whether it be a CLTA Policy or an ALTA Policy) shall be referred to herein as the "**Title Policy**," and the issuance of, or commitment by Title Company to issue, the Title Policy shall be a condition to the Closing for the benefit of County.

3.5 Covenant Not to Encumber. During the term of this Agreement, Bruce shall not convey or encumber any portion of the Property or any rights therein, nor enter into any conveyance, security document, easement, or other agreement granting to any person or entity any rights with respect to the Property or any part thereof, or any interest whatsoever therein (except for this Agreement, as the same may be amended from time to time), or any option with respect thereto, without the prior written consent of County, which may be withheld in County's sole and absolute discretion.

4. **Closing Costs**. Transaction costs (collectively, the "**Closing Costs**") shall be paid by each of the Parties as set forth below in this Section 4, the provisions of which shall survive Closing and delivery and recording of the Deed:

4.1 Paid by County. At Closing, County shall pay the cost of the following:

4.1.1 Any documentary transfer taxes due with respect to recording of the Deed;

4.1.2 Any recording fees required in connection with the Transfer of the Property;

4.1.3 Any other charges, fees, taxes or costs relating to Closing that are customarily paid by purchasers of commercial properties in the County;

4.1.4 A CLTA Policy, and the difference in cost between a CLTA Policy and an ALTA Policy (if an ALTA Policy is requested by County);

4.1.5 any title endorsements requested by County;

4.1.6 any survey ordered by County; and

4.1.7 All actual and reasonable (a) fees, (b) costs and (c) any additional charges customarily charged by the Escrow Holder in accordance with common escrow practices in Los Angeles County.

4.2 Legal Fees. Each Party shall be responsible for its own attorney fees, if any, incurred in connection with the negotiation of this Agreement.

5. **Taxes; Insurance**.

5.1 Property Taxes. County shall be responsible for all real estate taxes and assessment on the Property payable in respect to, (x) in the current fiscal year of the applicable taxing authority in which the Closing Date occurs (the "**Current Tax Year**"), the period on and after the Closing Date (which shall be allocated to County), and (y) all periods after the Current Tax Year.

5.2 Insurance. As of the Closing Date, County shall be solely responsible for general liability insurance or any other insurance that County elects to purchase and no such insurance charges shall be paid for by Bruce.

5.3 This Section 5 shall survive the Closing.

6. **Conditions Precedent to Closing**. In addition to any other conditions precedent to Closing expressly set forth elsewhere in this Agreement, prior to the Closing Date, each as a condition precedent to Closing:

6.1 Bruce's Deliveries. As a condition precedent to Closing for the benefit of County, Bruce shall deliver to Escrow Holder:

6.1.1 The Deed in recordable form, duly executed by Bruce and acknowledged by a notary; and

6.1.2 Any other documents that may be reasonably requested by Escrow Holder and the Title Company and that are customarily delivered in connection with the closing of real estate transactions in Los Angeles County.

6.2 County's Deliveries. As a condition precedent to Closing for the benefit of Bruce, County shall deliver to Escrow Holder:

6.2.1 The Purchase Price and any cash required for Closing from County pursuant to this Agreement; and

6.2.2 Any other documents that may be reasonably requested by Escrow Holder and the Title Company and that are customarily delivered in connection with the closing of a real estate transaction in Los Angeles County.

6.3 Closing Documents. All documents and sums required to be deposited under Sections 6.1 and 6.2 may be singularly referred to as a "**Closing Document**" and collectively as the "**Closing Documents**."

6.4 County's Performance. As a condition precedent to Closing for the benefit of Bruce, County shall have duly performed in all material respects each and every covenant of County hereunder.

6.5 Bruce's Performance. As a condition precedent to Closing for the benefit of County, Bruce shall have duly performed in all material respects each and every covenant of Bruce hereunder.

6.6 Accuracy of Representations and Warranties. On the Closing Date, all representations and warranties made by County and Bruce in Section 11 shall be true and correct in all material respects as if made on and as of the Closing Date.

6.7 Failure of Conditions Precedent to County's Obligations. County's obligations with respect to the transactions contemplated by this Agreement are subject to the satisfaction of the conditions precedent to such obligations for County's benefit set forth in Sections 6.1, 6.5 and 6.6. If County terminates this Agreement by notice to Bruce because of the failure of a condition precedent, then County shall pay any escrow cancellation fees or charges, and except for obligations under this Agreement that expressly survive termination of this Agreement, the Parties shall have no further rights or obligations to one another under this Agreement.

7. **Closing; Closing Date; Closing Procedure**. The closing of the Transfer (the "**Closing**") shall be deemed to occur as of the date and time that the Deed is recorded in the Official Records of Los Angeles County ("**Recorded**").

7.1 The Closing shall occur by not later than the date that is thirty (30) days after the Effective Date, or such other date as County and Bruce may agree in writing (the "**Closing Date**").

7.2 By not later than one (1) Business Day prior to the Closing Date, Bruce and County shall deliver to Escrow Holder the Closing Documents. A "**Business Day**" shall mean any day of the year that is not a County holiday (as such County holidays are disclosed on https://www.lacounty.gov/government/about-la-county/county-holidays/) and any other day in which commercial banks are either not required to open or are authorized to close in Los Angeles, California.

7.3 By not later than ten (10) days prior to the Closing Date, Escrow Holder shall commence preparation of an estimated settlement statement (the "**Settlement Statement**"), which it shall provide to Bruce and County for review and approval no later than five (5) days prior to the Closing Date.

7.4 Upon (a) County's and Bruce's written approval of the Settlement Statement, (b) confirmation from County that all of County's conditions precedent set forth in this Agreement below have been satisfied or waived, and (c) confirmation from Bruce that all of Bruce's conditions precedent set forth in this Agreement have been satisfied or waived, Escrow Holder shall cause the Deed to be Recorded and then pay any funds due under this Agreement in accordance with the Settlement Statement to County.

8. **Acknowledgement of Condition of Property**.

8.1 AS-IS SALE.

8.1.1 Neither Bruce (except as expressly set forth in this Agreement or in any Closing Documents), nor any parent, affiliate, advisor, broker, officer, elected official, director, trustee, member, employee, agent, attorney or contractor of or for Bruce, nor any employee, agent or affiliate of any of the foregoing (all of the foregoing including Bruce are referred to herein, individually and collectively, as the "**Bruce Parties**") is making or shall be deemed to have made, nor does any Bruce Party have the authority to make, any express or implied representation, warranty, promise or statement, express or implied, of any kind or nature as to the

Property (or its use or development thereof), Bruce or the transaction provided for in this Agreement, including, without limitation, as to (A) the financial status of the Property, including without limitation, income or expenses generated, paid or incurred in connection with the Property, (B) the nature, physical or environmental condition, safety or any other aspect of the Property, including, without limitation, any patent or latent defects, surface or subsurface soil conditions, grading or construction defects or flaws, ground water issues, status of entitlements, adequacy of existing entitlements, availability of new entitlements, availability of water or other utilities or services at the Property, (C) the Property's compliance with applicable federal, state or municipal laws, statutes, ordinances, orders, rules, regulations, codes or other requirements (collectively, "**Laws**"), including, without limitation, zoning ordinances, subdivision Laws, building codes (including, without limitation, the Americans With Disabilities Act) and environmental, hazardous material and endangered species statutes, (D) the accuracy or completeness of any information or data provided or to be provided by Bruce Parties, including, without limitation, copies of any reports or documents prepared for Bruce Parties whether by third parties or otherwise which may be included with such information, or (E) any other matter relating to the Property, Bruce or the transaction provided for in this Agreement.

8.1.2 County acknowledges and agrees that, except as otherwise expressly set forth in this Agreement or in any Closing Document: (1) County has had a reasonable opportunity to inspect and investigate the Property, and all aspects relating thereto, either independently or through agents and experts of County's choosing; (2) County shall rely upon County's own due diligence in determining whether the Property is suitable for purchase by County; (3) County is acquiring the Property based exclusively upon County's own investigations and inspections thereof; (4) Bruce has no obligation to repair or correct any facts, circumstances, conditions or defects or compensate County therefor; and (5) by reason of all of the foregoing except as set forth in this Agreement or in any Closing Documents, County shall assume the full risk of any loss or damage occasioned by any fact, circumstance, condition or defect pertaining to the Property.

8.1.3 Without limiting the generality of the foregoing, County hereby acknowledges that, except as expressly set forth in this Agreement or in any Closing Documents, the Property will be sold to County **"AS IS**," **"WHERE IS**" and **"WITH ALL FAULTS**," and there are no representations or warranties, express or implied, made by Bruce Parties in connection with the transaction contemplated in this Agreement.

8.2 Survival. This Section 8 shall survive indefinitely the Closing, and delivery and recording of the Deed, and shall remain in effect even if the other terms of the Agreement cease to be effective.

9. **Cooperation**. After the Effective Date and prior to the Closing Date, Bruce shall use commercially reasonable efforts to cooperate with County in the satisfaction or removal of contingencies to Closing; provided, however, except for Bruce's express obligations under this Agreement, Bruce shall not be obligated to take any actions that may be reasonably expected to (a) adversely affect the Property or its value if the Closing does not occur and (b) give rise to any liability by Bruce. Bruce shall cooperate in good faith with County in defending against any third party lawsuits challenging the conveyance of the Property to County.

10. **Assignment**. County shall not have the right to assign this Agreement without the prior written consent of Bruce, and any such prohibited assignment shall be void.

11. **Representations and Warranties**.

11.1 County's Representations and Warranties. County represents and warrants to Bruce that, except as otherwise disclosed to Bruce, the following matters are true and correct as of the Effective Date and shall also be true and correct as of the Closing:

11.1.1 Organization. County is a public body, corporate and politic.

11.1.2 Authority. County has the full power and authority to enter into and comply with the terms of this Agreement and has obtained all necessary consents and approvals required for County to enter into and consummate the transaction described in this Agreement.

11.1.3 Valid and Binding Obligations. This Agreement, and all instruments referenced herein to be executed by County in connection with the transaction described in this Agreement, are, or at the time of Closing will be, duly authorized, executed and delivered by County, and are, or at Closing will be, legal, valid and binding obligations of County and do not, and at the time of Closing will not, violate any provisions of any agreement or judicial order to which County is a party or to which County is subject.

11.1.4 No Breach. The execution and delivery of this Agreement, the consummation of the transaction contemplated by this Agreement and the compliance with the terms of this Agreement, will not, to County's actual knowledge, constitute a default under any contract or agreement to which County is a party.

11.1.5 Insolvency. County is not the subject of any bankruptcy, insolvency, or reorganization proceeding.

11.1.6 Authorized Signatory. The individual executing this Agreement on behalf of County and any other documents or agreements to be executed and/or delivered by County in connection with or pursuant to this Agreement has been duly authorized to do so.

As used herein, the term "**County's actual knowledge**" means the current, actual and personal knowledge of (and only of) D'Artagnan Scorza and does not include knowledge imputed to County from any other person or entity. County represents and warrants that the named individual is the person employed by the County most knowledgeable about the Property. The named individual is acting for and on behalf of County and in a capacity as an employee of County and is in no manner expressly or impliedly making any representations or warranties in an individual capacity. Bruce waives any right to sue or to seek any personal judgment or claim against the named individual.

11.2 Bruce's Representations and Warranties. Bruce represents and warrants to County that the following matters are true and correct as of the Effective Date and also shall be true and correct as of the Closing:

11.2.1 Organization of Bruce. Bruce is a limited liability company duly organized and existing in the State of California. Bruce has the requisite right, power and authority to execute, deliver and perform the terms and conditions of this Agreement and to consummate the transactions contemplated in this Agreement.

11.2.2 Due Authorization, Execution and Delivery. Bruce has taken all actions necessary to authorize the execution, delivery and performance of the terms and conditions of this Agreement and all other documents and agreements to be executed and/or delivered in connection with or pursuant to this Agreement. No further consent of any person or entity is required in connection with the execution and delivery of, or performance by Bruce of its obligations under this Agreement.

11.2.3 Valid and Binding Obligations. This Agreement is, and all the Closing Documents executed by Bruce shall be legal, valid, and binding obligations of Bruce enforceable against Bruce in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the right of contracting parties generally), and does not and shall not violate any provisions of any agreement to which Bruce is a party or to which it is subject

11.2.4 Insolvency. Bruce is not the subject of any bankruptcy, insolvency, or reorganization proceeding.

11.2.5 No Breach. The execution and delivery of this Agreement, the consummation of the transaction contemplated by this Agreement and the compliance with the terms of this Agreement will not, to Bruce's actual knowledge, conflict with and will not, with or without notice or the passage of time, or both, result in a breach of any of the terms or provisions of or constitute a default under Bruce's articles of organization, operating agreement, or any contract, agreement, indenture, mortgage, loan agreement or instrument, judgment, order or decree to which Bruce is bound or to which any portion of the Property is bound.

11.2.6 Authorized Signatory. The individual executing this Agreement on behalf of Bruce and any other documents or agreements to be executed and/or delivered by Bruce in connection with or pursuant to this Agreement has been duly authorized to do so.

11.2.7 OFAC Compliance. County is not a person or entity with whom U.S. persons or entities are restricted from doing business under the Office of Foreign Assets Control ("**OFAC**") regulations of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under and any U.S. statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto.

As used herein, the term "**County's actual knowledge**" means the current, actual and personal knowledge of (and only of) D'Artagnan Scorza , and does not include knowledge imputed to County from any other person or entity. County represents and warrants that the named individual is the person employed by County most knowledgeable about County. The named individual is acting for and on behalf of County and in a capacity as a representative of County and is in no

manner expressly or impliedly making any representations or warranties in an individual capacity. Bruce waives any right to sue or to seek any personal judgment or claim against the named individual.

11.3 Survival. The representations and warranties contained in this Section 11 shall survive Closing and delivery and recording of the Deed and the Closing for a period of twelve (12) months and shall be deemed to have been made again at Closing as a condition to the Closing, and shall remain in full force and effect regardless of any investigation made by or on behalf of any Party or of the actual or constructive knowledge by any Party of any inaccuracy or breach thereof; provided, however, that in the case of County's or Bruce's fraud or intentional or willful misrepresentation with respect to any representation or warranty, such representation and/or warranty shall survive until the expiration of the longest running applicable statute of limitations period.

12. **Covenants**. After the Effective Date, no part of the Property, or any interest therein, will be sold, further encumbered or otherwise transferred, and Bruce will not, without County's prior written consent, which consent may be withheld in County's sole discretion, enter into any contracts or agreements that will affect the Property after the Closing.

13. **Risk of Loss**. If prior to the Closing, the Real Property or any part thereof, is damaged, and such damage shall cost in excess of One Million Dollars ($1,000,000.00) to repair, County has the right, exercisable by giving written notice to Bruce within ten (10) Business Days after receiving written notice of such damage or destruction (but in no event later than one (1) Business Day prior to the Closing), either to (a) terminate this Agreement, or (b) accept the Property in its then-current condition and to proceed with the Closing, and receive an assignment of all of Bruce's right to any insurance proceeds payable by reason of such damage or destruction. In the event any damage occurs costing One Million Dollars ($1,000,000.00) or less to repair, if the Closing occurs, County shall receive an assignment of any insurance proceeds payable by reason of such damage or destruction. Notwithstanding anything to the contrary in the foregoing, if, prior to the Closing any damage to the Real Property occurs as the result of a release of Hazardous Substances to, on, under or in the Property (by a party other than County or its agents or representatives), County shall have the option to terminate this Agreement upon written notice to Bruce given not later than twenty (20) Business Days after County's receipt of written notice thereof from Bruce. In the event that this Agreement is terminated in accordance with this Section 13, then this Agreement and the obligations of the Parties hereunder shall terminate (other than the obligations that survive the termination of this Agreement), and neither Party shall have any further right or obligation hereunder other than such surviving obligations.

14. **Default and Remedies**.

14.1 County's Remedies. If the Closing does not occur on or before the Closing Date as a result of a material default by Bruce under this Agreement (and County is not otherwise in material default under this Agreement), then County may provide Bruce written notice of Bruce's default under this Agreement (the "**County Default Notice**"). The County Default Notice shall set forth the nature of Bruce's default in reasonable detail. Bruce shall have ten (10) Business Days after receipt of the County Default Notice (the "**Bruce Cure Period**") to cure any defaults

set forth in the County Default Notice and any other defaults that may thereafter arise. In the event that Bruce does not cure the default described in the County Default Notice or any other Bruce default that arises during the Bruce Cure Period, then, upon expiration of the Bruce Cure Period, as County's sole and exclusive remedy, County may elect any one of the following by delivering written notice to Bruce within twenty (20) Business Days after the end of the Bruce Cure Period: (a) pursuing specific performance of this Agreement so long as any petition for specific performance commenced by County against Bruce shall be filed with the Superior Court of Los Angeles County and served within sixty (60) days after the scheduled Closing Date; or (b) waive the Bruce default and proceed to the Close of Escrow; or (c) terminate this Agreement, whereupon both Bruce and County will thereafter be relieved of any further obligations or liabilities under this Agreement, except for those obligations which expressly survive any termination hereof.

14.1.1 Special Remedies. Bruce acknowledges the unique and special character of the Property and its utility to County and agrees that specific performance is an appropriate remedy for Bruce's default under this Agreement.

14.1.2 Waiver of Other Remedies. County hereby waives all remedies not expressly set forth in this Section 14.2, including without limitation, any claim against Bruce for damages of any type or kind (other than as expressly provided in this Section 14.1).

14.1.3 Time Periods. Failure of County to make the election described above in Section 14.1 within the twenty (20) Business Day period set forth above shall be conclusively deemed an election by County to pursue the remedy set forth in clause (b) above.

14.2 No Consequential or Punitive Damages. Notwithstanding anything to the contrary elsewhere in this Agreement, for matters arising under or related to this Agreement, County waives any right to bring an action or proceeding against the other for any consequential or punitive damages (other than as expressly provided in Section 14.1). This Section 14 shall indefinitely survive Closing and delivery and recording of the Deed or termination of this Agreement.

15. **Miscellaneous**.

15.1 Exculpation of Certain Persons. No individual trustee, officer, elected official, director, shareholder, member, constituent partner, employee or agent of any Party, in his or her individual capacity as such, shall have any personal liability for the performance of any obligation of such Party under this Agreement solely by reason of such status.

15.2 Headings. Section headings of this Agreement are solely for convenience of reference and shall not govern the interpretation of any of the provisions of this Agreement. References to "Sections" are to sections of this Agreement, unless otherwise specifically provided.

15.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws.

15.4 Entire Agreement. This Agreement (together with its exhibits) contains the entire agreement and understanding between Bruce and County with respect to the subject matter

hereof. There are no oral understandings, terms or conditions, and neither Party has relied upon any representation, express or implied, that is not contained in this Agreement. This Agreement cannot be changed or supplemented orally, but only by an agreement in writing signed by both Parties.

15.5 Binding Effect. The covenants, terms, conditions, provisions, and undertakings in this Agreement shall extend to, and be binding upon, the successors and permitted assigns of the Parties.

15.6 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile transmission, .pdf or other electronic means shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes (and such signatures of the Parties transmitted by facsimile, .pdf or other electronic means shall be deemed to be their original signatures for all purposes).

15.7 Exhibits. All references in this Agreement to "Exhibits" shall be construed as though the words "hereby made a part hereof and incorporated herein by this reference" were, in each case, appended thereto.

15.8 Brokers. The Parties hereby warrant that they have dealt with no real estate broker in this transaction and that no broker or other person is entitled to any commission, finder's fee or other similar compensation by virtue of the Parties entering into or consummating this Agreement. Each Party hereby defends and indemnifies the other Party against any claims, losses, liability and damages, including reasonable attorneys' fees and costs, in connection with any commissions, finders' fees or other similar compensation sought, based upon some obligation of the indemnifying Party with respect to this transaction. This Section 15.8 shall survive indefinitely the Closing and shall remain in effect even if the other terms of this Agreement cease to be effective.

15.9 Time of Essence. Time is of the essence of this Agreement and of the Escrow provided for herein.

15.10 Waiver. Any of the terms or conditions of this Agreement may be waived at any time by the Party entitled to the benefit thereof, but no such waiver shall affect or impair the right of the waiving Party to require observance, performance or satisfaction either of that term or condition as it applies on a subsequent occasion or of any other term or condition of this Agreement.

15.11 Severability. If (a) any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable and (b) the invalidity or unenforceability of such a provision does not deny a Party the material benefit of this Agreement, then the remainder of this Agreement which can be given effect without the invalid provision shall continue in full force and effect and shall in no way be impaired or invalidated.

15.12 Real Estate Reporting Person. The Escrow Holder is hereby designated the "real estate reporting person" for purposes of Section 6045 of Title 26 of the United States Code and Treasury Regulation 1.6045 4 and any instructions or settlement statement prepared by the Escrow Holder shall so provide. Upon the consummation of the transaction contemplated by this Agreement, the Escrow Holder shall file the Form 1099 information return and send the statement to County as required under the aforementioned statute and regulation.

15.13 Notice. All notices shall be in writing and either (a) personally served at the appropriate address (including by means of professional messenger service or recognized overnight delivery service, provided that any such delivery is confirmed by written receipts signed on behalf of the receiving Party or by adequate proof of service) or (b) deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, or (c) sent via electronic mail (e-mail), addressed to the appropriate addressee and shall be deemed received and effective on the day such notice is actually received if received before 5:00 p.m. on a Business Day, or on the following Business Day if received at any other time. E-mail deliveries shall be deemed received upon entry of such message into the recipient's e-mail server. All addresses of the Parties for receipt of any notice to be given pursuant to this Agreement are as follows:

If to County:

Chief Executive Office
Asset Management Branch
Real Estate Division
320 West Temple Street, 7th Floor
County of Los Angeles
Los Angeles, California 90012
Attention: Senior Manager

If to Bruce:

Bruce Family LLC
6161 Memorial Highway #2214
Tampe, Florida 33615
Attention: Anthony Bruce

With a copy to:

Office of County Counsel
County of Los Angeles
648 Kenneth Hahn Hall of Admnistration
500 West Temple St.
Los Angeles, CA 90012-2713
Attention: Property Division

With a copy to:

Sidley Austin LLP
555 West 5th Street, Suite 400, 40th Floor
Los Angeles, California 90013
Attention: George C. Fatheree III
gfatheree@sidley.com

15.14 Further Assurances. In addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by either party at Closing, each Party agrees to perform, execute and deliver, but without any obligation to incur any additional liability or expense, on or after the Closing, any further deliveries and assurances as may be reasonably necessary to consummate the transactions contemplated hereby or to further perfect the conveyance, transfer and assignment of the Property to County.

[*Signatures on following page.*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

BRUCE:

BRUCE FAMILY LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

COUNTY:

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____
HOLLY J. MITCHELL
Chair, Board of Supervisors

ATTEST:
CELIA ZAVALA
Executive Officer, Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON,
Acting County Counsel

By: _____
Thomas J. Faughnan
Senior Assistant County Counsel

ATTACHMENT C

ACKNOWLEDGMENT OF RECEIPT AND AGREEMENT OF ESCROW HOLDER

_____ acknowledges receipt of a fully-executed copy or executed counterparties of this Agreement and agrees to act as Escrow Holder in accordance with the terms of this Agreement and to be bound by and perform the terms thereof as such terms apply to Escrow Holder.

First American Title Company

By:_____
Name:_____
Its:_____

Dated as of _____, 2022

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 8 AND 9 IN BLOCK 5 OF PECK'S MANHATTAN BEACH TRACT, IN THE CITY OF MANHATTAN BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7, PAGE 34 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE EASTERLY 10 FEET OF "THE STRAND", ADJOINING SAID LOTS ON THE WEST AND LYING BETWEEN THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF LOT 8 AND WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF LOT 9, AS VACATED BY ORDER OF THE BOARD OF TRUSTEES OF SAID CITY OF MANHATTAN BEACH, A CERTIFIED COPY OF WHICH SAID ORDER IS RECORDED IN BOOK 256 PAGE 39, OF MISCELLANEOUS RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER THE PROPERTY ABOVE-DESCRIBED WITH THE RIGHT TO SLANT DRILL FROM ADJACENT OR OTHER PROPERTY AND TO REMOVE THE SAME BUT WITHOUT ANY RIGHT IN GRANTOR TO USE OR DISTURB THE SAID PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF FOR ANY SUCH PURPOSE, NOR TO DO ANY DRILLING WITHIN 1500 FEET OF THE UPLAND PROPERTY LINE DESCRIBED AND RESERVED IN DEED RECORDED MARCH 31, 1949 AS INSTRUMENT NO. 823, IN BOOK 29723 PAGE 126, OF OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL MINERALS DEPOSITS NOT PREVIOUSLY RESERVED AS DEFINED IN SECTION 6407 OF THE PUBLIC RESOURCE CODE, BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHTS OF ENTRY, AS RESERVED BY THE STATE OF CALIFORNIA IN DEED RECORDED SEPTEMBER 19, 1995 AS INSTRUMENT NO. 95-1527005, OF OFFICIAL RECORDS.

EXHIBIT B

FORM OF GRANT DEED

FREE RECORDING IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTIONS 6103 AND 27383

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

_____
_____
_____
_____

MAIL TAX STATEMENT TO:

_____
_____
_____

(Space Above Line for Recorder's Use Only)

Exempt from documentary transfer tax pursuant to Revenue & Taxation Code Section 11922.

GRANT DEED

FOR A FULL VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Bruce Family LLC, a California limited liability company, as Grantor,

hereby grants and conveys to the County of Los Angeles, a body corporate and politic, as Grantee,

that certain real property situated in the City of Manhattan Beach, County of Los Angeles, State of California, legally described on Exhibit A attached hereto and by this reference incorporated herein together with all easements, rights of way and other rights appurtenant thereto and any rights that Grantor may have in the improvements (the "**Property**"), subject to: (a) all taxes, interest, penalties, and assessments of record, if any; (b) covenants, conditions, restrictions, reservations, easements, liens, rights of occupancy, and encumbrances of record; (c) all matters that may be disclosed by an inspection and/or by a current survey of the Property; and (d) any and all applicable laws, ordinances, rules regulations and permits affecting the Property or governing the use thereof.

[*Signatures on Following Page*]

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below:

Dated: _____, 2022

Bruce Family LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

ATTEST:

DEAN C. LOGAN
Registrar-Recorder\County Clerk

By:_____
Deputy

ATTACHMENT C

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of _____)

On _____, 20__, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A TO FORM OF GRANT DEED

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 8 AND 9 IN BLOCK 5 OF PECK'S MANHATTAN BEACH TRACT, IN THE CITY OF MANHATTAN BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7, PAGE 34 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE EASTERLY 10 FEET OF "THE STRAND", ADJOINING SAID LOTS ON THE WEST AND LYING BETWEEN THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF LOT 8 AND WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF LOT 9, AS VACATED BY ORDER OF THE BOARD OF TRUSTEES OF SAID CITY OF MANHATTAN BEACH, A CERTIFIED COPY OF WHICH SAID ORDER IS RECORDED IN BOOK 256 PAGE 39, OF MISCELLANEOUS RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER THE PROPERTY ABOVE-DESCRIBED WITH THE RIGHT TO SLANT DRILL FROM ADJACENT OR OTHER PROPERTY AND TO REMOVE THE SAME BUT WITHOUT ANY RIGHT IN GRANTOR TO USE OR DISTURB THE SAID PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF FOR ANY SUCH PURPOSE, NOR TO DO ANY DRILLING WITHIN 1500 FEET OF THE UPLAND PROPERTY LINE DESCRIBED AND RESERVED IN DEED RECORDED MARCH 31, 1949 AS INSTRUMENT NO. 823, IN BOOK 29723 PAGE 126, OF OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL MINERALS DEPOSITS NOT PREVIOUSLY RESERVED AS DEFINED IN SECTION 6407 OF THE PUBLIC RESOURCE CODE, BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHTS OF ENTRY, AS RESERVED BY THE STATE OF CALIFORNIA IN DEED RECORDED SEPTEMBER 19, 1995 AS INSTRUMENT NO. 95-1527005, OF OFFICIAL RECORDS.

EXHIBIT C

FORM OF OPTION EXERCISE NOTICE

_____, 20__

[VIA OVERNIGHT DELIVERY]

_____
_____
_____
Attention:_____

Re: Notice of Exercise of [Buy-Out Option]/[County Option]

To Whom It May Concern:

Reference is hereby made to that certain Lease Agreement dated _____, 20__ (the "**Lease**"), by and between Bruce Family LLC, a California limited liability company ("**Landlord**") and the County of Los Angeles ("**County**"). Terms used herein and not otherwise defined shall have the meanings given such terms in the Lease.

This notice shall constitute [Landlord's]/[County's] notice to [County]/[Landlord] of [Landlord's]/[County's] election to exercise the [Buy-Out Option]/[County Option] pursuant to [Article 18]/[Article 19] of the Lease.

Very truly yours,

By: _____
Name:
Its:

cc:

PINK

BA FORM 05262022

BOARD OF SUPERVISORS
OFFICIAL COPY

June 28, 2022

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICER

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HER RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFORE
FY 2021-22
3 - VOTES

SOURCES		USES	
		VARIOUS CAPITAL PROJECTS	
PFU-VARIOUS		**BRUCE'S BEACH**	
A01-CB-2000-13749-13760		A01-CP-6006-65099-70033	
SERVICES & SUPPLIES		CAPITAL ASSETS - LAND	
DECREASE APPROPRIATION	**21,500,000**	**INCREASE APPROPRIATION**	**21,500,000**
SOURCES TOTAL	**$ 21,500,000**	**USES TOTAL**	**$ 21,500,000**

JUSTIFICATION

The appropriation adjustment is necessary to transfer $21,500,000 from the Provisional Financing Uses budget unit to Bruce's Beach project, CP No. 70033.

Amir Alam Digitally signed by Amir Alam Date: 2022.06.10 14:16:03 -07'00'

AUTHORIZED SIGNATURE AMIR ALAM, MANAGER, CEO

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR---

☐ ACTION

☑ RECOMMENDATION

AUDITOR-CONTROLLER

BY Lan Sam Digitally signed by Lan Sam Date: 2022.06.10 16:55:02 -07'00'

B.A. NO. 239

DATE 6/10/22

☑ APPROVED AS REQUESTED

☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY Matthew J. Diaz Digitally signed by Matthew J. Diaz Date: 2022.06.10 17:19:39 -07'00'

DATE 6/10/22