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COUNTY OF LOS ANGELES

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, CA 90012
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ACTING CHIEF EXECUTIVE OFFICER

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Joseph M. Nicchitta

"To Enrich Lives Through Effective and Caring Service"

BOARD OF SUPERVISORS COUNTY OF LOS ANGELES

December 02, 2025

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

Dear Supervisors:

19 December 2, 2025

EDWARD YEN

EXECUTIVE OFFICER

FIVE-YEAR LEASE AGREEMENT STAR VIEW BEHAVIORAL HEALTH, INC. 415 EAST AVENUE I, LANCASTER (FIFTH DISTRICT) (3 VOTES)

SUBJECT

Approval of a proposed five-year lease agreement (Lease) with Star View Behavioral Health, Inc. (Star View), with continued use of 9,678 square feet of office space located at 415 East Avenue I, Lancaster, California, 93535 (Property).

IT IS RECOMMENDED THAT THE BOARD:

- 1. Find that the proposed Lease is exempt from the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and in the record of the project.
- 2. Authorize the Acting Chief Executive Officer, or his designee, to execute the proposed Lease with Star View.
- 3. Authorize and direct the Acting Chief Executive Officer, or his designee, to execute any other ancillary documentation necessary to effectuate and implement the proposed Lease, including, without limitation, documents to amend, renew, or terminate the proposed Lease.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to enter into a proposed Lease, as Enclosure A, with Star View, a California Corporation.

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Through an evaluation process (Request for Proposal) for Service Area 1 (SA 1), Department of Mental Health (DMH) received Board of Supervisor's (Board) approval on February 13, 2018, to execute an agreement with Star View to provide Psychiatric Urgent Care Center (PUCC) services in SA 1. The County of Los Angeles (County) constructed the facility on the Property, and on January 25, 2021, the County entered into a lease with Star View to operate the PUCC. The Lease expired June 30, 2025, and Star View has been operating in holdover. DMH continues to contract with Star View for PUCC services. The proposed Lease will provide Star View with the real estate rights to continue to use the Property to provide these contracted services.

Star View serves the County as a PUCC and provides crisis stabilization service, including integrated services for co-occurring mental health and substance use disorders, 24 hours a day, seven days a week; rapid access to mental health evaluation and assessment, crises intervention/stabilization, medication support, case management; and linkage to community-based resources for individuals 13 years of age or older experiencing psychiatric crises. PUCCs are a critical component of the County's effort to decompress the County Psychiatric Emergency Services and inpatient units, as well as diverting individuals from incarceration. Both the County and Star View would like to enter into a new lease so that these vital services may continue to be offered for the Antelope Valley.

Based upon a review of available industry data, it is determined that the rental rate set forth in the proposed Lease of \$1.51 per square foot is within the market for other comparable medical office spaces that have been leased, ranging from \$1.30 to \$1.83 per square foot.

The proposed Lease grants Star View a five-year term with one five-year option to extend the proposed Lease. If the option is exercised, the total term of the proposed Lease would be ten years. The proposed Lease provides for an automatic termination should the current service contract between DMH and Star View be canceled or otherwise terminated. The starting rental rate represents a monthly rent of \$14,585.30 with annual increases of 3 percent. Star View will be responsible for all taxes, insurance premiums, utility charges, maintenance, repair and replacement expenses, and all other costs, fees, charges, expenses, reimbursements, and obligations of every kind and nature whatsoever relating to the Property.

The proposed Lease allows Star View to meet its obligations under the DMH service contract and continue to serve the County as a PUCC.

DMH is the proprietor of the Property and supports the recommended approval of the proposed Lease on the terms indicated herein.

Implementation of Strategic Plan Goals

The proposed Lease with Star View supports the Countywide Strategic Plan, North Star 1 – "Make Investments That Transform Lives" – provides that LA County is a highly responsive organization investing in solutions that address our most complex societal challenges (health, jobs, housing, food insecurity, and recidivism) affecting our most vulnerable communities – one person at a time.

The Countywide Strategic Plan North Star 3 – "Realize Tomorrow's Government Today" – ensures we provide an increasingly dynamic and complex environment, challenges collective abilities to respond to public needs and expectations. LA County is an innovative, flexible, effective, and transparent partner focused on advancing the common good & being fiscally responsible.

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The proposed Lease is also consistent with the Strategic Asset Management Goal - Strengthen Connection Between Service Priorities and Asset Decisions and Key Objective No. 4 and Guide Strategic Decision- Making.

FISCAL IMPACT/FINANCING

The proposed Lease with Star View requires Star View to pay a rental rate of \$1.51 per square foot, which represents a monthly rent of \$14,585.30 with annual increases of 3 percent, as well as paying all taxes, insurance premiums, utility charges, maintenance, repair and replacement expenses and all other costs, fees, charges, expenses, reimbursements and obligations of the Property.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Section 25524 of the California Government Code provides that any lease may be made upon such consideration or for such rental as is authorized by the action of your Board. The Lease of this Property is tied to the service provider under DMH contract. The County needs to enter into the proposed Lease with Star View so Star View can fulfill its obligations under the DMH service contract.

The proposed lease was unanimously approved by your Board appointed Real Estate Management Commission on October 23, 2025.

County Counsel has approved the proposed Lease as to form.

ENVIRONMENTAL DOCUMENTATION

The proposed Lease is not a project under CEQA because it is an activity that is excluded from the definition of a project by section 21065 of the Public Resources Code and is an administrative activity of government under section 15378(b) of the State CEQA Guidelines since the action would not result in direct or indirect physical changes to the environment.

Star View has been occupying the Property since 2021. The proposed Lease with Star View involves no expansion of use of the Property from activities permissible under the proposed Lease.

In the alternative, the proposed activity is categorically exempt from CEQA pursuant to section 15301 of the State CEQA Guidelines (Existing Facilities) and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G, which applies to operation, leasing, and minor alteration of an existing facility with negligible or no expansion of use. In addition, based on the record of the proposed activity, it 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 indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable

Upon your Board's approval of the recommendation to lease the Property, a Notice of Exemption will be filed with the Registrar-Recorder/County Clerk and with the State Clearinghouse in the Governor's Office of Land Use and Climate Innovation, pursuant to California Public Resources Code Section 21152, and the Notice will be posted to the County's website in accordance with section 21092.2.

The Honorable Board of Supervisors 12/2/2025 Page 4

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The continuing operations of Star View will have no negative impact on the current services provided.

Respectfully submitted,

Joseph M. Nicchitta

Acting Chief Executive Officer

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JMN:JG:JTC

JLC:HD:MGR:NH:DC:ja

Enclosures

 Executive Office, Board of Supervisors County Counsel Auditor-Controller Health Services

LEASE AGREEMENT

by and between

COUNTY OF LOS ANGELES

as Lessor

and

Star View Behavioral Health, Inc.

as Lessee

For Premises Located At

415 E Avenue I, Lancaster, CA. 93535

Dated as of ___,____ 2025.

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is made and entered into this _____ day of ____ 2025 (the "Effective Date").

BY AND BETWEEN COUNTY OF LOS ANGELES, a body

corporate and politic ("Lessor" or "County"),

AND Star View Behavioral health, Inc.,), a

California corporation (Lessee)

RECITALS:

WHEREAS, this Lease is by and between the Lessor and Lessee and is not intended, and will not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between Lessor and Lessee.

WHEREAS, Lessor is the fee owner of certain real property located at 415 E. Avenue I, Lancaster, CA 93535 upon which exist improvements totaling approximately 9,678 of rentable square feet, commonly known as the High Desert Mental Health Urgent Care Center, as further depicted on the Site Plan attached hereto as Exhibit A (the "Premises"). Entry onto the Premises constitutes acceptance by Lessee of all conditions and terms of this Lease.

WHEREAS, Lessee executed the Lease Agreement COL-100013 on January 25, 2021, for a period that ran through June which extended the lease term through June 30, 2023.

WHEREAS, Lessee executed their first option to extend the Lease Agreement COL-100013 on July 1, 2023, which extended the lease term through June 30, 2024.

WHEREAS, Lessee executed their second option to extend the Lease Agreement on July 1, 2024, which extended the lease term, has now expired as of June 30, 2025

WHEREAS, the Lease has been in Holdover per the terms of the Lease from July 1, 2025, on a month- to month basis.

WHEREAS, Lessor hereby agrees to lease said Premises to Lessee, and Lessee hereby agrees to lease said Premises from Lessor, during the term set forth in Section 1 below.

NOW, THEREFORE, in consideration of the terms and conditions hereinafter contained, and the foregoing recitals, each of which is deemed a contracted part hereof, Lessor and Lessee agree as follows:

1. LEASE SUMMARY.

(a) <u>"Lessor"</u>: County of Los Angeles

(b) <u>Lessor's Address</u> County of Los Angeles <u>for Notice</u>: Chief Executive Office

555 West Fifth Street, 36th Floor Los Angeles, California 90013 Attn: Real Estate Division

With a copy to:

County of Los Angeles Office of the County Counsel 500 W. Temple Street, 6th Floor Los Angeles, CA 90012 Attn: Property Division

(c) <u>"Lessee"</u>: **Star View Behavioral Health, Inc.**, ("Lessee")

(d) <u>Lessee's Address</u> 1501 Hughes Way Ste 150, Long Beach, CA. 90801

Attn: Kent Dunlap, MPH, President and Chief Executive Officer

(e) <u>Premises</u>: As set forth in the Recitals

(f) <u>Lessee</u>
<u>Services/Permitted Use of Premises</u>:

Subject to all applicable laws, Lessee shall use and occupy the Premises for the following purpose: providing crisis stabilization service including integrated services for co-occurring mental health

and substance use disorders, 24 hours per day, seven days per week; rapid access to mental health evaluation and assessment, crises intervention/ stabilization, medication support, management; and linkage to community-based resources for individuals 13 years of age or older experiencing psychiatric crises. Lessee shall also provide security for the site, conduct maintenance activities to secure the Premises from dangerous or damage causing conditions, including, but not limited to minor wear and tear, and other necessary damage prevention activities. Lessee shall be responsible for all costs associated with the overall operation and maintenance of the property including custodial service, landscaping and repairs to buildings incorporated herein by this reference (collectively, "Permitted Activities"), and for no other purpose.

(g) Term:

The initial term of this Lease shall be for a period of five (5) years, commencing on the **Commencement Date**, and expiring five (5) years thereafter.

<u>"Effective Date":</u> The date upon which this Lease is fully executed by all parties. <u>"Commencement Date":</u> The "Lease Commencement Date" shall be the first day following mutual execution of the Lease.

"Options": One additional option to extend for 5 years. No later than one hundred eighty (180) days prior to the expiration date, Lessee may request an extension of the term of this Lease and the Lessor, through the County Chief Executive Officer or her designee, may extend the term for a stated period at Lessor's sole and absolute discretion.

"Automatic Lease Termination: In the event that Contract Number: MH122295 between County of Los Angeles and Star Behavioral Health, Inc. is terminated for any allowable reason whatsoever, County shall deliver notice to Tenant ("Termination Notice"), to terminate this Lease with respect to all

or part of the Premises. The Premises or the portion of the Premises subject to the termination notice shall be referred to as the Canceled Premises ("Canceled Premises"). The termination shall be effective Thirty (30) days from delivery of written Termination Notice in writing.

"Holdover": If Tenant 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. If the holdover is not with the express written consent of Landlord, then such holdover tenancy shall not exceed 3 months from the expiration date of the Lease.

(h) <u>"Rent"</u>:

Lessee shall pay Lessor for the use granted herein the sum of Fourteen Thousand, Five Hundred, Eighty-Five Dollars and Twenty-Nine Cents (\$14,585.30) per month (\$1.51 per square foot "Base Rent") during the Initial Year, and the rent shall be subject to three percent (3%) increases commencing at the end of the first year of occupancy, and for each successive one-year period thereafter."

(i) Security Deposit: N/A

2. <u>LEASE TERM AND COMMENCEMENT DATE</u>:

A. <u>Term.</u> The "<u>Term</u>" of the Lease is the period specified in the Lease Summary. Notwithstanding that the Commencement Date may occur, and the Term may commence after the Effective Date, upon delivery and acceptance of this Lease in accordance with the terms of this Lease, as of the Effective Date, this Lease shall be in full force and effect and valid and binding against the parties in accordance with, but on and subject to, the terms and conditions of this Lease. Provided Lessee is not then in default under this Lease beyond any applicable cure period, Lessee shall have the right to extend the term of the lease for an additional option for five-year periods, under the same terms and conditions as contained herein, by giving written notice to Lessor of its desire to extend the Term not less than one hundred eighty (180) days prior to the

expiration of the Term of this Lease. If Lessee fails timely to exercise its option as provided for herein, this Lease shall expire upon the original Term expiration date. Upon exercise of the Lessee's option, the Term expiration date shall be extended for the period of the additional term upon the same terms and conditions of this Lease, unless the parties mutually agree otherwise.

- B. Automatic Lease Termination. In the event that Contract Number: MH122295 between County of Los Angeles and Star Behavioral Health, Inc. is terminated for any allowable reason whatsoever, County shall deliver notice to Tenant ("Termination Notice"), to terminate this Lease with respect to all or part of the Premises. The Premises or the portion of the Premises subject to the termination notice shall be referred to as the Canceled Premises ("Canceled Premises"). The termination shall be effective upon delivery of termination notice.
- Lessor Improvements. Lessor shall have no construction or improvement obligations with respect to the Premises, restrooms, picnic areas, shade structures, outdoor classroom/performance space, ecological/sustainability educational features, children's play area, exercise stations, water feature, security and field lighting, and other accessory or support uses. Lessee acknowledges that Lessee is accepting the Premises "as is", solely in reliance on Lessee's own investigation, and that no representation or warranty of any kind whatsoever, express or implied, has been made by Lessor or Lessor's agents. Any information given or disclosure made to Lessee by Lessor or Lessor's agents concerning the Premises shall not constitute a representation or warranty made by Lessor. Lessee has been given the full opportunity to inspect the Premises prior to the execution of this Lease. At the final expiration or termination of the Lease, including any extensions thereof, all improvements, including any completed by the Lessee, shall become property of Lessor or Improvements shall be removed by Lessee upon Lessor's request. Lessor may require Lessee to demolish certain specified and identifiable Improvements at the end of the term. If, no later than one hundred eighty (180) days prior to the expiration of the term or earlier termination of this Lease Agreement, Lessor delivers to Lessee a written request that certain specified and identifiable Improvements be demolished, then Lessee will, at its sole cost, within a reasonable time after such delivery and pursuant to lawful government permits, demolish such Improvements (including in such demolition removal of debris and rough grading of the portion(s) of the Property affected by such demolition).
- 3. <u>LEASE CONSIDERATIONS</u>: As consideration for Lessor leasing the Premises to Lessee hereunder:
- A. Lessee, throughout the duration of this Lease and any extensions thereto, shall, at all times, provide the Lessee Services (as defined in the Lease Summary) to residents of incorporated and unincorporated territory, and there shall be no discrimination against or preference, gratuity, bonus of other benefits given to residents of city incorporated areas not equally accorded to residents of unincorporated territory. The Lessee Services are not intended to limit beneficial services that the Lessee

provides, and additional services may be added or substituted, upon the County's prior written approval, which approval may be granted or withheld in County's sole discretion. On or before January 31 of each calendar year following the Commencement Date, Lessee shall deliver to Lessor a written report detailing the Lessee Services provided at the Premises during the prior calendar year and the Lessee Services to be provided during the current calendar year (the "Lessee Services Report").

- B. Each year, commencing prior to the Effective Date and continuing on an annual basis for the length of the Term, with the audit documents submittal date to be determined by the County, County will have the right to audit any and all of Lessee's financial statements, revenue and expense reports, Lessee's Services Report, records, certifications, licenses, and permits related to their use of the Premises ("Audit"). In addition to County auditing Lessee's existing financial documents and business model related to their use of the Premises during the previous period, on an annual basis, Lessee shall prepare and deliver to County, for its review and approval, a forecast describing in reasonable detail Lessee's projected revenue, expenses, Lessee's Services Report, and other relevant financial documents, records, licenses, a permits for the upcoming year ("Forecast"). Upon completion of County's Audit and review of the Forecast, County will determine if Lessee is in default of the terms of the Lease.
 - C. Lessee shall perform all obligations required by this Lease.

4. <u>USES; APPLICABLE LAWS</u>:

- A. <u>Uses</u>: Lessee shall use and occupy the Premises solely for the Permitted Use as set forth in the Lease Summary and for such other lawful purposes as may be incidental thereto. Lessee shall comply with its obligations and be subject to all applicable governmental regulatory agencies, all applicable laws, and the rules and regulations of County in connection with the operation of the Premises as promulgated from time to time by the County.
- Compliance with Applicable Laws: The Premises, or any part thereof, shall not be used or permitted to be used for any activity that constitutes a nuisance. Lessee shall, at its sole cost and expense, conform to, and cause all persons using or occupying any part of the Premises that is under Lessee's control to comply with all applicable laws and rules and regulations governing the Premises that may be in effect from time to time applicable to the use of the Premises. Lessee hereby warrants and covenants that the operation of the Premises shall not interfere with any functions of Lessor outside of the Premises. Lessee acknowledges the following: Commencement Date: (i) that it has reviewed all zoning ordinances, land use restrictions, and similar limitations affecting the Premises, as well as all agreements entered into under the same; (ii) that Lessee shall comply with all such ordinances, restrictions, limitations and agreements according to the terms of this Lease; and (iii) that Lessee's failure or inability at any time to comply with such ordinances, restrictions, limitations and agreements shall not give rise to any right in Lessee to terminate this Lease. Furthermore, if any governmental license, certificate, approval, or permit, shall be required for the proper and lawful conduct of the Permitted Use in the Premises or any part thereof

pursuant to any applicable law, Lessee, at its sole cost and expense, shall diligently and duly procure and thereafter maintain such licenses, certificates, approvals, and permits during the Term hereof, and Lessee shall submit such licenses, certificates, approvals, and permits (and all applications therefor) to Lessor for inspection promptly upon request. Lessor agrees to reasonably cooperate with Lessee, at no cost, expense, or liability to Lessor, in connection with Lessee procuring all such licenses certificates, approvals, and permits. Lessee shall at all times during the Term hereof materially comply with the terms and conditions of each such license, certificate, approval, and permit. In the event Lessee fails, for any or no reason whatsoever, to obtain any or all licenses, certificates, approvals, or permits necessary for the operation of Lessee's operations at the Premises as required by this Lease, such failure shall not affect, reduce or diminish Lessee's obligations under this Lease. Lessee covenants and agrees to indemnify and hold Lessor and the Lessor Indemnitees (as hereinafter defined) harmless from any penalties, damages, or charges imposed for any violation of any and all applicable laws, licenses, certificates, approvals, or permits, whether occasioned by neglect, omission, or willful act of Lessee or any person (other than Lessor, its officers, agents, employees, guests and invitees) by license, invitation, Lease, assignment or any other arrangement with Lessee.

5. RENT.

A. <u>Base Rent.</u> "Lessee shall pay Lessor for the use granted herein the sum of Fourteen Thousand, Five Hundred, Eighty-Five Dollars and Twenty-Nine Cents (\$14,585.29) per month (\$1.50 per square foot "Base Rent") payable in advance. Payment shall be due and payable on the first day of each and every month thereafter with ten days grace period and shall be made by check or draft issued and payable to the County of Los Angeles and mailed or otherwise delivered to the County of Los Angeles, Auditor-Controller, Administrative Services, 500 West Temple Street, Room 410, Los Angeles, CA 90012, Attention: Franchise/Concessions Section. Lessee agrees to pay TEN PERCENT (10%) of the monthly rent as a late fee in the event the payment is not received by County by the tenth of each month. Base Rent for any partial calendar month during the Term shall be prorated in proportion to the number of days during the Term within such calendar month. Commencing at the end of the first year of occupancy, and for each successive one-year period thereafter, the amount set forth in this section shall be subject to a three percent (3%) increase.

B. Additional Rent. Except as expressly provided otherwise in this Lease, so that all Taxes (as hereinafter defined), impositions, insurance premiums, utility charges, maintenance, repair and replacement expenses, payments or charges under covenants, conditions and restrictions now or hereafter of record, all expenses relating to compliance with applicable law, and all other costs, fees, charges, expenses, reimbursements and obligations of every kind and nature whatsoever relating to the Premises (excepting only Lessor's obligations expressly set forth in this Lease) which may arise or become due to Lessor or third parties during the Term or by reason of events occurring during the Term shall be paid or discharged by Lessee, at Lessee's sole cost and expense (all charges payable by Lessee are hereinafter collectively referred to as "Additional Rent"). Lessor, at its election, shall have the right (but not the obligation) to pay for or perform any act, including, but not limited to, repair obligations that require the

expenditure of any sum of money by reason of the failure or neglect of Lessee to perform any of the provisions of this Lease within the applicable grace period, if any, provided herein.

- C. <u>Inspection Fee.</u> Lessee shall pay an annual inspection fee in the amount of \$1,000 due and payable on the Commencement Date and each anniversary of the Commencement Date. Said fee shall reimburse Lessor for the inspections set forth in Section 9.E. below.
- 6. <u>TAXATION OF LEASED AREA:</u> The Parties acknowledge that the Premises may be subject to Possessory Interest Taxes (as defined in California Revenue and Taxation Code Section 107) and that such taxes will be paid by Lessee. This statement is intended to comply with Section 107.6 of the Revenue and Taxation Code. Lessee shall pay before delinquency all lawful taxes, assessments, fees, or charges, which at any time may be levied, by the Federal, State, County, City, or any other tax or assessment-levying body upon the Leased Area and any improvements located thereon. If Lessee fails to pay any lawful taxes or assessments upon the Leased Area, which Lessee is, obligated to pay, Lessee will be in default of the Lease. County reserves the right to pay any such tax, assessment, fee, or charge, and all monies so paid by County shall be repaid by Lessee to County upon demand.
- 7. <u>UTILITIES</u>: Lessee shall promptly pay or cause to be paid all charges for gas, water, sewer, electricity, light, heat, power, and other utilities and services used, rendered or supplied to, upon or in connection with the Premises throughout the Term, including, without limitation any sewer rents, hookup, connection, availability, standby and any other charges in connection with the use, consumption, maintenance or supply of water, any water system, or any sewerage connection or sewerage system or treatment plant. Lessor shall not be required to furnish to Lessee any water, sewer, gas, heat, electricity, light, power or any other facilities, equipment, labor, material or any services of any kind whatsoever, whether similar or dissimilar. The Lessee shall be responsible for securing the leased area.
- A. <u>Consent From Lessor</u>: Lessee shall not enter into any contract or agreement with any governmental agency or body or public utility with reference to sewer lines, water lines, street improvements, street lighting, or utility connections, lines, or easements without the prior written consent of Lessor, which shall not be unreasonably withheld. Lessee shall install separate meters, if practicable, or Lessee's use for all utilities required for the Premises. All costs associated with bringing required utilities to the Premises, including related professional and service charges, shall be solely the Lessee's responsibility.
- B. <u>Lessor Utility Services</u>: To the extent that the Lessee uses utility services financed and/or maintained in whole or in part by Lessor, both during and after construction of the Lessor Work, the charge for such utility services shall be paid by Lessee, together with a pro rata share of the capital costs associated with any necessary

additions or improvements to the utility system at the same rate given to other users or as reasonably determined by Lessor. Lessee's payment of said utilities may be satisfied by cash, except that payment of any capital costs funded from the County's General Fund shall be made by cash or check and delivered to the CEO.

- C. Ownership: As between Lessor and Lessee, title to all utility lines, transformer vaults and all other utility facilities constructed or installed by Lessee upon the Premises shall vest in Lessor upon construction or installation to the extent that they are not owned by a utility company or other third-party provider. Notwithstanding that title shall vest in Lessor, all utility lines, transformer vaults and all other utility facilities (other than any sewer, storm drain or other utility systems which have been dedicated to and accepted by Lessor pursuant to a dedication separate from this Lease), shall be maintained, repaired, and replaced, if and as needed, by Lessee during the Term.
- 8. <u>DATA LINES</u>: Lessee shall be responsible for paying for ("Data Lines"). The lines necessary for the operation of the Leased Area, including for telephone, communication, audio, video, data and internet lines, equipment, or access. Subject to Section 6, County shall provide access to the building in which the Leased Area is located for installation of Data Lines upon receipt and approval of plans.

9. OPERATING EXPENSES AND MAINTENANCE AND REPAIR:

- A. <u>Lessor Responsibilities</u>: Lessor shall have no maintenance, repair or replacement obligations with respect to the Premises. In the event Lessor incurs any costs or expenses relating to maintenance, repairs or replacements to the Premises as a result of the failure of Lessee to comply with Section 9.B, Lessee shall pay or reimburse Lessor, for any such costs or expenses within thirty (30) days of receiving documented invoice therefor, plus ten percent (10%) interest on the amount due.
- B. Lessee's Responsibility: Throughout the term of this Lease and for any extended term, Lessee shall, at Lessee's sole cost and expense, maintain the Premises in good condition and repair and in accordance with the requirements of: (i) all applicable laws; (ii) the insurance underwriting board or insurance inspection bureau having or claiming jurisdiction; (iii) any insurance companies insuring all or any part of the Premises, if applicable; and (v) the rules and regulations of Lessor regarding the operation of the Premises as may be promulgated from time to time. Upon the Commencement Date, all maintenance, repairs and replacements are to be performed by or on behalf of Lessee and shall be done promptly, in a good and workmanlike fashion and without diminishing the original quality of the Premises. Lessee shall deliver to Lessor copies of Lessee's maintenance contracts and service records within ten (10) days after receipt of Lessor's written request therefor.
- C. <u>Waste</u>: Lessee shall not commit or permit the commission of any waste upon the Premises, nor permit anything to be done upon the Premises that would invalidate or prevent the procurement of any Required Insurance or governmental

permits, licenses or approvals that may at any time be required pursuant to the provisions hereof. Lessee shall not store or dispose of any waste or byproducts of Lessee's operation on the Premises in violation of Section 19 of this Lease.

- D. <u>Graffiti</u>: As of the Commencement Date, any and all graffiti that occurs on the Premises during the Term shall be removed by Lessee within forty-eight (48) hours, at Lessee's sole cost and expense.
- E. <u>Inspections</u>: Lessor may conduct two inspections of the property during each lease year in order to verify that Lessee is maintaining the property in good condition and repair.

10. LIENS:

- A. <u>General</u>: Subject to the provisions of Section 8 and Section 9, Lessee hereby covenants to keep the Premises and every part thereof free and clear of any and all liens or encumbrances of any kind whatsoever created by Lessee's acts or omissions and/or created by the performance of any labor or furnishing of any material, supplies, or equipment contemplated hereunder. Lessee further agrees to hold Lessor and the Premises and all parts thereof free and harmless from any such Lessee-created liens, claims, or demands, and any and all costs, damages or liability in connection therewith, together with reasonable attorney's fees and all Actual Cost and expenses incurred by Lessor in negotiating, settling, defending, and otherwise protecting the Premises or any part thereof against such liens, claims or demands.
- Mechanics' and other Liens: Upon the Commencement Date and continuing throughout the Term, Lessee shall not permit any mechanic's, materialmen's, contractor's, sub-contractor or other lien, arising out of the performance of the Lease, to stand against the Premises, or any part thereof. If any such lien shall be filed against the Premises, Lessee shall cause the same to be discharged within ten (10) days after actual notice of such filing, by payment, deposit, or bond. If Lessee fails to discharge any such lien, Lessor may, but shall not be obligated to, discharge the same, and any amount so paid or deposited by Lessor and all costs and expenses incurred by Lessor, including reasonable attorney's fees, shall become immediately due and payable by Lessee to Lessor, together with interest thereon computed at the rate of seven percent (7%) per annum. If Lessee desires to contest any such lien, Lessee shall notify Lessor in writing of Lessee's intention to do so within ten (10) days after the filing of and service upon Lessee of such lien or lose the right to contest. In such case, provided that Lessee shall furnish the bond required by California Civil Code Section 3143 (or any comparable statute hereafter enacted for providing a bond freeing the Premises from the effect of such lien), Lessee shall not be in default until five days after the final determination of the validity thereof, within which time Lessee shall satisfy and discharge any such lien to the extent held valid, but the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had upon any judgment rendered thereto, and such delay shall be a material default of Lessee hereunder. In the event of any such contest, Lessee shall defend, protect, hold harmless, and indemnify Lessor against all loss, costs, expense and damage, including reasonable attorney's fees and costs, resulting therefrom.

11. INDEMNIFICATION AND INSURANCE:

Indemnification: The Lessee shall indemnify, defend and hold harmless the Lessor, from and against any and all liability, loss, injury or damage including (but not limited to)demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with the Lessee's repair, maintenance and other acts and omissions arising from and/or relating to the Lessee's use of the Premises.

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

(1) Evidence of Coverage and Notice to Lessor:

- Certificate(s) of insurance coverage (Certificate) satisfactory to Lessor, and a copy of an Additional Insured endorsement confirming Lessor and its Agents (defined below) has been given Insured status under the Lessee's General Liability policy, shall be delivered to Lessor at the address shown below and provided prior to the start day of this Lease.
- Renewal Certificates shall be provided to Lessor not less than 10 days prior to Lessee's policy expiration dates. The Lessor reserves the right to obtain complete, certified copies of any required Lessee insurance policies at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Lessee identified in this Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-

insured retentions exceeding twenty-five thousand (\$25,000.00) dollars, and list any Lessor required endorsement forms.

- Neither the Lessor's failure to obtain, nor the Lessor's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Lessee, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
- Certificates and copies of any required endorsements, notices of cancellation shall be delivered to:

County of Los Angeles Chief Executive Office Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Joyce Chang, Senior Manger

Lessee also shall promptly notify Lessor of any thirdparty claim or suit filed against Lessee which arises from or relates to this Lease and could result in the filing of a claim or lawsuit against Lessee and/or Lessor.

- (2) Additional Insured Status and Scope of Coverage: The Lessor, which is the County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively Lessor and its Agents), shall be provided additional insured status under Lessee's General Liability policy with respect to liability arising from or connected with the Lessee's acts, errors, and omissions arising from and/or relating to the Lessee's operations on and/or its use of the premises. Lessor's additional insured status shall apply with respect to liability and defense of suits arising out of the Lessee's acts or omissions, whether such liability is attributable to the Lessee or to the Lessor. The full policy limits and scope of protection also shall apply to the Lessor as an additional insured, even if they exceed the Lessor's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.
- (3) <u>Cancellation of or Changes in Insurance</u>: Lessee shall provide Lessor with, or Lessee's insurance policies shall contain a provision that Lessor shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to Lessor at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change.

Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Lease, in the sole discretion of the Lessor, upon which the Lessor may suspend or terminate this Lease.

- (4) <u>Failure to Maintain Insurance</u>: Lessee's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Lease, upon which County immediately may suspend or terminate this Lease. County, at its sole discretion, may obtain damages from Lessee resulting from said breach. Alternatively, the County may purchase the Required Insurance and without further notice to Lessee, pursue Lessee reimbursement.
- (5) <u>Insurer Financial Ratings</u>: Insurance is to be provided by an insurance company authorized to do business in California and acceptable to the Lessor, with an A.M. Best rating of not less than A:VII, unless otherwise approved by the Lessor.
- (6) <u>Lessee's Insurance Shall be Primary</u>: Lessee's insurance policies, with respect to any claims related to this Lease, shall be primary with respect to all other sources of coverage available to Lessor. Any Lessor maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Lessee coverage.
- (7) <u>Waiver of Subrogation</u>: To the fullest extent permitted by law, the Lessee hereby waives its and its insurer(s) rights of recovery against Lessor under all required insurance policies for any loss arising from or related to this Lease. The Lessee shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.
- (8) <u>Deductibles and Self-Insured Retentions (SIRs)</u>: Lessee's policies shall not obligate the Lessor to pay any portion of any Lessee deductible or SIR. The Lessor retains the right to require Lessee to reduce or eliminate policy deductibles and SIRs as respects the Lessor, or to provide a bond guaranteeing Lessee's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.
- (9) <u>Claims Made Coverage</u>: If any part of the Required Insurance is written on claims made basis, any policy retroactive date shall precede the start date of this Lease. Lessee understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Lease expiration, termination or cancellation.
- (10) <u>Application of Excess Liability Coverage</u>: Lessee may use a combination of primary and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.
- (11) <u>Separation of Insureds</u>: All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations

- (12) <u>Lessor Review and Approval of Insurance Requirements</u>: The Lessor reserves the right to review and adjust the Required Insurance provisions, conditioned upon Lessor's determination of changes in risk exposures.
- B. <u>Insurance Coverage Requirements</u>. Lessee shall maintain the following:
- (a) Commercial General Liability insurance (written by ISO policy form CG 00 01 or its equivalent) and endorsed to name County as an additional insured, with limits of not less than the following:

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

- (b) Automobile Liability insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Lessee's use of autos pursuant to this Lease, including owned, leased, hired, and/or non-owned autos, as each may be applicable.
- (c) Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California and for which Lessee is responsible, and including Employers' Liability coverage with limits of not less than the following:

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

- (d) Commercial Property Insurance: Such insurance shall:
- Provide coverage for Lessor's property and any improvements and betterments; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), excluding earthquake and including flood and ordinance or law coverage.
- Be written for the full replacement cost of the property, with a deductible no greater than \$250,000 or 5% of the property value, whichever is less. Insurance proceeds shall be payable to the Lessee and Lessor as their interests may appear.
- (e) Sexual Misconduct Liability Insurance covering actual or alleged claims for sexual misconduct and/or molestation with limits of not less than \$2 million per claim and \$2 million aggregate, and claims for negligent employment,

investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

(f) Professional Liability/Errors and Omissions Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than \$1 million per claim and \$3 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

12. REPAIR AND RESTORATION:

- A. <u>Notice of Damage to Premises</u>: If any portion of the Premises shall be damaged or destroyed by fire or other casualty, Lessee shall give prompt written notice thereof to Lessor ("Lessee's Notice of Damage"). Lessee's Notice of Damage shall include a statement as to whether the damage to the Premises is covered by Lessee's Required Insurance.
- B. <u>Damage by Covered Risk</u>: During the term of this Lease, if the Premises and/or improvements are damaged due to a risk covered by Required Insurance, Lessee shall cause the damage to be repaired and the improvements restored to substantially the same condition as they were in immediately before such damage. Notwithstanding the foregoing, should Lessee fail to obtain certain Required Insurance that would have covered such damage, Lessee shall be obligated to repair the damage and restore the building and the improvements at its sole cost and expense.
- C. <u>Damage Not Covered</u>: If, during the term of this Lease, the Premises and/or improvements are damaged due to a risk not covered by Required Insurance and whether or not such damage is substantial, Lessee may elect either to cause the damage to be repaired and the Building, Premises and/or improvements restored to substantially the same condition as they were immediately before the damage or to terminate this Lease. Said election shall be made by written notice to County within sixty (60) days of the occurrence of the damage. If no written notice is given by Lessee within said sixty (60) days, then both parties agree this shall constitute Lessee's election not to repair the damage and to terminate the Lease and vacate the Premises.
- D. Repairs to Premises, or Improvements: If Lessee is required or elects to repair any damage to the Premises and/or improvements, such damage shall be repaired and the Premises, and/or improvements restored to substantially the same condition as they were in immediately before the damage as promptly as is commercially reasonable. To the extent the damage is due to a risk covered by Required Insurance, such repairs shall be made from the proceeds of such insurance and the proceeds of such insurance shall be made available to Lessee for such purpose. Lessee shall be responsible for covering any costs of such

repairs in excess of the proceeds from the Required Insurance. All work shall be performed in a good and workmanlike manner and shall be completed as promptly as is reasonably possible and in accordance with all applicable laws. Commencement of the repair and restoration shall require (i) securing the area to prevent injury to persons and/or vandalism to the Building, Premises and improvements and (ii) the placement of a work order or contract for obtaining the labor and materials to accomplish the repair and restoration.

E. <u>Termination of Lease if Unable to Repair or Restore:</u> Notwithstanding any provision contained in this Lease to the contrary, if the applicable laws existing at the time of the damage do not permit the repair or restoration required or allowed under the Lease, either party may terminate this Lease immediately by giving sixty (60) days' written notice to the other party. If this Lease is terminated pursuant to any of the provisions in this <u>Section 12.E</u> and no Event of Default has occurred and is continuing, the proceeds of any and all Required Insurance shall be the sole property of Lessee. Lessee shall be required to use such proceeds to clear the site or abate potential nuisances due to damage. If the proceeds of any Required Insurance are received by County, such proceeds shall be promptly paid to Lessee, less any expenses incurred by the County in clearing the site or abating potential nuisances due to the damage. Lessee waives the provisions of California Civil Code Sections 1932(2) and 1933(4) which relate to termination of leases when the thing leased is destroyed and agrees that such event shall be governed exclusively by the terms of this Lease.

13. <u>DEFAULT</u>:

A. Default by Lessee:

- (1) <u>Material Default</u>: The occurrence of any of the following shall constitute a material default and breach of this Lease (each an "Event of Default"):
- (a) A failure by Lessee to observe and perform any agreement, term, covenant or condition in this Lease applicable to Lessee ("Lessee's Obligations") when such failure continues for thirty (30) days after written notice thereof to Lessee; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such thirty (30) day period, Lessee shall not be deemed to be in default if Lessee shall within such period commence such cure and thereafter diligently prosecute the same to completion, which in no event shall be more than sixty (60) days from receipt of the written notice described above.
- (b) Discontinuing the operation of Lessee's Services at the Premises for more than ten (10) days, using the Premises for anything other than the Permitted Use, or vacating or abandoning the Premises.
- (c) Transferring Lessee's interest in this Lease in violation of Section 16. Transfer to any entity than another nonprofit shall automatically terminate this Lease.

- (2) <u>Remedies</u>: If Lessee defaults under this Lease, Lessor, without further notice to Lessee shall, in addition to any other remedies available by law or equity, have one or more of the following remedies at Lessor's sole election:
- (a) Without barring later election of any other remedy and without terminating Lessee's right to possession of the Premises, or any part thereof, Lessor may require strict performance of all covenants and obligations herein as the same shall accrue or become due, without terminating this Lease, and Lessor shall have the right of action therefor without awaiting the end of the Lease term.
- (b) If Lessor obtains possession of the Premises under a judgment pursuant to Section 1174 of the California Code of Civil Procedure (unless Lessee obtains relief under Section 1179 of that Code) or if Lessor, by written notice declares the Lease to be terminated because of breach of this Lease, then Lessor may enter upon the Premises and remove any and all persons and or property whatsoever situated thereon, and place all or any portion of said property in storage for the account of and at the expense of Lessee and dispose of such property in accordance with applicable laws. Lessor shall be entitled to recover in one or more awards or judgment from Lessee:
- (i) Any amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform Lessee's obligations under this Lease, or which in the ordinary course of things would be likely to result therefrom. Such other amount shall include, but not be limited to, such expenses (including reasonable attorney's fees and expenses) as Lessor may have paid, assumed, or incurred in recovering possession of Premises, placing the Premises in good order and condition, preparing or altering Premises for reletting, and reletting the Premises during any part of time for which a rental concession, if any, had been given by Lessor.
- (ii) Lessor may, at Lessor's election, terminate this Lease by giving Lessee notice of termination. On the giving of the notice to Lessee, all Lessees' rights in the Premises and in the building shall terminate, and any outstanding balance due pursuant to the Note shall be immediately due and payable by Lessee. Lessor shall not be deemed to have terminated this Lease unless Lessor shall have so declared in writing to Lessee, nor shall Lessor be deemed to have accepted or consented to an abandonment by Lessee by performing acts intended to maintain or preserve the Premises, making efforts to relet the Premises or appointing a receiver to protect Lessor's interest under this Lease. Promptly after notice of termination, Lessee shall surrender and vacate the Premises in a broom-clean condition, and Lessor may re-enter and take possession of the Premises and/or eject all parties in possession, some and not others, or eject none. Termination under this Section shall not relieve Lessee from any obligations under this Lease or from any claim for damages incurred or accruing against Lessee up to the date of termination. Lessee shall remain liable to Lessor for damages in an amount equal to the Rent that would have been owing by Lessee hereunder for the balance of the Term, had this Lease not been terminated, less the rental value of reletting of the Premises by Lessor subsequent to such termination, after deducting all of Lessor's expenses, if any, in connection with such recovery of possession or reletting.

- (c) Lessor may at Lessor's election enter the Premises and, without terminating this Lease, at any time and from time to time may use or let the Premises or the Improvements or any part or parts of them for the account and in the name of Lessor or otherwise. Any reletting may be for the remainder of the Term or for a longer or shorter period. Lessor may execute any lease made under this provision either in Lessor's name or in Lessee's name and shall be entitled to all rents from the use, operation, or occupancy of the Premises or any part thereof. Lessee shall, upon such election by Lessor, have the right to immediately remove its personal property and trade fixtures and be liable for any damage caused by such removal.
- (d) Subject to Lessee's and Lessor's rights to contest as provided elsewhere in this Lease, if, at any time during the Term of this Lease, Lessee fails, refuses, or neglects to do any of the things herein required to be done by the Lessee, Lessor shall have the right, but not the obligation, to do the same, but at the cost of and for the account of the Lessee; provided, however, that the Lessor shall in no case take such action until first giving the Lessee written notice of such failure, refusal, or neglect and allowing time periods, if any, as specified in this Lease, within which Lessee may commence a bona fide effort to cure the same.
- (3) <u>Equitable Relief</u>: Nothing contained herein shall affect, change, or waive any rights of Lessor or Lessee to obtain equitable relief when such relief is otherwise appropriate, or to obtain the relief provided by Chapter 4 (commencing with Section 1159) of Title 3 of Part 3 of the Code of Civil Procedure, relating to actions for unlawful detainer, forcible entry, and forcible detainer.
- (4) <u>Cumulative Remedies</u>: The remedies of Lessor as provided above are cumulative and in addition to, rather than exclusive of, any other remedy of Lessor herein given or that may be permitted by Law. Any lawful re-entry as provided for herein shall not make Lessor liable in damages or guilty of trespass because of any such lawful re-entry.
- B. <u>Default by Lessor</u>: Lessor shall in no event be in default under this Lease unless Lessor shall neglect or fail to perform any of its obligations hereunder and shall fail to remedy the same within twenty (20) Business Days after notice from Lessee to Lessor specifying such neglect or failure, or if such failure is of such a nature that Lessor cannot reasonably remedy the same within such twenty (20) Business Day period, Lessor shall fail to commence promptly (and in any event within such twenty (20) Business Day period) to remedy the same and to prosecute such remedy to completion with diligence and continuity. In no event shall Lessor be liable for any damages based on a default, including without limitation, any special, consequential, or punitive damages. Lessee's sole and exclusive remedy in the event of a default by Lessor shall be to terminate this Lease upon written notice to Lessor. If such written notice is so given, this Lease shall terminate and the parties shall have no further liabilities or obligations hereunder, except as to (i) indemnification obligations for actions or events occurring prior to the date of such termination, to the extent specifically provided for in this Lease.

- WAIVER OF CONDITIONS OR COVENANTS: Any waiver by Lessor of any breach or any one or more of the covenants, conditions, terms and agreements of this Lease shall not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition, term, or agreement of this Lease, nor shall failure on the part of Lessor to require exact, full and complete compliance with any of the covenants, conditions, terms, and agreements of this Lease be construed as in any manner changing the terms hereof, nor shall the terms of this Lease be changed or altered in any manner whatsoever other than by written agreement between Lessor and Lessee. No delay, failure, or omission of Lessor to re-enter the Premises or to exercise any right, power, privilege, or option, arising from any default shall impair any such right, power, privilege, or option or be construed as a waiver of or acquiescence in such default or as a relinquishment of any right. No notice to Lessee shall be required to restore or revise "time is of the essence" after the waiver by Lessor of any default. No option, right, power, remedy, or privilege of Lessor shall be construed as being exhausted by the exercise thereof in one or more instance. The rights, powers, options, and remedies given Lessor by this Lease shall be cumulative. Any waiver by Lessor must be in writing to be effective.
- 15. <u>EMINENT DOMAIN</u>: If the whole or any part of the Premises shall be taken by any paramount public authority under the power of eminent domain, then the Term of this Lease shall cease as to the part so taken from the day the possession of that part shall be taken for any public purpose, and from that day Lessee shall have the right to either cancel this Lease or to continue in the possession of the remainder of these Premises under the terms herein provided. All damages awarded for such taking shall belong to and be the property of Lessor provided, however, that Lessor shall not be entitled to any portion of the award made for loss of structures, buildings, or other improvements or personal property, equipment, and trade fixtures belonging to Lessee immediately prior to the taking of possession by the condemning authority.

16. ASSIGNMENT/SUBLETTING:

A. <u>No Assignment</u>: Lessee shall not, without the prior written consent of Lessor, either directly or indirectly give, assign, hypothecate, encumber, transfer, or grant control of this Lease or any interest, right, or privilege therein (each a "Transfer"). Moreover, any Transfer of the Lease, or any interest, right, or privilege therein shall only be made to another non-profit entity that will provide services comparable to the Permitted Use set forth in Section 1(f). Transfer to a for-profit will be considered a material default as defined in Section 13.A. In addition, for purposes of this Section 16, said consent shall not be unreasonably withheld. If Lessor consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Lessee shall pay to Lessor fifty (50%) of any "Transfer Premium," as that term is defined in this Section 16.A, received by Lessee from such transferee. "Transfer Premium" shall mean all rent, additional rent or other consideration payable by such transferee in connection with the Transfer in excess of the Rent payable by Lessee under this Lease during the term of the Transfer.

For purposes of this provision, the following acts of Lessee shall be considered an assignment requiring the prior written consent of Lessor to be effective:

- (1) Any disposition(s) that effectuates a change in the majority control of Lessee to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of this Lease; and
- (2) Any assumption, assignment, delegation, or takeover of any of the Lessee's duties, responsibilities, obligations, or performance of same hereunder by any non-profit entity other than the Lessee (whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism), with or without consideration, for any reason whatsoever.

In the event one of the above occurs without Lessor's express prior written approval, such occurrence shall constitute an Event of Default that shall entitle Lessor, at its sole discretion, to terminate this Lease. In the event of such termination, County shall be entitled to pursue the same remedies against Lessee as it could pursue following an Event of Default by Lessee pursuant to the terms hereof, including without limitation Section 13, at law and in equity.

- B. <u>No Involuntary Assignment</u>: Neither this Lease nor any interest therein shall be assignable or transferable in proceedings in attachment, garnishment or execution against Lessee, or in voluntary or involuntary proceedings in bankruptcy or insolvency or receivership taken by or against Lessee, so that the same and the making by Lessee of any general assignment for the benefit of creditors; or the filing of a petition to have Lessee adjudicated a bankruptcy, or the filing of a petition for reorganization or arrangement under any law relating to bankruptcy unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days; or the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, when such seizure is not discharged within sixty (60) days, shall be a Material Default under this Lease.
- C. <u>Leases</u>: The term "Lease" shall mean any lease, license, permit, concession, or other interest in the Premises, or a right to use the Premises or a portion thereof, which is conveyed or granted by Lessee to a third party, and which constitutes less than the unrestricted conveyance of the entire Lessee's interest under this Lease. At least thirty (30) days prior to the proposed effective date of any Lease, Lessee shall submit a copy of such Lease (or assignment or amendment thereof), to the CEO or her authorized designee for approval, which approval shall not be unreasonably withheld. To the extent practical, Lessor shall approve or disapprove said proposed Lease (or assignment or amendment thereof) within thirty (30) days after receipt thereof. In no event, however, shall such Lease (or amendment or assignment thereof) be made or become effective without the prior approval of the CEO. Each such Lease shall specifically provide that the Lessee shall comply with all the terms, covenants, and conditions of this Lease applicable to the portion of the Premises subject to the Lease.

17. ENCUMBRANCES

Lessee agrees that it shall not encumber, hypothecate, or otherwise grant any security interest or lien upon its interest in the Premises. Encumbrance shall mean any

direct or indirect grant pledge, assignment, transfer, mortgage, hypothecation, grant of control, grant of security interest, or other encumbrance of or in all or any portion of Lessee's interest under this Lease and estate so created.

18. LESSEE'S FIXTURES AND PERSONAL PROPERTY.

- A. Lessee may remove, at its own expense, during or at the expiration of the term or other termination of this Lease, all fixtures, equipment, furniture, and all other personal property (collectively "Lessee Equipment") placed or installed in or upon the Premises by Lessee, provided no Event of Default has occurred and is continuing. Lessee agrees that if so instructed by County, Lessee shall remove, at its own expense, at the expiration or early termination of the term of this Lease, or any holdover period thereof, all Lessee Equipment placed or installed in or upon the Premises by Lessee. In the event Lessee removes any or all fixtures pursuant to this Section, Lessee shall restore the Premises to the original condition which existed upon the Commencement Date of this Lease, ordinary wear and tear excepted.
- B. All Lessee Equipment that was not placed or installed in or upon the Premises by Lessee or replacements of Lessee Equipment placed or installed by Lessor prior to the commencement date of this Lease, shall remain the property of Lessor. Lessee may remove said Lessee Equipment, at its own expense, only upon the prior written consent of Lessor.
- C. Any Lessor equipment, furniture, and personal property existing on the Premises as of the commencement date of this Lease shall remain the property of Lessor during and after the expiration of the Lease term. Lessor will be responsible for maintaining its own personal property.

19. HAZARDOUS SUBSTANCES:

- A. <u>Definition</u>: For purpose of this Lease, the term Hazardous Substances shall be deemed to include "hazardous substances" as defined in California Health and Safety Code Section 25316, and those chemicals and substances identified pursuant to Health and Safety Code Section 25249.8.
- B. Warranties, Representations, and Covenants: Lessee hereby warrants, covenants, and represents that it shall not cause the presence, use, storage, or disposal of any Hazardous Substances on or about the Premises without the prior written consent of Lessor, in its sole discretion. Lessee further warrants, covenants, and represents that it shall comply with all applicable laws and regulations concerning the use, release, storage, and disposal by Lessee, its agents, and contractors of Hazardous Substances on the Premises. Lessee waives any and all claims, caused by any soil contaminants both known and unknown by Lessee to exist at, in, or on the Premises as of the Effective Date of this Lease, and agrees to indemnify, defend, save and hold harmless Lessor and its Special Districts, elected and appointed officers, employees, and agents, from and against any and all liability, expense (including defense costs and legal fees), and claims for damages caused by any soil contaminants known by Lessee to exist

at, in or on the Premises as of the Effective date of this Lease but only for those liabilities, expenses or claims arising after the Commencement Date. This indemnification obligation shall survive the expiration of this Lease.

- C. <u>Notice</u>: Lessee agrees to immediately notify Lessor when Hazardous Substances have been released on the Premises, upon becoming aware of the same.
- D. <u>Indemnity</u>: Lessee agrees to indemnify, defend, and hold harmless Lessor and the Lessor Indemnitees from and against all liability, expense (including defense costs, legal fees, and response costs imposed by law) and claims for damages of any nature whatsoever which arise out of the presence or release of Hazardous Substances on the Premises which is caused by Lessee. The indemnity provided by this Section 19 shall survive the termination of this Lease.
- E. <u>Default</u>: Lessee's failure to comply with the provisions of this Section 19 may, in Lessor's sole discretion, be deemed an Event of Default and entitle Lessor to all rights and remedies as set forth in <u>Section 13</u>.
- 20. PARKING: The following rules and regulations govern the use of the Parking. Lessee will be bound by such rules and regulations and agrees to cause its employees, contractors, clients, suppliers, and invitees to observe the same:
- A. Lessee will not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, contractors, clients, suppliers or invitees to be loaded, unloaded or parked in areas other than those designated by Lessor for such activities. No vehicles are to be left in the parking areas overnight and no vehicles are to be parked in the parking areas other than normally sized passenger automobiles, motorcycles, and pick-up trucks. No storage of vehicles or maintenance or repair work on vehicles is permitted.
 - B. Vehicles must be parked entirely within painted stall lines of a single parking stall.
 - C. All directional signs and arrows must be observed.
 - D. The speed limit within all parking areas will be five (5) miles per hour.
 - E. Parking is prohibited: (i) in areas not striped for parking; (ii) in aisles

or on ramps; (iii) where "no parking" signs are posted; (iv) in cross-hatched areas; and (v) in such other areas as may be designated from time to time by Lessor.

F. Lessee may be required to permit other persons, entities, and groups to use the Parking, as designated in writing by Lessor.

- G. Lessee shall be permitted to use the Parking Monday through Sunday since it provides crisis stabilization service 24 hours per day, seven days per week.
- H. Lessee shall maintain the Parking, including the entry gate, in good condition and repair throughout the Term, and shall perform all necessary repaving, restriping, and resurfacing of the lot, at its sole cost and expense.
- I. Lessor reserves the right from time to time to modify and/or adopt such other reasonable rules and regulations for the Parking as it deems reasonably necessary or advantageous.
- 21. SURRENDER OF THE PREMISES; HOLDING OVER: At the end of the Term, Lessee shall guit and surrender to Lessor the Premises vacant, broom-clean, and in good order and condition, ordinary wear and tear excepted If Lessee fails to vacate the Premises on the last day of the Term in the condition required hereunder, Lessor shall be entitled to re-enter without process and without notice (any notice to guit or of re-entry being expressly waived) using such force as may be reasonably necessary, and alternatively, shall have the benefit of all provisions of applicable law respecting the speedy recovery of possession of the Premises (whether by summary proceedings or otherwise) to the same extent as if statutory notice had been given. In addition to and not in limitation of the foregoing, occupancy subsequent to the last day of the Term ("Holdover Occupancy") shall be a tenancy at will. Holdover Occupancy shall be subject to all terms, covenants, and conditions of the Lease during such Holdover Occupancy. Lessor shall also be entitled to recover all damages, including lost business opportunity regarding any prospective tenant(s) for the Premises, suffered by Lessor as a result of Lessee's Holdover Occupancy.
- 22. <u>ADMINISTRATION</u>: The CEO or his/her authorized designee shall have the authority to administer this Lease on behalf of County.
- 23. <u>ALTERATIONS</u>: Except as hereinafter provided, Lessee shall make no additions, installations, improvements, replacements and/or alterations in or to the Premises (hereinafter "Alterations") without the prior written consent of Lessor, which shall not be unreasonably withheld. Consent shall be given or denied within thirty (30) days of receipt of written request, which request shall include a complete set of plans, where applicable, and the estimated cost of such Alterations. Failure to provide written approval or disapproval from the Lessor within thirty (30) days shall be deemed disapproval. Without limiting the scope of Lessor's discretion as to withholding consent to requested Alterations, Lessor may condition its approval thereof upon the delivery by Lessee of payment in full for such Alterations into an escrow account held by Lessor. All Alterations made by or for Lessee shall be done in a good and workmanlike manner and diligently prosecuted to completion, in compliance with applicable law.
- 24. <u>SECURITY</u>: Lessee shall be solely responsible for security measures at the Premises. Lessee acknowledges that as of the Commencement Date, Lessor has not and will not undertake any duty whatsoever to provide security for the Premises and,

accordingly, Lessor is not responsible for the security of same or the protection of Lessee's property or Lessee's employees, invitees, clients, or contractors from any cause whatsoever, including but not limited to criminal and/or terrorist acts. To the extent Lessee determines that such security or protection services are advisable or necessary, Lessee shall arrange for and pay the costs of providing same. Lessor shall have no responsibility to prevent and shall not be liable to Lessee for losses due to theft, burglary or other criminal activity, or for damages or injuries to persons or property resulting from persons gaining access to the Premises, and Lessee hereby releases Lessor and the Lessor Indemnitees from all liabilities for such losses, damages or injury, regardless of the cause thereof.

- 25. LESSOR'S RIGHTS OF ACCESS: Lessor reserves unto itself all oil, gas, hydrocarbons, or other minerals in and under the Premises without the use of the surface or subsurface, to a depth of 500 feet, measured vertically, from the surface of the Land. Lessor and its agents shall have the right to access the Land for ingress and egress for the duration of this Lease. After reasonable notice (except in emergencies when no such notice shall be required), which may be by telephone or e-mail, Lessor, its agents and representatives, shall have the right (without any obligation so to do) to enter the Premises (i) to inspect the same including the two inspections set forth in Section 9.E. above, (ii) to exercise such rights as may be permitted hereunder, (iii) to make repairs or alterations to the Premises, (iv) to make repairs or perform other obligations if Lessee fails to do so as required hereunder (but the Lessor shall have no duty whatsoever to make any such inspections, repairs, alterations, additions or improvements except as otherwise expressly provided in this Lease), (v) to deal with emergencies, (vi) to post such notices as may be permitted or required by law to prevent the perfection of liens against Lessor's interest in the Premises, (vii) to exhibit the Premises to prospective tenants during the twenty four (24) months preceding expiration of the Term and at any reasonable time during the Term to show the Premises to prospective purchasers, lessors and mortgagees, or (viii) for any other purpose as Lessor may deem necessary or desirable; provided, however, Lessor shall use reasonable efforts not to materially interfere with Lessee's use of or access to the Premises and Lessor shall be accompanied by a designated representative of Lessee if and to the extent Lessee makes such representative available during such entry period. Lessee shall not be entitled to any abatement of rent or other charges, nor shall Lessor be deemed guilty of an eviction, actual or constructive, or any violation of Lessee's quiet enjoyment of the Premises on account of Lessor's access to the Premises pursuant to the provisions of this Section 24 or any other provision of this Lease or applicable law.
- 26. <u>COUNTY'S LOBBYISTS</u>: Lessee and each lobbyist or lobbying firm, as defined in Los Angeles County Code Section 2.160.010, retained by Lessee, shall fully comply with Lessor's Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Lessee or any Lessor's lobbyist or Lessor lobbying firm retained by Lessee to fully comply with Lessor's Lobbyist Ordinance shall constitute a material breach of this Lease upon which Lessor may immediately terminate or suspend this Lease.
- 27. <u>NOTICES</u>: Any notices under this Lease must be in writing and must be sent by (i) personal delivery, (ii) by United States registered or certified mail (postage

prepaid), or (iii) by an independent overnight courier service, addressed to the addresses specified in Section 1 (the Lease Summary) or at such other place as a Party may designate to the other Parties by written notice given in accordance with this Section. Notices given by registered or certified mail are deemed effective three (3) Business Days after the Party sending the notice deposits the notice with the United States Post Office. Notices delivered by overnight courier are deemed effective on the next Business Day after the day the Party delivering the notice timely deposits the notice with the courier for overnight (next day) delivery.

28. GENERAL PROVISIONS:

- A. <u>Waiver</u>: The waiver by Lessor or Lessee of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition on any subsequent breach of the same or any other term, covenant, or condition herein contained. All waivers must be in writing to be effective.
- B. <u>Marginal Headings</u>: The Section titles in this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.
- C. <u>Time</u>: Time is of the essence for this Lease and each and all of its provisions in which performance is a factor.
- D. <u>Recordation</u>: Lessee may not record this Lease at any time without the prior written consent of Lessor.
- E. <u>Binding on Successors</u>: Each and all of the terms and agreements herein contained shall be binding upon and shall inure to the benefit of the successors in interest of the Lessee, and whatever the context permits or requires, the successors in interest to the Lessor.
- F. <u>Prior Agreements</u>: The Lease, the Note, agreements incorporated by reference, and all attachments and exhibits hereto, contain all of the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding 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. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.
- G. <u>Unavoidable Delay</u>: Any prevention, delay, non-performance or stoppage due to any of the following causes shall excuse non-performance for a period equal to any such prevention, delay, non-performance or stoppage. The causes referred to above are strikes, lockouts, labor disputes, failure of power, irresistible superhuman cause, acts of public enemies, riots, insurrections, civil commotion, inability to obtain labor or materials or reasonable substitutes for either, Governmental restrictions or regulations or controls, casualties not contemplated by insurance provisions of this Lease, or other cause beyond the reasonable control of the party obligated to perform. This <u>Section 27.H.</u>

shall not apply to any monetary obligation set forth in the Lease, and all such monetary obligations shall not be excused in the event of an Unavoidable Delay.

- H. <u>Severability</u>: Any provision of this Lease that shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof and such other provisions shall remain in full force and effect.
- I. <u>Cumulative Remedies</u>: No remedy or election hereunder shall be deemed exclusive but shall wherever possible be cumulative with all other remedies at law or in equity.
- J. <u>Choice of Law and Forum</u>: This Lease shall be governed by the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the courts of the County of Los Angeles, California.
- K. <u>Interpretation</u>: Unless the context of this Lease clearly requires otherwise: (i) the plural and singular numbers shall be deemed to include the other; (ii) the masculine, feminine and neuter genders shall be deemed to include the others; (iii) "or" is not exclusive; and (iv) "includes" and "including" are not limiting.
- L. <u>Administration of Lessor Space</u>: Lessor does not grant or delegate to Lessee hereunder any of its governmental powers (statutory, implied, administrative, or otherwise) with respect to the Premises.
- M. <u>Conflict of Interest</u>. No Lessor employee whose position in Lessor service enables him/her to influence obtaining or awarding any lease, license or permit, and no spouse or economic dependent of such employee, shall be employed in any capacity by Lessee herein, or have any other direct or indirect financial interest resulting from this Lease.
- N. <u>Solicitation of Consideration</u>. It is improper for any Lessor Officer, employee or agent to solicit consideration, in any form, from a tenant with the implication, suggestion or statement that the tenant's provision of consideration may secure more favorable treatment for the tenant in the award of the lease or that the tenant's failure to provide such consideration may negatively affect Lessor's consideration of the tenant's submission. A tenant shall not offer to or give, either directly or through an intermediary, consideration, in any form, to a Lessor officer, employee or agent for the purpose of securing favorable treatment with respect to award of a lease. Lessee shall immediately report any attempt by a Lessor officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller Employee Fraud Hotline. Failure to report such solicitation may result in the termination of this Lease.
- O. <u>Title</u>. Lessee hereby acknowledges the title of County in and to the Premises, and covenants and agrees never to assail, contest or resist said title.

- P. <u>Acknowledgment of Ineligibility for Relocation Assistance</u>. Lessee expressly acknowledges that Lessee will be in possession of the Premises as a result of County's previously acquired property interest. In recognition of such fact, Lessee hereby disclaims any status as a "displaced person" as such is defined in Government Code Section 7260, and hereby acknowledges its ineligibility for relocation assistance as provided in Government Code Section 7260 through 7276, inclusive, as interpreted in Title 25, Chapter 6, Section 6034(b)(1) of the California Code of Regulations.
- Q. <u>No Presumption Against Drafter</u>: Lessor and Lessee agree and acknowledge that: (i) each has, of its own ability, had its own independent counsel review this Lease; (ii) this Lease has been freely negotiated by Lessor and Lessee; and (iii) in the event of any ambiguity, controversy, dispute or disagreement over the interpretation, validity or enforceability of this Lease or any of its covenants, terms or conditions, no inference, presumption or conclusion whatsoever shall be drawn against Lessor by virtue of Lessor's having drafted this Ground Lease.
- 29. COUNTERPARTS; ELECTRONIC SIGNATURES: This Lease and any other document necessary for the consummation of the transaction contemplated by this Lease may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Lease and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Lease had been delivered had been signed using a handwritten signature. Lessor and Lessee (i) agree that an electronic signature, whether digital or encrypted, of a party to this Lease is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intended to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will reply on such signatures, and (iv) hereby waive any defense to the enforcement of the terms of this Lease based on the foregoing forms of signature. If this Lease has been executed by electronic signature, all parties executing this document are expressly consenting under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act ("UETA")(Cal. Civ. Code § 1633.1, et seq.), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Lease to be subscribed by its Chief Executive Officer or her designee and Lessee has caused this Lease to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

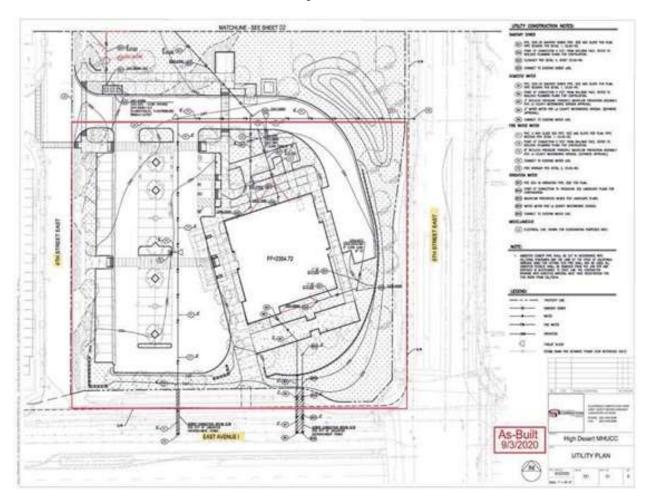
Star View Behavioral Health, Inc.
By Kent Dunlap Kent Dunlap, MPH President and Chief Executive Officer
COUNTY OF LOS ANGELES, a body corporate and politic
JOSEPH M. NICCHITTA Acting Chief Executive Officer
By:
ATTEST:
DEAN C. LOGAN Registrar-Recorder/County Clerk
By: Deputy
APPROVED AS TO FORM:
DAWYN R. HARRISON County Counsel By: Amy J. Cooper
Amy J. Cooper

HOA.105513063.1

Deputy County Counsel

Exhibit A

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APN: 3176-010-930

Legal Description (for assessment purposes only):

PARCEL 2 OF PARCEL MAP NO. 71355, IN THE CITY OF LANCASTER, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN Book 369, pages 58 through 61, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.