



Board of Supervisors

Community Services Cluster Agenda Review Meeting

DATE: June 18, 2025

TIME: 11:30 a.m. – 12:30 p.m.

MEETING CHAIR: Anders Corey / Tiffany Tran, 5th Supervisorial District

CEO MEETING FACILITATOR: David Korsak

THIS MEETING IS HELD UNDER THE GUIDELINES OF BOARD POLICY 3.055

This meeting is **HYBRID**.

To participate in the meeting in-person, the meeting location is:
Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012
Room 140

To participate in the meeting virtually, please call teleconference number
1 (323) 776-6996 and enter the following 885 291 326# or

[Click here to join the meeting](#)

For Spanish Interpretation, the Public should send emails within 48 hours in advance of the meeting to: ClusterAccommodationRequest@bos.lacounty.gov

Members of the Public may address the Community Services Cluster on any agenda item during General Public Comment.

The meeting chair will determine the amount of time allowed for each item.

THIS TELECONFERENCE WILL BE MUTED FOR ALL CALLERS. PLEASE DIAL *6 TO UNMUTE YOUR PHONE WHEN IT IS YOUR TIME TO SPEAK.

1. CALL TO ORDER

2. INFORMATIONAL ITEM(S):

Wednesday, June 18, 2025

- A. Board Letter (Animal Care and Control) for July 8, 2025 Board Agenda:
DEPARTMENT OF ANIMAL CARE AND CONTROL
DOWNEY KENNELS 1 AND 2 CAGE REFURBISHMENT PROJECT
CATEGORICAL EXEMPTION
APPROVE REVISED PROJECT SCOPE, PROJECT BUDGET,
AND APPROPRIATION ADJUSTMENT
CAPITAL PROJECT NO. 87959
(FY 2025-26)
- B. Board Letter (Beaches and Harbors) for July 8, 2025 Board Agenda:
APPROVAL OF LOS ANGELES COUNTY SAND COMPATIBILITY
AND OPPORTUNISTIC USE PROGRAM AND
ADOPTION OF MITIGATED NEGATIVE DECLARATION AND
MITIGATION MONITORING AND REPORTING PROGRAM
FISCAL YEAR 2025-2026
- C. Board Letter (Beaches and Harbors) for July 8, 2025 Board Agenda:
CONSENT TO ASSIGNMENT AND
APPROVAL OF AMENDMENT NO. 1 AMENDED AND
RESTATED LEASE NO. 78130 VILLA DEL MAR APARTMENT
HOMES AND MARINA
(PARCEL 13R) - MARINA DEL REY
- D. Board Letter (Parks and Recreation) for July 8, 2025 Board Agenda:
APPROVAL OF A LICENSE AGREEMENT FOR THE USE OF THE
BOATING INSTRUCTION AND SAFETY CENTER WITHIN THE
WARREN M. DORN COMPLEX AT THE
CASTAIC LAKE RECREATION AREA FOR
AQUATIC SAFETY PROGRAMS
- E. Board Letter (Parks and Recreation) for July 8, 2025 Board Agenda:
APPROVAL OF MEMORANDUM OF UNDERSTANDING WITH
THE MUSEUM ASSOCIATES, INC. DBA LOS ANGELES COUNTY
MUSEUM OF ART FOR USE OF
PARK FACILITIES FOR MUSEUM PROGRAMMING

3. BOARD MOTIONS ITEM(S) for July 1, 2025 Agenda:

- SD-3** • Legal Pathways to Los Angeles County Serving as a Rebuilding Authority
for Wildfire Recovery
- SD-4** • Veteran Commons Project Gap Financing and Community Workforce
Agreement

Wednesday, June 18, 2025

PRESENTATION/DISCUSSION ITEM(S):

- A. Board Briefing (Animal Care and Control)
PARTNERING WITH LOCAL COLLEGES
TO STRENGTHEN THE RVT PIPELINE
Speakers: Dr. Fumie Yamamoto
Dr. Rachelle Saelor

4. PUBLIC COMMENTS (2 minutes each speaker)

5. ADJOURNMENT

IF YOU WOULD LIKE TO EMAIL A COMMENT ON AN ITEM ON THE COMMUNITY SERVICES CLUSTER AGENDA, PLEASE USE THE FOLLOWING EMAIL AND INCLUDE THE AGENDA NUMBER YOU ARE COMMENTING ON:

COMMUNITY_SERVICES@CEO.LACOUNTY.GOV

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	6/18/2025	
BOARD MEETING DATE	7/8/2025	
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input checked="" type="checkbox"/> 4 th <input type="checkbox"/> 5 th	
DEPARTMENT(S)	Department of Animal Care and Control	
SUBJECT	Downey Kennels 1 and 2 Cage Refurbishment Project	
PROGRAM		
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable If unsure whether a matter is subject to the Levine Act, email your packet to EOLevineAct@bos.lacounty.gov to avoid delays in scheduling your Board Letter.	
DEADLINES/ TIME CONSTRAINTS		
COST & FUNDING	Total cost: \$2,378,000	Funding source: Capital Project No. 87959
	TERMS (if applicable): Explanation: Approval of the enclosed appropriation adjustment (Enclosure B) will transfer \$768,000 from the Provisional Financing Uses - Various budget to the Downey Kennels 1 and 2 Cage Refurbishment Project, Capital Project No. 87959, to fully fund the additional scope of work for the Downey Kennels 1 and 2 Cage Refurbishment Project, Capital Project No. 87959.	
PURPOSE OF REQUEST	Approval of the recommendations will find the revised scope of work for the Downey Kennels 1 and 2 Cage Refurbishment Project is exempt from the California Environmental Quality Act and approve the revised project budget and appropriation adjustment.	
BACKGROUND (include internal/external issues that may exist including any related motions)	The Project addresses required ADA path of travel upgrades and the refurbishment of Kennel #2, following initial work on Kennel #1. Due to unforeseen conditions and rising costs, the budget was revised using \$987,000 in one-time savings to complete the updated scope.	
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:	
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Paige Bruyn, P&PM Section Manager, (323) 267-3196, pbruyn@isd.lacounty.gov	



County of Los Angeles
INTERNAL SERVICES DEPARTMENT

1100 North Eastern Avenue
Los Angeles, California 90063

MICHAEL OWH
Director

Telephone: (323) 267-2101
FAX: (323) 264-7135

Speed. Reliability. Value.

July 8, 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:

**DEPARTMENT OF ANIMAL CARE AND CONTROL
DOWNEY KENNELS 1 AND 2 CAGE REFURBISHMENT PROJECT
CATEGORICAL EXEMPTION
APPROVE REVISED PROJECT SCOPE, PROJECT BUDGET,
AND APPROPRIATION ADJUSTMENT
CAPITAL PROJECT NO. 87959
(FY 2025-26)
(SUPERVISORIAL DISTRICT 4)
(3-VOTES)**

SUBJECT

Approval of the recommendations will find the revised scope of work for the Downey Kennels 1 and 2 Cage Refurbishment Project is exempt from the California Environmental Quality Act and approve the revised project budget and appropriation adjustment.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the approved project is within the scope of the previous finding of exemption for the previously approved Downey Kennels 1 and 2 Cage Refurbishment Project and that the revised scope of work is exempt from the California Environmental Quality Act for the reasons stated in this letter and in the record of the project.
2. Approve the revised total project budget of \$2,378,000, which reflects an increase of \$768,000 from the previously Board approved budget of \$1,610,000 for the Downey Kennels 1 and 2 Cage Refurbishment Project, Capital Project No. 87959, to fully fund the scope of work for the project.

3. Approve an appropriation adjustment to transfer \$768,000 from the Provisional Financing Uses - Various budget to the Downey Kennels 1 and 2 Cage Refurbishment Project, Capital Project No. 87959.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On April 18, 2023, the Board approved the Downey Kennels 1 and 2 Cage Refurbishment Project (Project) with a total project budget of \$623,000 and authorized the Internal Services Department (ISD) to deliver the Project using a Board approved Job Order Contract (JOC). During jurisdictional review of the construction plans, a correction notice was issued to update the ADA path of travel from the sidewalk to Kennels #1 and #2. Due to budget constraints, the Department of Animal Care and Control (ACC) proceeded with replacing Kennel #1 only, which is still ongoing. To mitigate the budget constraints, \$987,000 in departmental one-time savings was appropriated during the Fiscal Year 2024-25 supplemental budget to complete the Project. Since that time, additional budgetary constraints have surfaced due to unforeseen conditions and escalating construction costs. The revised Project budget reflects the updated scope, including the path of travel upgrades and the refurbishment of the cages in Kennel #2.

The revised scope of work for the path of travel remodeling includes the replacement of two existing exterior pedestrian gates, remodeling the gate opening by the parking lot, and replacing various door components at Kennels #1 and #2, including closers, thresholds, and weather strips. Additionally, existing concrete section will be remodeled into concrete ramps at both Kennels #1 and #2, along with necessary soil preparation and reinforcement. Galvanized steel pipe railings will be installed at both kennels, and the parking lot will be resurfaced, with asphalt grinding and restriping of the ADA path of travel.

The cage refurbishment and remodeling scope of work at Kennel #2 also includes the refurbishment of existing doors, panels, and ceiling components for 30 interior and 30 exterior kennels, installing stainless-steel frames, lift-up gates, and feeding bowls. The work also includes the refurbishment of existing epoxy at both kennels, painting and patching of masonry walls, protecting and reinstalling waterlines, and adding a waterproof cover to an existing junction box.

The estimated project duration is approximately eleven (11) months, which includes the completion of design and construction documents, jurisdictional approvals, construction, and project completion.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: North Star 3: Realize Tomorrow's Government Today, Focus Area Goal G: Internal Controls and Processes, Strategy ii. Manage and Maximize County Assets by investing in public infrastructure that will improve the operational effectiveness of an existing County asset.

FISCAL IMPACT/FINANCING

An initial \$623,000 was approved by the Board on April 18, 2023 and an additional \$987,000 from departmental savings was approved in the Fiscal Year 2024-25 supplemental budget for a total of \$1,610,000. Approval of the recommended actions will increase the previously Board approved project budget from \$1,610,000 to \$2,378,000, an increase of \$768,000. The revised project budget includes design, construction, change order allowance, inspection/testing, and ISD county services (Enclosure A).

Approval of the enclosed appropriation adjustment (Enclosure B) will transfer \$768,000 from the Provisional Financing Uses - Various budget to the Downey Kennels 1 and 2 Cage Refurbishment Project, Capital Project No. 87959, to fully fund the additional scope of work for the Downey Kennels 1 and 2 Cage Refurbishment Project, Capital Project No. 87959.

Operating Budget Impact

The scope of work consists of refurbishments made to an existing space and path of travel. Therefore, following the completion of the proposed Project, if approved, ISD and ACC do not anticipate any one-time start-up or additional ongoing costs as a result of the Project.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In accordance with the Board's Local and Targeted Worker Hire Policy, updated on May 17, 2023, the Project will include a best-efforts Local Worker hiring goal of at least thirty percent (30%). The "Targeted Worker" component will not be included as part of the Project.

In accordance with the Board's Civic Art Policy, adopted on December 7, 2004, and last amended on August 4, 2020, the Project is exempt from the Civic Art Allocation as it involves the repair, maintenance, or replacement of building systems of the refurbishment project.

ENVIRONMENTAL DOCUMENTATION

On April 18, 2023, the Board approved the Project and found that it was exempt from the California Environmental Quality Act (CEQA). The previously approved project is within the scope of the Board's previous finding of exemption. The revised scope of work for the proposed Project is also categorically exempt from the CEQA. The revised scope of work adds refurbishments made existing kennels and path of travel. Therefore, the work continues to be within certain classes of projects that have been determined not to have a significant effect on the environment in that it will meet the criteria set forth in Sections 15301(a), (d), (f), (l)(4), 15302(c), and 15303(e) of the State CEQA Guidelines and Classes 1(c), (d), (h)(4), (i), (m) and (x)(2), 2(e), and 3(b) of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G because it includes repairs and minor alterations to existing public facilities with negligible or no expansion of use, replacement of features with the same purpose and capacity, and the placement of small equipment and accessory structures at existing facilities.

In addition, based on the records of the proposed Project, it will comply with all applicable regulations, it is not in a sensitive environment 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 historic resource that would make the exemptions inapplicable.

Upon the Board's approval of the proposed Project, ISD will file a Notice of Exemption with the Registrar-Recorder/County Clerk and with the State Clearinghouse in the Office of Land Use and Climate Innovation in accordance with section 21152 of the California Public Resources Code and will post the Notice to its website in accordance with section 21092.2.

CONTRACTING PROCESS

The Project was previously approved and authorized to be delivered via JOC for the construction. The standard Board-directed clauses, including those that provide for contract termination and hiring qualified displaced county employees, are included in all JOCs.

The JOC contractor who will perform the work is required to fully comply with applicable legal requirements, which among other things, include Chapters 2.200 (Child Support Compliance Program) and 2.203 (Contractor Employee Jury Service Program) of the Los Angeles County Code, and Section 1774 of the California Labor Code pertaining to payment of prevailing wages.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will have minimal impact on current county services. There are multiple kennels at the site, and animals will be relocated to the other kennels during construction.

CONCLUSION

Please return one adopted copy of the board letter to the following: ISD Operations Service, the Chief Executive Office – Capital Programs Division, and ACC.

Respectfully submitted,

Michael Owh
Director

MO:QH:ME:kc

Enclosures

C: Executive Office, Board of Supervisors
Chief Executive Office
County Counsel
Department of Animal Care and Control

**PROJECT INFORMATION SHEET
SCHEDULE AND BUDGET SUMMARY**

PROJECT :	ACC Downey Kennels 1 and 2 Cage Refurbishment Project
CAPITAL PROJECT NO. :	87959

I. PROJECT SCHEDULE

Project Activity	Duration	Scheduled Completion Date
Complete Construction Documents	1 month following Board approval	July 2025
Jurisdictional Approval	4 months following Board approval	Nov 2025
Award Construction Contract	5 months following Board approval	Dec 2025
Substantial Completion	10 months following Board approval	May 2026
Project Acceptance	11 months following Board approval	June 2026

II. BUDGET SUMMARY

Budget Category	Previously Board Approved Budget	Revisions since Board Approved Budget	Revised Budget
Construction			
Construction	\$ 312,000.00	\$ 887,000.00	\$ 1,199,000.00
Change Orders (Contingency)	\$ 62,000.00	\$ 213,000.00	\$ 275,000.00
Subtotal	\$ 374,000.00	\$ 1,100,000.00	\$ 1,474,000.00
Civic Art (if not exempt)	\$ -	\$ -	\$ -
Plans and Specifications	\$ 66,000.00	\$ 61,000.00	\$ 127,000.00
Jurisdictional Review/Plan Check/Permits	\$ 32,000.00	\$ 46,000.00	\$ 78,000.00
Project Management	\$ -	\$ 263,000.00	\$ 263,000.00
Overhead	\$ 151,000.00	\$ 285,000.00	\$ 436,000.00
Total Project Budget	\$ 623,000.00	\$ 1,755,000.00	\$ 2,378,000.00

PINK

BA FORM 10142022

BOARD OF SUPERVISORS
OFFICIAL COPY

June 08, 2025

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 2024-25

3 - VOTES

SOURCES		USES	
PFU-VARIOUS		ANIMAL CARE AND CONTROL	
A01-CB-2000-13749-13760		DOWNEY KENNELS 1 AND 2 CAGE REFURBISHMENT PROJECT	
SERVICES & SUPPLIES		A01-CP-6014-65023-87959	
DECREASE APPROPRIATION		CAPITAL ASSETS - B & I	
	768,000	INCREASE APPROPRIATION	768,000
SOURCES TOTAL		USES TOTAL	
\$ 768,000		\$ 768,000	

JUSTIFICATION

Reflects an appropriation adjustment to transfer \$768,000 from the Provisional Financing Uses - Various budget to the Department of Animal Care and Control Downey Kennels 1 and 2 Cage Refurbishment Project, Capital Project Number 87959, to fully fund the proposed project.

AUTHORIZED SIGNATURE JAMES YUN, MANAGER, CEO

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

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR---	<input type="checkbox"/> ACTION	<input type="checkbox"/> APPROVED AS REQUESTED
	<input type="checkbox"/> RECOMMENDATION	<input type="checkbox"/> APPROVED AS REVISED
AUDITOR-CONTROLLER	BY	CHIEF EXECUTIVE OFFICER
B.A. NO.	DATE	BY
		DATE

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	6/18/2025							
BOARD MEETING DATE	7/8/2025							
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input type="checkbox"/> 1 st <input checked="" type="checkbox"/> 2 nd <input checked="" type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th							
DEPARTMENT(S)	Beaches and Harbors							
SUBJECT	Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the proposed Los Angeles County Sand Compatibility and Opportunistic Use Program							
PROGRAM	N/A							
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No							
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why: N/A							
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No – Not Applicable							
DEADLINES/ TIME CONSTRAINTS	N/A							
COST & FUNDING	<table border="1"> <tr> <td>Total cost: N/A</td><td>Funding source: N/A</td></tr> <tr> <td colspan="2">TERMS (if applicable): N/A</td></tr> <tr> <td colspan="2">Explanation: N/A</td></tr> </table>		Total cost: N/A	Funding source: N/A	TERMS (if applicable): N/A		Explanation: N/A	
Total cost: N/A	Funding source: N/A							
TERMS (if applicable): N/A								
Explanation: N/A								
PURPOSE OF REQUEST	Approval for adoption of the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the proposed Los Angeles County Sand Compatibility and Opportunistic Use Program, which will authorize small-scale sand replenishment activities at five beach locations in the County.							
BACKGROUND (include internal/external issues that may exist including any related motions)	<p>The goal of the SCOUP is to increase the resilience of vulnerable coastal areas by streamlining environmental review and regulatory approval for relatively small beach nourishment projects (up to 150,000 cubic yards per site, per year) that leverage opportunistically available sand sources, such as those generated from upland land development or redevelopment projects, harbor maintenance dredging projects, and flood control maintenance operations. LA County SCOUP includes five receiver sites: Zuma Beach, Will Rogers State Beach, Dockweiler State Beach, Manhattan Beach, and Redondo Beach.</p> <p>DBH has prepared an Initial Study/Mitigated Negative Declaration (IS/MND) to evaluate the potential environmental consequences associated with the SCOUP. As part of the permitting process, the proposed program is required to undergo an environmental review pursuant to California Environmental Quality Act (CEQA), and per State CEQA Guidelines Section 15070 has determined that an MND would be appropriate.</p>							
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:							

SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: The recommended action will further County's Strategic Plan North Star 2 - Foster Vibrant and Resilient Communities, Focus Area Goal D Sustainability by leveraging the beneficial use of sediment from land development projects and flood control maintenance activities for beach nourishment purposes.
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Warren Ontiveros, Chief Planning Division, (424) 526-7745, wontiveros@bh.lacounty.gov



Caring for Our Coast

♦ ♦ ♦
Gary Jones
Director

Amy M. Caves
Chief Deputy Director

LaTayvius R. Alberty
Deputy Director

July 8, 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:

**APPROVAL OF LOS ANGELES COUNTY SAND COMPATIBILITY
AND OPPORTUNISTIC USE PROGRAM AND
ADOPTION OF MITIGATED NEGATIVE DECLARATION AND MITIGATION
MONITORING AND REPORTING PROGRAM
FISCAL YEAR 2025-2026
(SUPERVISORIAL DISTRICTS 2 and 3)
(3 VOTES)**

SUBJECT:

The Department of Beaches and Harbors (DBH) is seeking Board of Supervisors (Board) approval for its Los Angeles County Sand Compatibility and Opportunistic Use Program (SCOUP Project) and adoption of the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the proposed SCOUP Project, which will authorize small-scale sand replenishment activities at five beach locations in the County.

IT IS RECOMMENDED THAT THE BOARD:

1. Consider the Mitigated Negative Declaration for the proposed Los Angeles County Sand Compatibility and Opportunistic Use Program, together with any comments received during the public review process; find that the Mitigated Negative Declaration reflects the independent judgement and analysis of the Board; adopt the Mitigation Monitoring and Reporting Program, finding that the Mitigation Monitoring and Reporting Program is adequately designed to ensure compliance with the mitigation measures during project implementation; find on the basis of the whole record before the Board that there is no substantial evidence that the project may have a significant effect on the environment; and adopt the Mitigated Negative Declaration.
2. Approve the Los Angeles County Sand Compatibility and Opportunistic Use Program project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of the recommended actions will adopt the Mitigated Negative Declaration (MND) and the Mitigation Monitoring and Reporting Program (MMRP) and allow DBH to move forward with the necessary regulatory permitting process for the SCoup Project, including submittal to the California Coastal Commission. Following receipt of the required Coastal Development Permit and other regulatory approvals, DBH will determine if it will need to return to the Board to seek approval to implement any individual SCoup Projects.

Project Description and Background

Following recommendations provided in the County's Sea Level Rise Vulnerability Assessment in 2016 and Coastal Resilience Study in 2023, as well as the Board motion called "Protecting LA County's beaches from coastal erosion through the beneficial reuse of sediment and by deploying living shorelines" on November 7, 2023 (Attached as Exhibit A), DBH has developed a program to promote the beneficial reuse of opportunistically available beach quality sediment for sand replenishment of the beach (beach nourishment). Similar programs, referred to as "sand compatibility and opportunistic use programs" or "SCoup", have been implemented in Orange and San Diego Counties to take advantage of compatible sediment that may otherwise be landfilled or sold for industrial use in cement or concrete production.

The goal of the SCoup is to increase the resilience of vulnerable coastal areas by streamlining environmental review and regulatory approval for relatively small beach nourishment projects (up to 150,000 cubic yards per site, per year) that leverage opportunistically available sand sources, such as those generated from upland land development or redevelopment projects, harbor maintenance dredging projects, and flood control maintenance operations. Los Angeles County SCoup includes five receiver sites: Zuma Beach, Will Rogers State Beach, Dockweiler State Beach, Manhattan Beach, and Redondo Beach. The sites were selected based on a variety of criteria that include present and future coastal erosion and flooding vulnerabilities, presence of existing resources, presence of critical public infrastructure and amenities, recreational and economic benefits, and avoidance of adverse effects on coastal resources.

DBH utilized a Board-approved as-needed consultant to prepare the SCoup design documents as well as environmental documents. DBH's consultant determined that in order for DBH to implement the Los Angeles County SCoup Project at the five designated receiver beaches in the future, the SCoup Project must be approved by the California Coastal Commission (CCC), among other regulatory agencies (such as USACE and LA Regional Board). . As part of the CCC permitting process, the proposed SCoup Project is required to undergo an environmental review in accordance with the California Environmental Quality Act (CEQA).

Pursuant to State CEQA Guidelines Section 15070, DBH has determined that a Mitigated Negative Declaration (MND) is appropriate. Accordingly, DBH has prepared an Initial Study/Mitigated Negative Declaration (IS/MND) to evaluate the potential environmental impacts associated with the SCoup Project.

The CEQA MND must be certified by the County of Los Angeles, as the lead agency, in order for the project to move forward. Certification of the MND is required for DBH to proceed with the next step – submitting a permit application to the CCC – which must include a certified CEQA finding.

DBH is seeking approval from the Board for its SCoup Project and adoption of the MND and MMRP for the project.

DBH's Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Report Program for the proposed SCoup Project can be found at this link: (https://file.lacounty.gov/SDSInter/dbh/docs/1181374_DBHSCoupNOI_DraftCEQAIS_Appendices.pdf) and attached as Exhibit B.

Implementation of Strategic Plan Goals

The recommended action will further County's Strategic Plan North Star 2 - Foster Vibrant and Resilient Communities, Focus Area Goal D Sustainability by leveraging the beneficial use of sediment from land development projects and flood control maintenance activities for beach nourishment purposes.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund as a result of the recommended actions.

The total project planning cost of \$782,147, including scoping and design documents and consultant services, was funded by DBH's FY2023-24 operating budget.

Operating Budget Impact

The implementation cost of individual SCoup Projects will be determined in partnership with sand providers at the time of the project, based on the quantity and quality of the source material and the condition of the shoreline, and will be requested in subsequent budget submissions or Board letters.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

At its meeting held on June 5, 2025, the Beach Commission endorsed the Director's recommendations above that the Board adopt the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program, and approve the SCoup Project.

ENVIRONMENTAL DOCUMENTATION

An Initial Study and MND was prepared for the proposed SCoup Project by the County, as the lead agency, in compliance with the CEQA. The Initial Study identified potentially significant effects for the project related to air quality, biological resources, cultural resources, and hydrology and water quality. Prior to the release of the of the proposed MND and Initial Study (Exhibit B) for public review, revisions to the project were made to avoid or mitigate the effects, summarized as follows:

Air Quality: All diesel construction equipment 25 horsepower or greater shall meet Tier 4 final

emissions standards if beach nourishment activities are conducted simultaneously at four or more beach sites.

Biological Resources: The proposed project shall not place material or conduct any work on the beach below the Mean High Tide Line during the seasonally predicted grunion run period and egg incubation period of March 14 through August 31. If proposed project activities must occur during an expected grunion run, a grunion survey shall be conducted by a qualified biologist in accordance with the expected grunion runs provided by the California Department of Fish and Wildlife (CDFW).

To avoid disturbance of nesting and special-status birds, including western snowy plover and California least tern, activities related to the project shall occur outside of the bird breeding season for protected birds, as feasible. If proposed project activities must occur during the breeding season, a pre-construction nesting bird survey shall be conducted, and a qualified biologist shall conduct full-time monitoring during all beach nourishment activities.

All proposed project personnel shall adhere to the guidelines set forth in the Marine Mammal Protection Act.

Hydrology and Water Quality: Various Best Management Practices shall be implemented in the required Storm Water Pollution Prevention Plan for the proposed project prior to the start of beach nourishment activities. The Best Management Practices shall be followed by proposed project personnel to reduce the risk of spills and minimize the introduction of pollutants into coastal waters.

A Water Quality Monitoring Plan shall be prepared to avoid and minimize potential adverse effects to water quality (e.g., increased turbidity, altered pH, decreased dissolved oxygen levels). During proposed project activities, if water quality thresholds established in the Ocean Plan are exceeded, a water quality monitor shall inform the project manager and be granted the authority to temporarily halt proposed project activities until monitoring indicates the constituent measurements are within the Ocean Plan thresholds.

Cultural Resources: In the event archaeological resources are unexpectedly encountered during ground-disturbing activities, work within 50 feet of the resource find shall halt and an archaeologist meeting or exceeding the Secretary of the Interior's Professional Qualifications Standards for Archeology (NPS 1983) shall be contacted immediately to evaluate the resource. If the resource is determined by the qualified archaeologist to be prehistoric, a Native American representative shall also be contacted to participate in the evaluation of the resource. If the qualified archaeologist and/or Native American representative determines it to be appropriate, archaeological testing for California Register of Historical Resources (CRHR) eligibility shall be completed. DBH shall review and approve the treatment plan and archaeological testing, as appropriate, and the resulting documentation shall be submitted to the regional repository of the CHRIS, per CCR Guidelines Section 15126.4(b)(3)(C).

In addition, all tribal cultural resources (AB 52) consultation requirements of CEQA have been met and documented. The Native American Heritage Commission (NAHC) was contacted on August 2, 2024, to request a search of the Sacred Lands File (SLF) and a contact list of Native Americans culturally affiliated with the vicinity of the five proposed receiving sites. Three tribal groups, Gabrielino Tongva Indians of California, Gabrielino Tongva San Gabriel Band of Mission

Indians, and Gabrieleno Band of Mission Indians – Kizh Nation, requested to be notified of the proposed project. DBH mailed notification letters to each of the three Tribal groups on February 28, 2025. Follow-up emails were sent on March 5, 2025, and April 2, 2025. The Gabrieleno Tongva Indians of California Tribal Council requested additional information concerning access and the use of existing travel routes in the placement of sand which the County responded to with additional route information. No additional questions, concerns, or specific resource issues were raised as a result of consultations. No other responses were received from other Tribal groups. Therefore, DBH concluded that the consultations did not result in the identification of tribal cultural resources within any of the proposed receiving sites.

The Initial Study and project revisions showed that there is no substantial evidence, considering the whole record before the County, that the proposed project as revised may have a significant effect on the environment. Based on the Initial Study and project revisions, an MND was prepared for the proposed project.

The Initial Study and MND public review period started on April 7, 2025, and ended on May 7, 2025. Public Notice was published on April 7, 2025, in the LA Times, pursuant to California Public Resources Code Section 21092 and posted pursuant to section 21092.3. The documents and other materials constituting the record of the proceedings upon which the Board's decision is based in this matter were made available at the DBH website: <https://beaches.lacounty.gov/environmental-notices/>. Comment letters were received from the California Department of Transportation (Caltrans) and the California Department of Fish and Wildlife (CDFW) during the 30-day public comment period.

The letter from Caltrans noted that the County would need to coordinate with that agency for any work involving Caltrans roadways or work within their right of way. No other substantive comments were raised by Caltrans.

The letter from CDFW requested information on sand placement in the nearshore to ensure no adverse effects of marine habitats and required pre-construction and post-construction monitoring. No other substantive comments were raised by CDFW.

No changes to the CEQA Initial Study and /MND are required as a result of comments on the Initial Study and MND. Notice to commenting public agencies was completed pursuant to section 21092.5 of the California Public Resources Code.

The project is not exempt from payment of a fee to the California Department of Fish and Wildlife pursuant to Section 711.4 of the Fish and Game Code to defray the costs of fish and wildlife protection and management incurred by the California Department of Fish and Wildlife.

Upon the Board's adoption of the MND, DBH will file a Notice of Determination with the Registrar-Recorder/County Clerk and the State Clearinghouse at the Office of Land Use and Climate Innovation in accordance with Section 21152 of the California Public Resources Code, pay the required filing and processing fees of \$75 with the Registrar-Recorder/County Clerk, and post the notice to the County's website in accordance with Section 21092.2.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The Honorable Board of Supervisors
July 8, 2025
Page 6

Approval of the recommended actions will have no negative impact on current services or projects.

CONCLUSION

Please have the Executive Officer of the Board send a copy of the Board letter to the Department of Beaches and Harbors, Planning Division, Coastal Resiliency Section, 13837 Fiji Way, Marina del Rey, CA 90292. Should you have any questions, please contact Warren Ontiveros, Planning Division Chief, at (424) 526-7745 or WOntiveros@bh.lacounty.gov.

Respectfully submitted,

Gary Jones
Director

GJ:AC:WO:BRH:ei

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

ATTACHMENT

June 18, 2025

**APPROVAL OF LOS ANGELES COUNTY SAND COMPATIBILITY
AND OPPORTUNISTIC USE PROGRAM AND
ADOPTION OF MITIGATED NEGATIVE DECLARATION AND MITIGATION
MONITORING AND REPORTING PROGRAM
FISCAL YEAR 2025-2026
(SUPERVISORIAL DISTRICTS 2 and 3)
(3 VOTES)**

This Board letter has a large attachment.
Click on link to access:

[BH - LAC Sand Compatibility and Opportunistic Use Program.pdf](#)

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	6/18/2025			
BOARD MEETING DATE	7/1/2025			
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input type="checkbox"/> 1 st <input checked="" type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th			
DEPARTMENT(S)	Beaches and Harbors			
SUBJECT	Consent to Assignment and Approval of Amendment No. 1 – Lease No. 78130 – Villa del Mar Apartment Homes and Marina			
PROGRAM	N/A			
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:			
DEADLINES/ TIME CONSTRAINTS	N/A			
COST & FUNDING	<table border="1" style="width: 100%;"> <tr> <td>Total cost: \$0</td><td>Funding source: N/A</td></tr> </table>		Total cost: \$0	Funding source: N/A
Total cost: \$0	Funding source: N/A			
	TERMS (if applicable): N/A			
	Explanation: The County will receive a \$250,000 participation fee payable into the Marina ACO Fund and anticipates increased rent revenue from a percentage rent adjustment under Lease Section 4.2.2 (c), from 14.5% to 14.8%.			
PURPOSE OF REQUEST	Seek approval of the proposed assignment of Lease No. 78130 for Parcel 13R in Marina del Rey, and delegated authority to the Director of Beaches and Harbors to negotiate and finalize Amendment No. 1 to document the County's consent to the assignment and update administrative terms (participation fee, rent adjustment, and reserve study clause).S			
BACKGROUND (include internal/external issues that may exist including any related motions)	The Board Letter requests the Board's consent to the proposed assignment of Lease Agreement No. 78130 for Parcel 13R in Marina del Rey and delegated authority for the Director of Beaches and Harbors to negotiate and finalize Amendment No. 1 to update administrative terms, including a participation fee, percentage rate adjustment, and reserve study provision.			
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:			
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:			
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Arnulfo Delgado, Real Property Agent, 424-527-7738, adelgado@bh.lacounty.gov			



July 1, 2025

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

Caring for Our Coast

♦ ♦ ♦
Gary Jones
Director

Amy M. Caves
Chief Deputy Director

LaTayvius R. Albery
Deputy Director

Warren Ontiveros
Deputy Director

Dear Supervisors:

**CONSENT TO ASSIGNMENT AND
APPROVAL OF AMENDMENT NO. 1
AMENDED AND RESTATED LEASE NO. 78130
VILLA DEL MAR APARTMENT HOMES AND MARINA
(PARCEL 13R) - MARINA DEL REY
(SECOND DISTRICT) (4 VOTES)**

SUBJECT

Request for approval of the proposed assignment of Lease Agreement No. 78130 (Lease) for Parcel 13R in Marina del Rey from VILLA DEL MAR PROPERTIES, LTD., L.P., a California limited partnership, to VDM PARTNERS, LLC, a Delaware limited liability company, and approval of Amendment No. 1 to reflect the County's consent to the assignment, update percentage rent, and incorporate a reserve study clause.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed action is not a project under the California Environmental Quality Act ("CEQA"), or, in the alternative, that the actions are exempt for the reason stated in this Board Letter.
2. Consent to the proposed assignment of Lease Agreement No. 78130 for Parcel 13R in Marina del Rey from VILLA DEL MAR PROPERTIES, LTD., L.P., a California limited partnership (Lessee), to VDM PARTNERS, LLC, a Delaware limited liability company (Assignee).
3. Approve and authorize the Director of the Department of Beaches and Harbors ("Department" or "DBH") to execute any documentation, approved as to form by County Counsel or County's outside counsel, necessary to effectuate the proposed assignment and to take any necessary and appropriate actions to implement the proposed assignment; and authorize the Director of DBH to negotiate and finalize Amendment No. 1, which will: (i) document the \$250,000 participation fee; (ii) incorporate a proposed increase for percentage rent category 4.2.2 (c) from 14.5%

to 14.8%; and (iii) include a reserve study clause in substantially similar form to language previously approved by the Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Parcel 13R, commonly known as Villa del Mar Apartment Homes and Marina, contains 198 apartment units on approximately 5 acres of land area and 209 boat slips on 6.5 acres of water area in Marina del Rey. The original lease commenced on June 8, 1961. The lease was extended on December 5, 2014 (“Amended and Restated Lease” or “Lease”) and the entire term expires on June 7, 2060. Pursuant to the terms of the Lease, prior written consent from the County is required for any assignment, which may not be unreasonably withheld.

Lessee is requesting that the County of Los Angeles (County) approve the proposed sale of its leasehold interest and assignment of Lease to Assignee. In accordance with the Lease, the Assignee has submitted all required documentation, including updated ownership disclosures, financial capability, and property management information. The proposed ownership structure is summarized in Exhibit A of this Board Letter.

DBH has reviewed the proposed assignment and has found that the Assignee’s lead investor, APW Avenue Group, LP, has an equity net worth of over \$286 million and is controlled by James Parks, a principal of the national accounting firm CBIZ. The property will be managed by Realty Center Management, Inc. (RCMI), who manages over 10,000 residential units. RCMI is retaining Kelly King, the current General Manager, who has managed the property and anchorage for 37 years.

Pursuant to DBH’s Policy Statement No. 23 – Assignments of Lease dated January 16, 1974 – and Section 11.2.3.5 of the Lease, the County’s determination whether to approve a proposed assignment shall be based on whether the public interest will be served. Required considerations include, among other factors: (a) the financial condition of the proposed Assignee; (b) the price to be paid for the leasehold as it relates to improvements or potential development thereon; (c) the management and operating history of the proposed Assignee; and (d) disclosure of ownership, financial plans, business plans, and related documentation. The proposed assignment satisfies these requirements.

In connection with the assignment, the parties will enter into Amendment No. 1 to the Lease to reflect terms related to the participation fee, the proposed increase for the percentage rent category 4.2.2 (c), and the inclusion of a reserve study clause.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions support the Los Angeles County Strategic Plan:

North Star 2 – Foster Vibrant and Resilient Communities by ensuring continuity of marina and residential operations, supporting the replacement of aging dock infrastructure, and maintaining leasehold revenue to fund coastal and community-serving priorities.

North Star 3 – Realize Tomorrow's Government Today by upholding prudent asset management practices, enforcing the terms of the ground lease, and ensuring accountability and transparency in the oversight of long-term County real estate interests.

FISCAL IMPACT/FINANCING

The County will receive \$250,000 participation fee in connection with the proposed assignment, payable into the Marina ACO Fund. Pursuant to the Lease, the Lessee will reimburse the County for administrative costs related to the assignment.

Amendment No. 1 will also increase the percentage rent category 4.2.2 (c) from 14.5% to 14.8% for (1) the occupancy of apartments, (2) the rental or use of meeting rooms, or (3) the rental or use of land and/or water or facilities for activities not otherwise provided for otherwise in the Lease, which is expected to result in higher rent revenue to the County over time.

The Department does not anticipate any impact to its operating budget, nor does this action require a budget adjustment.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In addition to the terms previously stated, the proposed assignment also contains the following provisions:

- The proposed sales price of \$62,000,000 takes into consideration that there are only 35 years remaining on the lease term, with no extension options, and the apartments are subject to rent control restrictions.
- The Assignee will replace the docks by the end of 2031 at an estimated cost of \$12 million.
- The Assignee will fund new reserves required by its lender, including a \$5.5 million marina renovation reserve and a \$1.62 million replacement reserve.

In connection with the assignment, the parties will enter into Amendment No. 1, which will include the following elements:

- Recognition of the assignment;
- A \$250,000 participation fee;

- An increase in the percentage rent category 4.2.2 (c) from 14.5% to 14.8%; and
- A provision requiring a periodic reserve study.

County Counsel and outside counsel have reviewed and approved the proposed assignment as to form.

At its meeting on **June 11, 2025**, the Small Craft Harbor Commission _____ the Director's recommendation that your Board consent to the proposed assignment of Amended and Restated Lease No. 78130.

Leasing of County-owned property in Marina del Rey is authorized pursuant to California Government Codes Sections 25536 and 25907.

ENVIRONMENTAL DOCUMENTATION

The proposed assignment and Amendment No. 1 is not subject to CEQA because it is an activity that is excluded from the definition of a project under Section 21065 of the Public Resources Code and Section 15378(b) of the State CEQA Guidelines. Approval of the proposed assignment and amendment is an administrative activity of government which will not result in direct or indirect physical changes to the environment. In the alternative, approval of the proposed assignment and Amendment No. 1 is exempt pursuant to Sections 15061(b)(3) and 15301 of the State CEQA Guidelines because it can be seen with certainty that the actions will not have a significant adverse impact on the environment and Amendment No. 1 does not authorize new construction or expansion of existing use and will not result in significant environmental effects. There are no cumulative impacts, unusual circumstances, or other factors that would negate the applicability of this exemption.

Upon your Board's approval of the recommended actions, the Department will file a Notice of Exemption with the County Clerk in accordance with section 21152 of the California Public Resources Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact on current services or projects.

CONCLUSION

It is recommended that your Board consent to the proposed assignment of Lease Agreement No. 78130, and authorize the Director to execute proposed Amendment No. 1.

Upon approval, please instruct the Executive Officer of the Board of Supervisors to send a copy of the adopted stamped Board letter to the Department of Beaches and Harbors.

The Honorable Board of Supervisors

7/1/2025

Page 5

Should you have any questions, please contact Akilah Cook at (424) 526-7760 or ACook@bh.lacounty.gov, or Arnulfo Delgado at (424) 526-7738 or ADelgado@bh.lacounty.gov.

Respectfully submitted,

GARY JONES

Director

GJ:AC:IBP:ad:ak

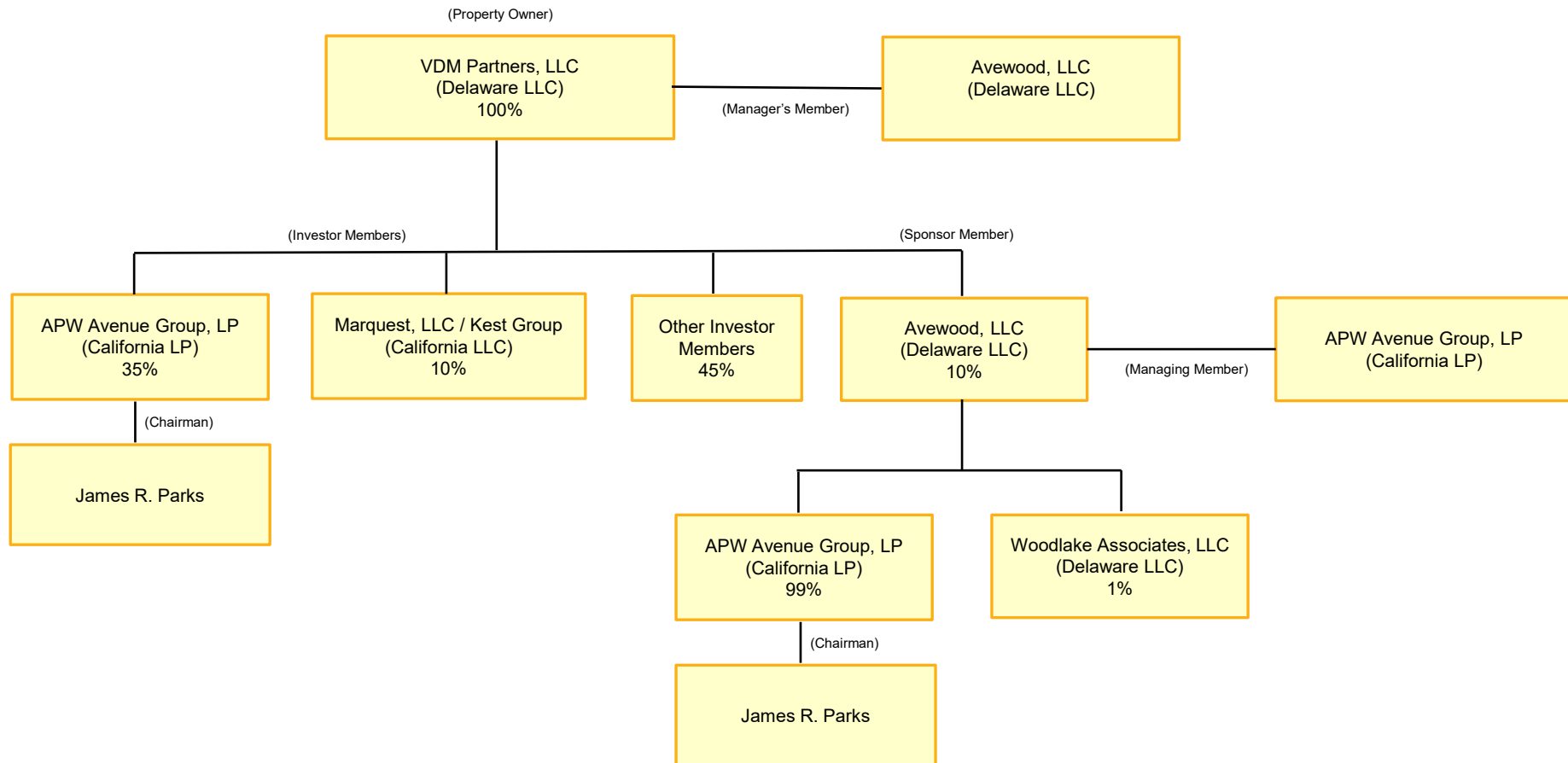
Enclosures

c: Chief Executive Officer

County Counsel

Executive Officer, Board of Supervisors

EXHIBIT A



-20% or more interest holders: James R. Parks

-VDM Partner LLC's managing member is Avewood LLC, Kestwood LLC's managing Member is APW Avenue Group, LP, key decision maker, James R. Parks

-None of the Other Investor Members own more than 20% of the Property Owner

**AMENDMENT NO. 1 TO LEASE NO. 78130
PARCEL NO. 13R – MARINA DEL REY
(LEASE NO. 78130)**

THIS AMENDMENT TO LEASE ("**Amendment No. 1**") is made and entered into this _____ day of _____, 2025.

BY AND BETWEEN

**COUNTY OF LOS ANGELES,
herein referred to as "County,"**

AND

**VDM PARTNERS, LLC, a Delaware limited
liability company, hereinafter referred to as
"Lessee."**

RECITALS:

WHEREAS, County and Lessee's predecessor-in-interest Villa Del Mar Properties, LTD., L.P., a California limited partnership ("**Villa Del Mar**"), entered into Lease No. 78130, dated December 5, 2014, under the terms of which County leased to Lessee that certain real property located in the Marina del Rey Small Craft Harbor, County of Los Angeles, State of California, now commonly known as Parcel 13R, which leasehold premises (the "**Premises**") are more particularly described in **Exhibit "A"** attached to and incorporated in said lease (the "**Lease**").

WHEREAS, County and Lessee desire to enter into this Amendment No. 1 to amend the Lease, as set forth herein below, pursuant to the terms and conditions hereof.

WHEREAS, County and Lessee desire to assign the leasehold interest, update the percentage rental rate, and incorporate reserve study provisions.

NOW, THEREFORE, with reference to the foregoing Recitals and the covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, County and Lessee hereby agree as follows:

1. **Definitions.** All initially-capitalized terms used but not defined in this Amendment No. 1 have the meanings given to such terms in the Lease.

2. **Amendment Conditions.** This Amendment No. 1 shall be subject to and contingent upon (i) the occurrence and consummation of the assignment by Villa Del Mar of its leasehold interest to Lessee (the "**Assignment**"), (ii) the County's written consent to the Assignment, in the form attached as **Exhibit "A"** hereto and incorporated herein by this reference (the "**Consent**"), and (iii) Lessee's payment to County of a one-time participation fee in the amount of Two Hundred Fifty Thousand Dollars (\$250,000). This Amendment No.1 shall be effective on the date on which said Consent is executed by the Board of Supervisors of Los Angeles County (the "**Effective Date**"). In the event this Amendment No. 1 is not approved by the Board of Supervisors of Los Angeles County or

if any of the above conditions are not fulfilled by the Effective Date, this Amendment No. 1 shall be and is hereby deemed terminated and of no further force and effect.

3. **Percentage Rent.** Commencing as of the Effective Date, Section 4.2.2 (c) of the Lease is hereby deleted in its entirety and replaced by the following language:

(c) FOURTEEN AND EIGHT-TENTHS PERCENT (14.8%) of Gross Receipts or other fees charged for (1) the occupancy of apartments, (2) the rental or use of meeting rooms, or (3) the rental or use of land and/or water or facilities for activities not otherwise provided for in this section, such as but not limited to television, motion pictures or other media filming purposes;

4. **Capital Improvement Fund.** Immediately following the Effective Date of this Amendment No. 1, Lessee agrees to negotiate in good faith so that within ninety (90) business days following such Effective Date the County and Lessee shall agree upon a mutually acceptable amendment to section 5.14 of the Lease regarding the Capital Improvement Fund and its utilization (the "**Amendment No. 2**") such that commencing on the first (1st) day of the month following the execution of the Consent by the Board of Supervisors and thereafter every three (3) years as the company conducting the reserve study so recommends, Lessee (at its expense) shall cause a Reserve Study (as defined below) to be prepared within one hundred twenty (120) days from each anniversary date of Amendment No. 2, by a mutually acceptable company (who has special expertise in preparing capital improvement reserve studies for similar projects) (the "**Reserve Study**"), and (i) the Capital Improvement Fund contributions will be adjusted to insure the availability of funds for "**Permitted Capital Expenditures**" in the amounts and at the times indicated by the Reserve Study; and (ii) Lessee shall complete the Permitted Capital Expenditures recommended in the Reserve Study, subject to the new lender's (a Guggenheim related entity) requirements. In the event that the County and Lessee are unable to agree upon a mutually acceptable company to prepare the Reserve Study, then the Director shall select a company in its reasonable discretion. The Director or his designee is hereby authorized to execute said Amendment No. 2 to amend Section 5.14 as described herein. The Reserve Study provisions to be included in Amendment No. 2 shall be in substantially the form attached hereto and incorporated herein by this reference as **Exhibit "B"**. In the event that the County and Lessee are unable to agree upon a mutually acceptable Amendment No. 2, then the provisions contained in Exhibit B shall be adopted.

5. **No Other Claims.** The Lease is in full force and effect. To Lessee's knowledge, County has met and fulfilled all of its obligations under the Lease and is not in default under the Lease. To Lessee's knowledge, there is no current defense, offset, claim or counterclaim by or in favor of Lessee against the County under the Lease. Furthermore, Lessee has no right to any concession (rental or otherwise) or similar compensation in connection with the Lease and Lessee's renting of the Premises, except as expressly provided in the Lease. There has not been filed by or against Lessee a petition in bankruptcy, voluntary or otherwise, any assignment for the benefit of creditors, any petition seeking reorganization or arrangement under the bankruptcy laws of the United States or any state thereof, or any other action brought pursuant to such

bankruptcy laws with respect to Lessee.

6. **Miscellaneous.**

6.1 **No Modification.** Except as referenced herein, the Lease has not been modified, amended or supplemented, and the Lease is and remains in full force and effect.

6.2 **Time of the Essence.** Time is of the essence with respect to this Amendment No.1.

6.3 **Governing Law.** This Amendment No. 1 shall be governed by and construed in accordance with the laws of the State of California without giving effect to the conflict of law principles of said state.

6.4 **No Waiver.** Except as expressly provided herein, neither Party shall be deemed by reason of its execution of this Amendment No. 1 to have waived any terms or provisions of the Lease, including, without limitation, any default or Event of Default or any rights and remedies that County may have under the Lease, at law or in equity.

6.5 **Controlling Provisions.** In the event of any inconsistencies between the provisions of this Amendment No. 1 and the provisions of the Lease, the provisions of this Amendment No. 1 shall govern and prevail.

6.6 **Integration and Merger.** This Amendment No. 1, the Exhibits attached hereto, and all documents referenced in the Amendment No. 1 to be executed by Parent or Principal in connection herewith, contain the entire agreement of County and Lessee regarding the modification of the Lease and supersede all prior agreements, term sheets and understandings between County and Lessee, whether written or oral, with respect to the modification of the Lease.

6.7 **Survival.** All representations and warranties contained in this Amendment No. 1 shall be deemed to be material and shall survive the effectiveness of the modifications to the Lease contemplated by this Amendment No. 1.

6.8 **Further Assurances.** At either party's request, the other party shall promptly execute any other document or instrument and/or seek any consent or agreement from any third party that is reasonably necessary to evidence or carryout the intent of the parties, as set forth in this Amendment No. 1 .

6.9 **Captions; Use of Certain Terms.** The Section titles and captions in this Amendment No. 1 are for convenience only and shall not be deemed to be part of this Amendment No. 1. All pronouns and any variation or pronouns shall be deemed to refer to the masculine, feminine or neuter, as the identity of the parties may require. Whenever the terms referred to herein are singular, the same shall be deemed to mean the plural, as the context indicates, and vice versa.

6.10 Incorporation of Exhibits. All of the Exhibits referred to in and attached to this Amendment No. 1 are incorporated herein by this reference.

6.11 Counterparts; Electronic Signatures. This Amendment No. 1 and any other document necessary for the consummation of the transaction contemplated by this Amendment No. 1 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 Amendment No. 1 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 Amendment No. 1 had been delivered had been signed using a handwritten signature. County and Lessee (i) agree that an electronic signature, whether digital or encrypted, of a party to this Amendment No. 1 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 rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Amendment No. 1 based on the foregoing forms of signature. If this Amendment No. 1 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.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, County and Lessee have entered into this Amendment No. 1 as of the date first set forth above.

VDM PARTNERS, LLC,
a Delaware limited liability company

By: _____
_____, Its _____

THE COUNTY OF LOS ANGELES

By: _____
GARY JONES, Director
Department of Beaches and Harbors

ACKNOWLEDGED:

VILLA DEL MAR PROPERTIES, LTD., L.P.
a California limited partnership

By: _____
_____, its _____

By: _____
_____, its _____

ATTEST:

DEAN C. LOGAN,
Registrar-Recorder/County Clerk

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By: _____
Senior Deputy

Glaser Weil Fink Jacobs Howard & Shapiro LLP

By: _____

EXHIBIT A

DRAFT

EXHIBIT B

5.12 Reserve Fund

5.12.1 Establishment of Reserve Fund.

(a) Commencing on the first day of the month following the month in which the Effective Date occurs and in accordance with the initial Reserve Study described in Section 5.12.3 below (the “**Initial Reserve Fund Deposit Date**”), Lessee shall establish and maintain a reserve fund in accordance with the provisions of this Section 5.12 (the “**Reserve Fund**”) for the cost of Permitted Capital Expenditures (as defined below) for the Premises. The then current balance of the existing Capital Improvement Fund will be deposited into the Reserve Fund and applied or credited to the required Reserve Fund deposits. Following such date, no further deposits shall be required to the Capital Improvement Fund. Commencing on the Initial Reserve Fund Deposit Date and on the first day of each month thereafter and continuing through the remaining Term (and subject to reaching the Threshold Amount, as defined below), Lessee shall make monthly contributions to the Reserve Fund on the same day that Monthly Minimum Rent payments are due each calendar month in the amounts established by the then most current updated Reserve Study (as described in Section 5.12.4 below). Notwithstanding the foregoing, if and to the extent provisions of leasehold financing documents in favor of an Encumbrance Holder require monthly or other deposits to be made by Lessee to the Encumbrance Holder for reserves for payment of Permitted Capital Expenditure Components Work, as required under the Encumbrance Holder’s loan documents (“**Loan Reserve Deposits**”), such provisions shall require the Director’s prior written approval solely to confirm the portion of such Loan Reserve Deposits, if any, that should be credited towards deposits required to be made by Lessee to the Reserve Fund pursuant to the Reserve Study and will be credited against the required Reserve Fund monthly contributions. Monthly deposits required to be made by Lessee to its Encumbrance Holder for all other permitted repairs, replacements, renovations, alterations or similar matters shall require the Director’s prior written approval only to the extent Lessee requests that such deposits be credited to monthly deposits to be made by Lessee to the Reserve Fund in compliance with the Reserve Study requirements.

Further, notwithstanding the foregoing, with respect to the existing mortgage financing on the Premises from CBRE Multifamily Capital, Inc. and assigned to Fannie Mae (“Existing Financing”) and which was the subject of that certain Ground Lease Estoppel Certificate and Consent Parcels 100S and 101S – Marina del Rey made as of September 30, 2016 (the “**Ground Lease Estoppel**”) and approved by County, County has agreed that deposits made by Lessee into the “Replacement Reserve Account”, as defined in, and pursuant to, the Existing Financing loan documents will be credited toward deposits to be made by Lessee to the “Capital Improvement Fund”, as defined in the Lease, as it existed prior to this Supplement. Since the Reserve Fund is replacing the Capital Improvement Fund, County agrees, consistent with the Ground Lease Estoppel, that deposits made by Lessee into the Replacement Reserve Account pursuant to the

Existing Financing loan documents will be credited toward deposits to be made by Lessee to the Reserve Fund monthly contributions.

If at any time the then-existing balance in the Reserve Fund, including amounts of any monthly deposits made by Lessee to its Encumbrance Holder for the Premises credited to the Reserve Fund as described above, reaches the Threshold Amount (as defined below), Lessee thereafter shall not be required to make further contributions to the Reserve Fund except as necessary to maintain the balance of the Reserve Fund in an amount at least equal to the Threshold Amount. The **"Threshold Amount"** shall mean the aggregate amount of contributions required to be made to the Reserve Fund over the five (5)-year period determined by the most recent updated Reserve Study. The Threshold Amount shall be reduced by any **"Permitted Capital Expenditure Components Work,"** as defined below, that occurs and for which the Reserve Fund is utilized and shall otherwise be adjusted annually as part of the Reserve Study update process described in Section 5.12.4 hereinbelow. The actual Threshold Amount shall be determined by the Reserve Study company in consultation with Lessee based on what is considered fiscally responsible and appropriate for the Permitted Capital Improvement Components Work, with the final decision to be made by the Reserve Study company (in its sole and absolute discretion).

(b) Lessee shall keep the Reserve Fund funded as required by the most recent updated Reserve Study subject to the Threshold Amount. All interest and earnings on the funds in the Reserve Fund shall be added to the Reserve Fund and shall be treated as a credit against the Reserve Fund contributions otherwise required to be made by Lessee pursuant to this Section 5.12.1. Failure to maintain and replenish the Reserve Fund, not cured within the time period set forth in Section 13.1.1 of the Lease, shall constitute an Event of Default hereunder. County shall be permitted and is authorized to engage a consultant at reasonable cost and expense and at Lessee's sole cost and expense to review and/or monitor on an annual basis (but not more than once a year): (i) Reserve Fund expenditures, and (ii) the performance by Lessee of the Permitted Capital Expenditure Components Work required under this Lease or the most recent or updated Reserve Study.

5.12.2 Use of Reserve Fund.

(a.) Lessee and County agree that the purpose of the Reserve Fund shall be to provide funds for the costs of **"Permitted Capital Expenditure Component(s) Work"**, as set forth in the most recent or updated Reserve Study. **"Permitted Capital Expenditure Component(s)"** shall consist of the Improvements and their systems, including building exteriors and building systems (such as HVAC, mechanical, electrical, plumbing, vertical transportation/elevators, security systems, communications systems, irrigation systems, structural or roof, walkways and driveways, windows and exterior painting, and Common Area flooring, provided, however, Permitted Capital Expenditure Components that have an extended useful life (**"Extended Useful Life Permitted Capital Expenditure Components"**), such as plumbing and utilities (as determined by the Reserve Study Company) shall not be required to be funded in the Reserve Fund until, in the judgment of the Reserve Study Company, the remaining useful life of the

Component is twenty (20) years or less (or such other period as determined by the Reserve Study company), or either Lessee requests that such component be included in the Reserve Study for funding purposes, or such inclusion is requested by the Reserve Study Company. **“Permitted Capital Expenditure Component(s) Work”** shall consist of additions, capital repairs, capital replacements, capital equipment, renovations, or other capital upgrades to Permitted Capital Expenditure Components that enhance the quality of Permitted Capital Expenditure Components. **“Permitted Capital Expenditures”** shall mean the costs that may be incurred by Lessee for Permitted Capital Expenditure Components Work. The Reserve Fund may be used only to fund Permitted Capital Expenditure Component Work as set forth in the Reserve Study as it may be modified from time to time, and as may be approved from time to time by the Director. All specific purposes and costs for which Lessee desires to utilize amounts from the Reserve Fund for Permitted Capital Expenditure Component Work not specified in the Reserve Study shall be subject to Director’s approval, which approval shall not be unreasonably withheld, conditioned or delayed. Lessee shall not be required to obtain the Director’s prior approval for the use of Reserve Funds for all Permitted Capital Expenditure Component Work as provided in the Reserve Study, provided Lessee delivers to the Director at least thirty (30) days prior written notice of its intention to make said Permitted Capital Expenditure Component Work, which notice shall set forth the anticipated amount of Permitted Capital Expenditures for such Permitted Capital Expenditure Component Work and when such Permitted Capital Expenditure Component Work at issue is anticipated to commence and be completed. Notwithstanding the foregoing, in a situation involving health, safety or any emergency condition, Lessee shall have the right to undertake immediate Permanent Capital Expenditure Component Work without such notice, in which case notice shall be provided to the Director following the commencement of the Permanent Capital Expenditure Component Work at issue. In the event that during any calendar year Lessee intends to spend less than required by the most recent updated Reserve Study, then Lessee shall be required to obtain the Director’s prior written approval, which approval shall not be unreasonably withheld. Such approval or disapproval shall be provided by the Director within ninety (90) days of receipt of the notice of Lessee’s intent with sufficient information detailing the reasons for the request to spend less than required.

(b) The Reserve Fund shall not require funding, nor shall the Reserve Fund be used for any of the following, all of which shall be separately funded by Lessee: (a) the cost of any portion of the Redevelopment Work, as defined in the Lease or the cost of correcting any defect in the Redevelopment Work; (b) the cost of curing any deficiencies arising from the failure of Lessee to maintain and repair the Improvements in accordance with the requirements of this Lease; (c) costs or expenses reimbursed by insurance, warranties or any other third party; (d) the costs of the initial construction of any new buildings or building additions that would not constitute Permitted Capital Expenditure Components Work; (e) the costs of new project amenities (e.g., barbecues or fitness equipment) or new common area furniture except as expressly contemplated and permitted by a Reserve Study and that have been the subject of monthly contributions to the Reserve Fund as set forth in the most recent or updated Reserve Study, or as otherwise approved by Director; (f) the cost of periodic, recurring or

ordinary non-capital expenditures, repairs, maintenance or replacements that keep the Improvements or their systems in good operating condition, but that do not significantly add to their value or appreciably prolong their useful life or that otherwise constitute non-capital expenditures under generally accepted accounting principles consistently applied; or (g) the cost of any capital repair or replacement of an individual or a selected group of individual items, unless (A) such capital repair or replacement is part of a larger plan (which may be a phased plan as provided in the most recent Reserve Study) for capital repair or replacement of all, or substantially all or similar Permitted Capital Expenditure Components, or (B) such capital repair or replacement of an individual or selected group of individual items is expressly set forth in the most recent or updated Reserve Study and the Permitted Capital Expenditure Component Work has been the subject of monthly contributions to the Reserve Fund.

(c) Without limiting the prohibition in clause (b) above, the Reserve Fund shall not be used for additional improvements, equipment or systems that were not part of the Improvements upon completion of the Redevelopment Work or subsequently installed as an approved Alteration under this Lease with Lessee's other funds, except for such upgrades as are approved by Director and only to the extent that the then current or updated Reserve Study anticipates use of the applicable Reserve Fund for such purposes or the most recent or updated Reserve Study is updated to adjust the future monthly Reserve Fund contributions to account for the unanticipated expenditure. Notwithstanding anything to the contrary contained hereinabove, any omission in the Reserve Study (including any failure in the Reserve Study to include an item that should be repaired, maintained, or replaced), shall not release Lessee from any responsibility or obligation it may have to make a capital expenditure or repair for items not foreseen or included in the Reserve Study and/or part of the Reserve Fund.

5.12.3 Reserve Studies

(a) In order to provide the requisite funds for the Reserve Fund, Lessee shall have caused a reserve study with respect to Permitted Capital Expenditure Components to be prepared prior to the Effective Date and thereafter update the Reserve Study within four (4) months following each five (5) year anniversary of the Effective Date ("**Required Reserve Study**" or "**Reserve Study**"). The period of time between the initial Reserve Study and the first updated Reserve Study is the "**Initial Reserve Fund Period**." Lessee shall cause to have prepared each Reserve Study at its sole cost and expense. Each Reserve Study shall be conducted and prepared by a company mutually acceptable to County and Lessee, which company has special expertise in preparing capital improvement reserve studies for similar and comparable projects (e.g. physically similar in age and other physical characteristics) within Los Angeles County. In the event County and Lessee cannot agree upon a mutually acceptable company to prepare the Reserve Study, then Lessee and the Director shall each engage a company that is able to perform the Reserve Study (each, a "**Potential Reserve Study Company**") and the Potential Reserve Study Companies shall, amongst themselves, confer and determine which Potential Reserve Study Company shall perform the Reserve Study. If the Potential Reserve Study Companies cannot mutually agree on which Potential Reserve Study Company shall perform the Reserve

Study, the Potential Reserve Study Companies shall collectively select an independent Reserve Study Company to perform the Reserve Study. (The reserve company engaged, whether by agreement of County and Lessee or pursuant to the procedures set forth in the preceding sentence, shall be referred to as the **"Reserve Study Company."**) In the event that the Reserve Study Company has not been selected on or before four (4) years and six (6) months from the Effective Date, then the Director (in Director's sole and absolute discretion) shall select the Reserve Study Company. Each Reserve Study shall address the monthly contribution required to adequately maintain the Permitted Capital Expenditure Components for the full Term of this Lease by capital repair or replacement of any such Permitted Capital Expenditure Component prior to the end of its useful life notwithstanding that the actual monthly contributions to the Reserve Fund shall be subject to, and limited by, the Threshold Amount. In the event of any conflict regarding the appropriate levels of contribution to the Reserve Fund recommended by the Reserve Study Company, on the one hand, and any report and/or property assessment prepared for the benefit of any Encumbrance Holder, regarding its own separate reserve fund, the Reserve Study Company shall take the views of such consultant into consideration, but the final decision as to the appropriate levels of contribution to the Reserve Fund shall be determined solely by the Reserve Study Company.

(b) The first Reserve Study shall identify any existing deferred maintenance and repair deficiencies that exist at the date of the first Reserve Study. Lessee shall be required to remedy any such maintenance deficiencies at Lessee's cost (without any use of the Reserve Fund) within ninety (90) days after the issuance of said first Reserve Study. If Lessee requires additional time to complete all existing maintenance deficiencies, then Lessee shall submit a schedule of repairs for Director's written approval, which approval will not be unreasonably withheld.

(c) Each Reserve Study shall determine the monthly contribution amount required to be made to the Reserve Fund. If Director approves any Permitted Capital Expenditure from the Reserve Fund outside of those anticipated under the then-current Reserve Study (as previously updated), then such Reserve Study shall be updated within ninety (90) days following the date such Permitted Capital Expenditure is made to adjust the future monthly Reserve Fund contributions to take into consideration the unanticipated Permitted Capital Expenditure Component Work. Such updated Reserve Study shall constitute a Required Reserve Study and remain applicable for the ensuing five (5)-year period, unless such updated Reserve Study is required to be further updated prior to the expiration of such five (5)-year period pursuant to this sentence, in which case, such updated Reserve Study shall constitute a new Required Reserve Study.

(d) Each Reserve Study shall, at a minimum, contain the following: (i) identification of all Permitted Capital Expenditure Components requiring Permitted Capital Expenditure Component Work, that have a remaining useful life of less than thirty (30) years; (ii) identification of the probable remaining useful life of all Permitted Capital Expenditure Components as of the date of the most recent updated Reserve Study based on their then existing condition; (iii) an estimate of the anticipated

Permitted Capital Expenditures for the Permitted Capital Expenditure Component Work identified in clause (i); (iv) an estimate of the total annual contribution to the Reserve Fund necessary to defray the cost of Permitted Capital Expenditure Components Work identified in clause (i) during and at the end of their useful life, after accounting for the total funds then held in the Reserve Fund as of the date of the Reserve Study for such Permitted Capital Expenditure Component Expenditure Work; and (v) the Threshold Amount and the monthly contributions, if any, required for the Reserve Fund to reach the Threshold Amount by no later than the preparation of the next updated Reserve Study. The Reserve Study Company shall have sole and absolute discretion in determining which Permitted Capital Expenditure Components to consider for the most recent updated Reserve Study consistent with the provisions of Section 5.12; provided, however, that when the useful life of any Permitted Capital Expenditure Component becomes thirty (30) years or less, it shall be added to the Reserve Study even if current funding is not required.

(e) For the purpose of each Reserve Study: (a) “**useful life**” is defined as the number of years each individual Permitted Capital Expenditure Component is expected to serve its intended purpose if given regular and proper maintenance, and (b) “**remaining useful life**” is defined as the expected number of years each individual Permitted Capital Expenditure Component will continue to serve its intended purpose prior to its repair or replacement in accordance with the Reserve Study. In determining the remaining life of a Permitted Capital Expenditure Component, a certain level of continued preventative maintenance and repair is assumed but shall be stated explicitly wherever possible in the applicable Reserve Study and its then existing condition shall be considered. Lessee hereby agrees to commence and complete all Permitted Capital Expenditure Component Work that the Reserve Study recommends within six (6) months from the date recommended by the Reserve Study Company to be commenced.

(f) Lessee shall be required to renovate, replace or upgrade particular Permitted Capital Expenditure Components (as identified in the Reserve Study by the Reserve Study Company) by the end of the expected useful life of such Permitted Capital Expenditure Components (or sooner if desired by Lessee) and otherwise perform the Permitted Capital Expenditures Work prescribed in the most recent updated Reserve Study. Lessee shall be required to commence such Permitted Capital Expenditures Work no later than ninety (90) days prior to the expiration of the useful life of the applicable Permitted Capital Expenditure Component but subject to Force Majeure occurrences. If Lessee requires additional time to complete any such Permitted Capital Expenditures Work because of its inability to obtain access to the interior of a residential unit due to tenant occupancy, etc., then Lessee shall submit a construction schedule for Director’s written approval, which approval will not be unreasonably withheld. Lessee shall use reasonable due diligence to complete performance of such Permitted Capital Expenditures Work.

(g) Lessee shall have the right at any time during the Term to secure a new financing or refinancing (a “**Future Financing Event**”) and , if and to the extent agreed by Lessee and the Encumbrance Holder under the loan documents for such Future

Financing Event (“**Future Financing Loan Documents**”), may designate a portion of the net proceeds of such Future Financing Event (the “**Designated Financing Funds**”) for payment of costs of the performance of any currently required or future Permitted Capital Expenditure Components Work. The provisions of the Future Finance Loan Documents concerning and governing the permitted use, holding, application and disbursement of any Designated Financing Funds shall be subject to the approval by the Director in connection with its approval of the loan documents in accordance with Section 12.1.2, but solely to confirm that use and application of such Designated Financing Funds will be consistent with the Reserve Study. In addition to the use of either amounts in the Reserve Fund and/or Designated Financing Funds to pay for costs of currently required Permitted Capital Expenditure Components Work, to the extent the Designated Financing Funds are utilized for payment of costs for Permitted Capital Expenditure Components Work prior to the time such Permitted Capital Expenditure Component Work is required to be performed pursuant to the Reserve Study (due to remaining Useful Life of the pertinent components), funds then held in the Reserve Fund for payment of such currently unscheduled but future anticipated Permitted Capital Expenditure Components Work shall be permitted to be utilized for the Permitted Capital Expenditure Components Work, or released to Lessee upon completion of the Permitted Capital Expenditure Components Work in accordance with the Reserve Study, to the extent consistent with the Future Financing Loan Documents and, provided that the updated Reserve Study described in the next sentence confirms satisfaction of the recalculated Threshold Amount. Lessee shall (i) provide the Director with documentation (which may be pertinent provisions of the Future Financing Loan Documents), specifying the portion of the Designated Financing Funds that will be dedicated for payment of Permitted Capital Expenditure Components Work, and (ii) comply with ongoing periodic reporting requirements reasonably required by the Director, including documentation evidencing that Lessee expended the portion of the Designated Financing Funds expected to be used for Permitted Capital Expenditure Components Work for such purpose. Upon completion of such Permitted Capital Expenditure Components Work, the most current Reserve Study shall be updated in accordance with the requirements of Section 5.12.4 below, and the amounts required to be deposited into the Reserve Fund shall be recalculated in accordance with the requirements of this Section 5.12. Alternatively, Lessee may elect to have a new Reserve Study prepared, in which case the new Reserve Study shall remain applicable for the ensuing five (5) year period. Subject to the foregoing, the permitted use, holding, application and disbursement by Encumbrance Holder of Designated Financing Funds, if any, will be governed by the Future Financing Loan Documents at the sole discretion of the Encumbrance Holder; provided that such disbursements are used for Permitted Capital Expenditure Components Work as described in the Reserve Study and otherwise in accordance with the requirements of the Lease. As further clarification, ongoing monthly or other periodic deposits to reserves (as opposed to Designated Financing Funds, if any), required by the Future Financing Loan Documents shall be subject to Section 5.12.1(a) above.

5.12.4 Annual Updates to Reserve Studies.

At least one hundred twenty (120) days prior to the end of each calendar year (or, if a new or updated Reserve Study has been conducted other than on the required schedule set forth in Section 5.12.3, as a result of a Future Financing Event or otherwise and would constitute a Required Reserve Study, then one hundred twenty (120) days prior to the end of each calendar year following the year in which such new Required Reserve Study has been prepared), the Reserve Study Company shall review the then current Reserve Study to update required Permitted Capital Expenditure Component Work changes, consider adjustments to the useful life of Permitted Capital Expenditure Components as described in Section 5.12.3, take into consideration Permitted Capital Expenditures actually made during the preceding year to determine whether additional needed funds should be contributed to the Reserve Fund that were not included in the prior year's Reserve Study or Reserve Study Update and consider an update to the Threshold Amount and monthly contributions to reach the Threshold Amount by no later than the preparation of the next Reserve Study or Reserve Study update (each an "**Annual Reserve Fund Update**"). To assist the Reserve Study Company in preparing the Annual Reserve Fund Update and to avoid the necessity for the Reserve Study Company to enter the Premises, Lessee shall provide to the Reserve Study Company an accounting of all Permitted Capital Expenditures made by Lessee for Permitted Capital Expenditure Component Work performed for such calendar year, and the Reserve Study Company shall take such Permitted Capital Expenditures into account in preparing the Annual Reserve Fund Update. Notwithstanding anything to the contrary contained herein above, it shall not be necessary for an Annual Reserve Fund Update to be prepared by the end of a calendar year in which a Required Reserve Study is prepared. Lessee shall submit to Director, for Director's reasonable approval, an annual Reserve Fund expenditure plan ("**Annual Reserve Fund Expenditure Plan**") at least ninety (90) days prior to the commencement of each calendar year following the expiration of the Initial Reserve Fund Period. The Director or the County shall respond within sixty (60) days thereafter with specific written objections consistent with the Reserve Study, and if Director or County has no objections, then Lessee's proposed Annual Reserve Fund Expenditure Plan shall be approved. Each Annual Reserve Fund Expenditure Plan shall be consistent with the most recent updated Reserve Study, subject to modification for any unforeseen Permitted Capital Expenditure Component Work or Lessee's election to accelerate performance of any Permitted Capital Expenditure Component Work as described in Section 5.12.3(g). Permitted Capital Expenditures from the Reserve Fund shall be consistent with the approved Annual Reserve Fund Expenditure Plan for such year, provided that Lessee shall have the right during each calendar year to submit for Director's reasonable approval one or more mid-year modifications to the Annual Reserve Fund Expenditure Plan to address unforeseen Permitted Capital Expenditure Component Work that may arise during such year or Lessee's election to accelerate performance of any Permitted Capital Expenditure Component Work as described in Section 5.12.3(g) as a result of a Future Financing Event or otherwise.

5.12.5 Final Reserve Study.

(a) If County, in accordance with Section 2.5.2 of the Lease, has not provided Lessee with a notice of County's election to require Lessee to remove Improvements (a

“County Removal Notice”), a final updated Reserve Study (the **“Final Reserve Study”**) shall be prepared and delivered to County no later than five (5) years prior to the expiration of the Term. Prior to the preparation of the Final Reserve Study, County shall inform Lessee as to whether it intends to deliver a County Removal Notice. The Final Reserve Study shall determine the monthly amounts, if any, required to be deposited to the Reserve Fund to fully fund (when combined with any amounts already on deposit in the Reserve Fund) the expected Permitted Capital Expenditure Component Work during the remaining Lease Term, as determined in accordance with the standards set forth in Section 5.12.3(d) above. The monthly contribution amounts required for the Reserve Fund shall take into consideration any then current balance in the Reserve Fund. If County delivers a County Removal Notice, then Section 2.5.2 shall apply, Lessee shall comply with the security requirements stated therein and any funds in the Reserve Fund shall be utilized as security as required by Section 2.5.2. Substitute security, as described in Section 5.12.7 below may be provided for the demolition requirement, in the form of a letter of credit from a financial institution acceptable to the Director and in accordance with the provisions of Section 5.12.7.

(b) If County has delivered a County Removal Notice, Lessee shall deliver to County a demolition report in accordance with Section 2.5.2 of the Lease. As set forth in Section 2.5.2, the demolition report shall detail the cost and time period required for the demolition and removal of the Improvements.

(c) If County has not timely delivered a County Removal Notice, then: (x) the Final Reserve Study shall make any adjustment for the cost for the future Permitted Capital Expenditure Component Work during the remaining Lease Term, (y) the Reserve Fund payments thereafter required to be made by Lessee shall continue to be used for purposes permitted under this Section 5.12 subject to Subsection (c)(i) below, and (z) the **“County Portion of Remaining Reserve Fund Amounts”**, as defined below, at the end of the Term shall be released to County and the **“Lessee Portion of the Remaining Reserve Fund Amounts”**, as defined below, at the end of the Term, shall be released to Lessee after subtracting any amounts then owing by Lessee to County under the Lease. Alternatively, at Lessee’s option and subject to the reasonable approval of Director, Lessee shall not be obligated to deposit into the Reserve Fund amounts representing the Lessee Portion of the Remaining Reserve Fund.

(i) The Final Reserve Study shall determine the remaining useful life of the Permitted Capital Expenditure Components and the monthly contributions, considering amounts then currently in the Reserve Fund to fund the Permitted Capital Expenditure Components Work. With respect to Permitted Capital Expenditure Components whose useful life expires prior to the end of the Term, Lessee shall be obligated to perform the Permitted Capital Expenditure Components Work, or the amounts reserved for such Permitted Capital Expenditure Components Work shall be released to County at the end of the Term.

(ii) With respect to Permitted Capital Expenditure Components whose useful lives do not expire until following the end of the Term, for each such Permitted Capital Expenditure Component whose remaining useful life at the end of the Term will be five

(5) years or less, the amounts in the Reserve Fund applicable to such Permitted Capital Expenditure Components for said period shall constitute the **“County Portion of Remaining Reserve Fund Amounts.”**

(iii) With respect to Permitted Capital Expenditure Components whose useful lives do not expire until following the end of the Term, for each such Permitted Capital Expenditure Component whose remaining useful life at the end of the Term will be more than five (5) years, the amounts in the Reserve Fund applicable to such Permitted Capital Expenditure Components for said period shall constitute the **“Lessee Portion of Remaining Reserve Fund Amounts.”**

(d) Following delivery by County of a County Removal Notice no further Permitted Capital Expenditure Component Work shall be required, provided that Lessee shall remain responsible for the performance of its maintenance and repair obligations set forth in this Lease. So long as Lessee completes the demolition and removal of the Improvements at the end of the Term (if required), any surplus funds or any substitute security provided to County shall be released from the restrictions of this Lease and belong to Lessee after subtracting any amounts then owing by Lessee to County under the Lease.

5.12.6 Reserve Fund Account.

The Reserve Fund (a) shall be held in a separate account established with an Institutional Lender (which may be Lessee’s Encumbrance Holder) reasonably acceptable to and approved by Director and (b) may be separately pledged as collateral to a Lessee Encumbrance Holder that either (i) holds the Reserve Fund in an account that it controls or (ii) does not control and administer such account held by another Institutional Lender; provided however that, notwithstanding the existence of such security interest, the Reserve Fund will remain subject to the terms and conditions of the Ground Lease, including but not limited to Section 12, and the obligations of the Lessee hereunder, including at such time as the Encumbrance Holder becomes a Foreclosure Transferee. Lessee shall make deposits into the Reserve Fund as required hereunder and make disbursements from the Reserve Fund account as required or permitted hereunder, but only for Permitted Capital Expenditures and in accordance with the then current approved Annual Reserve Fund Expenditure Plan (with such adjustments as may be approved by Director). Lessee shall have the right to maintain all or a portion of the Reserve Fund with an Institutional Lender that is an approved Encumbrance Holder and to grant such lender a security interest in Lessee’s interest in the Reserve Fund account, subject to administration of the Reserve in accordance with the requirements of this Section 5.12. Subject to the foregoing, the Reserve Fund account may concurrently satisfy a separate reserve fund requirement of Lessee’s Encumbrance Holder. The amounts to be added to the Reserve Fund shall be inclusive of amounts required to be deposited with and held by an Encumbrance Holder. On or before January 15th of each year (and at any other time within thirty (30) days prior written notice from Director to Lessee), Lessee shall provide and deliver to Director documentation and/or evidence reasonably satisfactory to Director, which evidence/documentation shall include, without limitation, the existence of the account in

which the Reserve Fund exists, a report that details all deposits to, earnings on, withdrawals (and the purpose of such Permitted Capital Expenditure withdrawals, including commencement and completion dates) from, and the balance of the Reserve Fund. In the event that Lessee's Encumbrance Holder requires the establishment of an additional account to be held by the Encumbrance Holder for the cost and payment of Permitted Capital Expenditures Components Work or for other purposes permitted under Section 5 hereof and in accordance with an Encumbrance Holder's loan documents, including repairs, replacements, alterations and renovations to the Premises that do not constituted Permitted Capital Expenditures (the "**Encumbrance Holder Account**"), then on or before January 15th of each year (and at any other time within (30) days prior written notice from Director to Lessee), Lessee shall provide and deliver to Director documentation and/or evidence reasonably satisfactory to Director, which evidence/documentation shall include, without limitation, the existence of the Encumbrance Holder Account, a report that details all deposits to, earnings on, withdrawals relating to the portion of the Encumbrance Holder Account for Permitted Capital Expenditures Work (and the purpose of such Permitted Capital Expenditure withdrawals, including commencement and completion dates) from, and the balance of the Encumbrance Holder Account designated for Permitted Capital Expenditure Component Work.

5.12.7 Reserve Fund Substitute Security Alternative.

(a) In lieu of the monthly Reserve Fund contributions described in this Section 5.12, Lessee shall have the right to deliver to the Director an irrevocable letter of credit (together with all renewals and replacements thereof) acceptable to Director (in the Director's sole and absolute discretion) in the amount of the Threshold Amount, as described herein (the "**Letter of Credit**"). Director shall have the authority, in its reasonable discretion, to consider the delivery by Lessee of such Letter of Credit as satisfaction of such Reserve Fund contributions. The Letter of Credit shall be in form and content acceptable to Director and from a financial institution acceptable to the Director, delivered to Director and be in an amount equal to the Threshold Amount then required to be in the Reserve Fund as of the date of each Reserve Study or annual updated Reserve Study plus the amount of required contributions during the ensuing year. The amount of the Letter of Credit shall be recalculated at the time of delivery of a Reserve Study, either as required hereunder or following a Future Financing Event ("**Letter of Credit Amount**"). Subject to the County's prior written approval, Lessee shall be entitled to reduce the amount of the Letter of Credit at any time that a reduction in the Threshold Amount may occur by performance of Permitted Capital Expenditure Component Work.

(b) The Letter of Credit shall be unconditional (except to the extent the same may be conditioned to the extent set forth in this Section), clean, irrevocable, renewable and a transferable Letter of Credit in the amount of the Threshold Amount, which amount shall be increased or reduced from time to time in accordance with the provisions of this Article 5.12, issued by and drawn on a bank which is a member of the New York Clearing House and which has a banking office dedicated to the administration and payment of letters of credit in the State of California (or permits

draws by facsimile or overnight mail to an office outside the State of California), which bank must be reasonably satisfactory to the County, for the account of the County, for an initial term of not less than one (1) year and shall provide for its automatic renewal from year to year unless terminated by the issuing bank or replaced by Lessee with another bank reasonably acceptable to the County by notice to the County given not less than thirty (30) days prior to its expiration date by registered or certified mail (and the final expiration date of the final Letter of Credit shall be no earlier than thirty (30) days following the end of the Term), as security for the faithful performance and observance by Lessee of the terms, conditions and provisions of this Article 5. Additionally, the Letter of Credit (i) may be drawn at the State of California banking office of the issuer (or by facsimile or overnight mail to an office outside the State of California) and must allow for draws to be made at sight pursuant to a form of draw request which has been reasonably approved by the County; (ii) must allow for one draw in the whole amount or multiple partial draws upon certification from the County that the amounts are being drawn in accordance with the terms of this Article 5 (and the County shall not, as a condition to any draw, be required to deliver any certificate, affidavit or other writing to the issuer expressing the specific basis for the draw; nor shall the issuer have the right to inquire as to the basis for the draw or require instruction or authorization from any party other than the County; nor shall issuer be permitted to withhold a draw, when requested by the County, as a result of any instruction from any other party); (iii) shall be freely transferable, in whole, but not in part, by the County in connection with a transfer of the Premises and shall be governed by (A) the International Standby Practices (SP 98 published by the International Chamber of Commerce) or (B) the United Nations Convention on Independent Guarantees and Standby Letters of Credit; and (iv) shall otherwise be in such form and shall be subject to such requirements as the County may reasonably require. Without limiting the generality of the foregoing, but without contradicting the express terms set forth above, the Letter of Credit must be issued by a bank or financial institution reasonably acceptable to the County (x) that is chartered under the laws of the United States, any state thereof or the District of Columbia, and which is insured by the Federal Deposit Insurance Corporation, (y) whose long-term debt ratings on bank level senior debt obligations are rated in not lower than the second highest category by at least two of Fitch Ratings Ltd. ("**Fitch**"), Moody's Investors Service, Inc. ("**Moody's**") and Standard & Poor's Ratings Services ("**S&P**") or their respective successors (the "**Rating Agencies**") (which, as of the date hereof, shall mean AA from Fitch, Aa from Moody's or AA from S&P) and (z) which has a short-term deposit rating at the bank level in the highest category from at least two Rating Agencies (which shall mean F1 from Fitch, P-1 from Moody's and A-1 from S&P) (each an "**Approved Bank**").

(c) Lessee shall be required to maintain the Letter of Credit in the amount of the Letter of Credit Amount in full force and effect throughout the Term of the Lease, or otherwise deposit the applicable amount of cash with the County. Accordingly, Lessee shall renew any Letter of Credit from time to time, at least thirty (30) days prior to the expiration thereof and deliver to the County a new Letter of Credit in the amount of the Letter of Credit Amount or an endorsement to the Letter of Credit, and any other evidence reasonably required by the County, that the Letter of Credit has been renewed for a period of at least one (1) year. If Lessee fails to renew the Letter of Credit as

aforesaid, the County may present the Letter of Credit for payment on or after the date which is ten (10) business days prior to the expiration thereof and retain the proceeds thereof as the Threshold Amount in lieu of the Letter of Credit. Upon delivery to the County of any new or replacement Letter of Credit, the County shall return to Lessee for cancellation, together with any reasonable evidence required by the issuer authorizing cancellation, any Letter of Credit then held by the County. If Lessee shall have fully complied with all of the covenants and conditions of this Section 5.12.7, the Letter of Credit shall be returned to Lessee or, if the County has drawn on the Letter of Credit, the remaining proceeds of the Letter of Credit which are in excess of the Threshold Amount shall be repaid to Lessee, without interest.

(d) The County may draw on the Letter of Credit, in whole or in part at the County's election, without advance notice to Lessee at any time or from time to time on or after (i) the Lessee has not satisfied the Threshold Amount at the time as may be required in accordance with Section 5.12.1(a), or (ii) the County is given notice by the issuer of the Letter of Credit that it is terminating the Letter of Credit and Lessee fails to replace the Letter of Credit with a substitute Letter of Credit complying with the provisions hereof at least thirty (30) days in advance of its expiration date, or (iii) the Letter of Credit expires on a specified date by its terms and is not renewed or replaced at least thirty (30) days in advance of its expiration date, or (iv) the bank or financial institution that issues the Letter of Credit is declared insolvent, or is placed into receivership by the Federal Deposit Insurance Corporation or any other governmental or quasi-governmental institution, or (v) if the bank or financial institution (other than an Approved Bank) no longer satisfies the ratings requirements set forth above and Lessee fails to replace the Letter of Credit with a substitute Letter of Credit complying with the provisions hereof at least thirty (30) days following notification from the County of the failure of such condition or (vi) to the extent permitted by law, in the event any bankruptcy, insolvency, reorganization or any other debtor creditor proceeding is instituted by or against Lessee.

(e) Lessee hereby waives the provisions of any law, now or hereafter in effect, which limits the ability of the County to draw on the Letter of Credit as described above. Proceeds of any draw on the Letter of Credit shall be deposited by the County into a Reserve Fund Account, for disbursement to Lessee for the performance of the Permitted Capital Expenditure Components Work, until the Letter of Credit is replaced, at which time the funds remaining in the Reserve Account established by the County shall be returned to Lessee. If the reason for the draw on the Letter of Credit is the failure to comply with the Threshold Amount obligation, the replacement of the Letter of Credit shall be in the amount required to satisfy the then required Threshold Amount obligation. Additionally, prior to the time the Letter of Credit is replaced, Lessee shall make any required Reserve Fund deposits into the Reserve Fund Account established by the County. Any replacement Letter of Credit shall satisfy the provisions of Section 5.12.7(b) above and be in the amount of the required to satisfy the then required Threshold Amount obligation.

(f) In the event that an authorized draw on a Letter of Credit is not timely honored by the issuing bank, and Lessee does not either provide a new qualifying letter

of credit or establish a Reserve Fund required by this Section 5.12 in either case in the amount required to satisfy the then required Threshold Amount obligation within thirty (30) days following receipt of notice of the failure of the issuing bank to honor the Letter of Credit, such failure shall be considered an Event of Default under this Lease (without any notice and cure period).

(g) Additional Provisions Regarding Letter of Credit.

(i) On any request by the County made during the Term of the Lease, Lessee shall reasonably cooperate in accomplishing any reasonable modification of the Letter of Credit reasonably requested by the County.

(ii) If the Letter of Credit should be lost, mutilated, stolen or destroyed, Lessee shall, at no material cost to Lessee, cooperate in obtaining the issuance of a replacement.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

MAIL TAX STATEMENT TO:

(Space Above Line for Recorder's Use Only)

Documentary Transfer Tax: \$ _____

EXEMPT FROM BUILDING HOMES AND JOBS ACTS FEE PER GOVERNMENT CODE
27388.1(a)(2)

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE AND CONSENT

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. **VILLA DEL MAR PROPERTIES, LTD., L.P.**, a California limited partnership ("**Assignor**") does hereby assign, transfer, grant, convey and set over to _____ ("**Assignee**"), all of its right, title and interest in and to that certain leasehold created by that certain Lease Agreement (Lease No. 78130, Parcel 13R), dated as of December 5, 2014, by and between the County of Los Angeles (the "**County**"), as lessor, and Villa del Mar Properties, LTD., L.P., a California limited partnership, as lessee, upon and subject to the terms, covenants, conditions and provisions therein provided and as provided in that December 5, 2014 as Instrument No. 20141311732 of Official Records of Los Angeles County, as amended (the "**Lease**"), covering the leased premises more particularly described in Exhibit A attached hereto and incorporated herein (the "**Property**"), to have and to hold the same for and during the rest, residue and remainder of the term of the Lease (the "**Assignment**"). The term of the Lease commenced on June 8, 1961 and is scheduled to expire on June 7, 2060.

2. Assignor hereby quitclaims, remises and releases to Assignee, all of Assignor's right, title and interest in and to the improvements located on the Property, which improvements are and shall remain real property.

3. Assignee hereby accepts the foregoing assignment and assumes and agrees to perform and observe all of the covenants, conditions and provisions in the Lease to be performed and observed by the lessee thereunder, which arise and relate to the period from and after the effective date hereof, but also including, without limitation, the obligation to cure any defaults and delinquencies under the Lease (if any) and to pay County percentage rent and any other amounts attributable to the period prior to this Assignment, but not discovered by County or Assignee until after this Assignment; provided, however, and notwithstanding any release of Assignor from liability under the Lease, solely as between Assignor and Assignee, but subject to the terms of the Agreement of Sale and Purchase dated as of _____, 2025 (the "Purchase Agreement") to the extent applicable, Assignee shall be entitled to make a claim against Assignor, to the extent provided therein.

4. Assignor and Assignee hereby acknowledge and agree that, in accordance with that certain Consent to Assignment and Estoppel Certificate consenting to this Assignment (the "Consent"), executed by the County on _____, 2025, Assignor and Assignee shall be jointly and severally liable to the County for payment of any and all deficiencies in payments owing to the County under the Lease for the period preceding the date of this Assignment and first revealed by an audit after the date of this Assignment.

5. Assignor agrees to indemnify, defend and hold harmless from and against any and all claims, demands, liabilities, suites, actions, judgments, costs and expenses (including reasonable attorneys' fees and court costs) arising and accruing from or out of Assignor's obligations under the Lease prior to the date of this Assignment.

6. Assignee agrees to indemnify, defend and hold harmless from and against any and all claims, demands, liabilities, suites, actions, judgments, costs and expenses (including reasonable attorneys' fees and court costs) arising and accruing from or out of Assignee's obligations under the Lease prior to or after the date of this Assignment.

7. Each of Assignor and Assignee represents and warrants that they have all the requisite authority to execute this Assignment and this Assignment constitutes a legal, valid and binding obligation of each of Assignor and Assignee, enforceable against each of Assignor and Assignee.

8. This assignment is made SUBJECT TO: (i) all taxes and special assessments for the year 2024-2025 not yet delinquent, and subsequent years, (ii) all zoning ordinances, building codes and other land use laws and applicable governmental regulations, (iii) all covenants, agreements, conditions, easements, restrictions and rights of record, and (iv) all matters that would be shown by a current survey and/or revealed by a current physical inspection of the Property..

9. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

10. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

11. This Assignment may be executed in any number of identical counterparts, all or any of which may contain the signatures of fewer than all of the parties, and all of which shall be construed together as a single instrument.

[SIGNATURES BEGIN ON NEXT PAGE]

DRAFT

Dated as of this ____ day of [____], 2025.

ASSIGNOR:

VILLA DEL MAR PROPERTIES, LTD., L.P.,
a California limited partnership

By: Molori, LLC,
a Delaware limited liability company,
a General Partner

By: _____
Name: Richard W. Silver, as Trustee of the Richard
W. Silver 1988 Living Trust
Its: Sole Member

By: Aspen-Marina, Inc.,
a California corporation,
a General Partner

By: _____
Name: Richard W. Silver
Its: President

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 _____)

On _____, 2025, before me, _____, Notary Public
(insert name and title of the officer)

personally appeared Richard W. Silver, 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 paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (Seal)

ASSIGNEE:

By: _____
Name: _____
Its: _____

DRAFT

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 _____)

On _____, 2025, before me, _____, Notary Public
(insert name and title of the officer)

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 paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (Seal)

ACKNOWLEDGEMENT AND CONSENT

The undersigned is the duly authorized representative of the County of Los Angeles, lessor under the Lease, and on behalf of the County hereby consents to the assignment of said Lease by Villa Del Mar Properties, LTD., L.P., a California limited partnership, as Assignor, and the assumption of the Lease by _____, as Assignee, as contained in the attached Assignment. Notwithstanding such consent by the County of Los Angeles, any underperformed ongoing obligation of the lessee under the Lease will constitute a default under such Lease if not performed in accordance with the provisions of such Lease and this Consent is expressly conditioned upon Assignee's assumption of all of Assignor's obligations under the Lease, as contained in the attached Assignment.

[Signature Page to Follow]

LESSOR

THE COUNTY OF LOS ANGELES:

By: _____

Gary Jones, Director of Department of
Beaches and Harbors

[Continued on next page]

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 _____)

On _____, 2025, before me, _____, Notary Public
(insert name and title of the officer)

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 paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (Seal)

Exhibit A

Marina Del Rey

Legal Description

THE LAND SITUATED IN THE UNINCORPORATED AREA OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND DESCRIBED AS FOLLOWS:

PARCELS 150 TO 182 INCLUSIVE, AS SHOWN ON LOS ANGELES COUNTY ASSESSOR'S MAP NO. 88, FILED IN BOOK 1, PAGES 53 TO 70 INCLUSIVE OF ASSESSOR'S MAPS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY.

RESERVING AND EXCEPTING UNTO THE COUNTY OF LOS ANGELES A RIGHT OF WAY FOR DRAINAGE PURPOSES IN AND ACROSS THAT PORTION OF THE ABOVE DESCRIBED PARCEL OF LAND WHICH LIES WITHIN THE SOUTHERLY 4 FEET OF THE EASTERLY 12 FEET OF THE WESTERLY 40 FEET OF LOT 180.

ALSO RESERVING AND EXCEPTING UNTO THE COUNTY OF LOS ANGELES RIGHTS OF WAY FOR SANITARY SEWER, FIRE ACCESS AND HARBOR UTILITY PURPOSES IN AND ACROSS THOSE PORTIONS DESIGNATED ON SAID MAP AS EASEMENTS TO BE RESERVED BY SAID COUNTY FOR SUCH PURPOSES.

ALSO SUBJECT TO THE PUBLIC EASEMENT RESERVED BY COUNTY IN SECTION 15.19 OF THE LEASE.

APN: 8940-370-056; 8940-759-844

GROUND LEASE ESTOPPEL AND LANDLORD RECOGNITION AGREEMENT

This **GROUND LEASE ESTOPPEL AND LANDLORD RECOGNITION AGREEMENT** (this “**Agreement**”) is made as of [____], 2025, by and among the **COUNTY OF LOS ANGELES** (the “**County**”), **VDM PARTNERS, LLC**, a Delaware limited liability company (predecessor-in-interest to Villa Del Mar Properties, LTD., L.P., a California limited partnership) (“**Ground Lessee**”), and **MIDLAND NATIONAL LIFE INSURANCE COMPANY**, an Iowa corporation, together with its successors and assigns (the “**Lender**”).

RECITALS:

A. The County is the lessor and Ground Lessee is the lessee under that certain Amended and Restated Lease Agreement dated as of December 5, 2014, as affected by that certain Amendment No. 1 to Lease No. 78130 Parcel No. 13R – Marina Del Rey (Lease No. 78130) by and between [____], dated as of [____]¹ (collectively, as amended, modified, replaced or restated from time to time, the “**Ground Lease**”). A memorandum of the Ground Lease was recorded in the Official Records of Los Angeles County, California (the “**Official Records**”) on _____ as Instrument No. _____. Pursuant to the Ground Lease, the County leases to Ground Lessee the real property legally described on Exhibit A attached hereto (the “**Premises**”). The Ground Lease amended, restated, replaced and superseded that certain Lease No. 5352 dated September 7, 1961 (as amended from time to time, the “**Original Lease**”) in its entirety.

B. Lender has agreed to make a loan to Ground Lessee in the maximum principal amount of up to \$43,400,000.00 (the “**Leasehold Loan**”), secured, *inter alia*, by Ground Lessee’s interest under the Ground Lease (the “**Ground Leasehold Estate**”) as more particularly set forth in that certain Leasehold Deed of Trust, Security Agreement, Fixture Filing and Assignment of Leases and Rents made by Ground Lessee for the benefit of Lender, dated and submitted for recording in the Official Records on or about the date hereof (as amended, modified, replaced or restated from time to time, the “**Deed of Trust**”).

C. As a condition precedent to making the Leasehold Loan, Lender has required that the County and Ground Lessee execute this Agreement.

D. County is willing to consent to the encumbering of Ground Lessee’s leasehold interest under the Ground Lease as security for the Leasehold Loan on the terms and conditions set forth in this Agreement.

AGREEMENT:

IN CONSIDERATION OF THE FOREGOING, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby covenant and agree as follows:

1. **Incorporation of Recitals.** The Recitals set forth above are incorporated by this reference with the same force and effect as if fully set forth herein.

¹ [NTD: Borrower to confirm and provide amendment or assignment of ground lessee to lender for review]

2. **Definitions.** Unless defined herein, capitalized terms used in this Agreement shall have the meanings assigned to them in the Ground Lease.

3. **Representations and Warranties.** The County represents and warrants to the Lender that the following statements are true and correct in all respects:

a. Lease Documents; Recording. The documents listed in the definition of the Ground Lease above are all of the documents amending, modifying, affecting or assigning the Ground Lease. There are no other oral or written agreements or understandings between the County and Ground Lessee relating to the Premises, the Ground Leasehold Estate or the Ground Lease.

b. Authority. The Ground Lease was duly authorized and executed by the County, is in full force and effect and is valid, binding and enforceable against the County in accordance with its terms.

c. Term. The term of the Ground Lease expires on June 7, 2060. The Ground Lease does not include any extension options.

d. Rent. Under the Ground Lease, Ground Lessee is currently obligated to pay the following amounts as rent:

i) Payments of Monthly Minimum Rent have been fully made through and including [____]. As of the date hereof, the current Monthly Minimum Rent payable under Section 4.2.1 of the Ground Lease is \$[_____] per annum, payable in monthly installments of \$[____]. Payments of Percentage Rent, to the extent required pursuant to Section 4.2.2 of the Ground Lease, have been made for all months through and including [____], but are subject to audit. In the event any such audit reveals rental deficiencies, County is entitled to receive and will expect payment by Ground Lessee or the then-current lessee for all unpaid deficiencies. No representation is made herein by County as to the status of Ground Lessee's payments of possessory interest taxes or any other taxes, assessments or similar service charges which may be due by the Ground Lessee to County or other governmental or regulatory body in connection with the Premises. As of the date hereof, Ground Lessee has not prepaid any rent or other amounts to County more than one month in advance.

ii) All rents and other charges owing under the Original Lease have been fully paid and no rents or other amounts remain owing thereunder.

e. Deposits. The County holds a Security Deposit in the amount of \$[_____] held as cash. The County does not hold any other escrows or deposits under the Ground Lease. As of the date hereof, Ground Lessee is required to maintain \$[_____] in the "Subsequent Renovation Fund" (as such amount may be adjusted in the future in accordance with Section 5.13 of the Ground Lease). As of the date hereof, Ground Lessee is required to maintain \$[_____] in the "Capital Improvement Fund" (as such amount may be adjusted in the future in accordance with Section 5.14 of the Ground Lease) (together with the Subsequent Renovation Fund, collectively the "**Reserve Fund**"). In accordance with Sections 12.8 of the Ground Lease, County acknowledges that (i) Ground Lessee has granted a security interest in the Reserve Fund to Lender, (ii) the Reserve Fund shall be held in

an account held by Lender, and (iii) Lender shall have the right to hold and control the disbursement of any funds held in the Reserve Fund (provided that such funds shall be used for the purposes required by the Ground Lease). Notwithstanding anything to the contrary in the Ground Lease: (a) the Reserve Funds will be deposited with Lender and the Director acknowledges and agrees that the Lender is acceptable for so long as the loan is in place; (b) Lessee and Director must receive Lender's consent prior to making any substitute arrangements satisfactory to Director for establishment of adequate security source as identified in the Ground Lease; and (c) such Reserve Funds are available for disbursement in accordance with, and subject to, the terms and conditions of the Loan Agreement (and Director approves disbursement of any such funds so long as the conditions set forth in the Loan Agreement are satisfied).

f. Net Proceeds Share. County acknowledges and agrees that (i) the Net Proceeds Share due to the County in connection with the Leasehold Loan is \$[] and (ii) such amount has been fully paid by the Ground Lessee concurrently with the execution of this Agreement. There are no other sums or charges due and payable under the Ground Lease by Ground Lessee in connection with the Leasehold Loan, other than the Administrative Charge, which Administrative Charge has been paid by the Ground Lessee, but remains subject to audit by the County in accordance with the Ground Lease.

g. Renovation Work. The County and Ground Lessee acknowledge and agree that that all work related to the Renovation Work has been completed as required under the Ground Lease. The Renovation Plan, including the Final Plans and Specifications, has been approved by the County and the Director, as applicable. Except as otherwise provided in the Ground Lease, the County does not own and makes no claim to the Renovation Plan or the Final Plans and Specifications. County acknowledges and agrees that, pursuant to Section 5.8 of the Ground Lease, the County's interest in the Renovation Plan and the Final Plans and Specifications is subordinate to the security interest of Lender therein. Accordingly, the Ground Lease terms with respect to the Reversion Amendment are void and of no further force and effect.

h. Default of Ground Lessee. To best of the County's knowledge, there exists no Event of Default, nor state of facts that with notice, the passage of time, or both, could ripen into an Event of Default on the part of Ground Lessee under the Ground Lease. The County has not sent a notice of default under the Ground Lease.

i. Default of the County. To County's knowledge, there exists no default, nor state of facts that with notice, the passage of time, or both, could ripen into a default on the part of the County under the Ground Lease. The County has received no notice of default under the Ground Lease.

j. Defenses; Setoffs. To County's knowledge, Ground Lessee has no defense, set off, basis for withholding of rent, claims or counter claims against the County under the Ground Lease. To the best of the County's knowledge, the County has no claims against Ground Lessee relating to the Ground Lease, the Premises or its use.

k. Assignments; Encumbrances by Ground Lessee. To County's knowledge (without any duty of investigation or inquiry), Ground Lessee has not assigned, conveyed, transferred, sold, encumbered or mortgaged its interest in the Ground Lease or the Premises.

l. Assignments; Encumbrances by the County. The County has not assigned, sublet, conveyed, transferred, sold, encumbered or mortgaged its interest in the Ground Lease or the Premises, and no mortgages, deeds of trust or other security interests encumber the County's fee interest in the Premises.

m. Rights to Purchase; Termination; Renewal; Extension. The Ground Lease contains no options, rights of first refusal or other preferential right to purchase or lease all or any portion of the Premises and contains no rights to terminate, renew or extend the term of the Ground Lease.

n. Eminent Domain. The County has not received any written notice of any eminent domain proceeding or other governmental or judicial action against the County's interest in the Premises.

o. Violations. The County has not received written notice that any portion of the Premises violates any governmental law or regulation, applicable to the Premises or any operation thereon, including, without limitation, any environmental laws or the Americans with Disabilities Act, and it has no reason to believe that grounds exist for any such claim.

4. **Consent to Ground Lessee.** The County hereby unconditionally and irrevocably recognizes that Ground Lessee is the lessee under the Ground Lease with all of the rights and obligations of the lessee thereunder.

5. **Consent to Leasehold Loan Documents.** The County hereby unconditionally and irrevocably consents to (i) Ground Lessee encumbering the Ground Leasehold Estate and executing and delivering the Deed of Trust, one or more promissory note(s) in the principal amount of \$43,400,000.00 made by Ground Lessee to the order of Lender and dated on or about hereof, that certain Loan Agreement dated on or about the date hereof by and between Ground Lessee and Lender and all other documents executed and delivered by Ground Lessee or any affiliate thereof in connection with the Leasehold Loan (collectively, as any of the same may be amended from time to time, the "**Leasehold Loan Documents**"), (ii) the right of Ground Lessee to assign the Ground Lease to Lender, (iii) Lender and Ground Lessee may amend, modify, supplement, renew, replace or substitute the Leasehold Loan Documents, including, without limitation, the Deed of Trust, without the consent of or additional notice to the County, and (iv) any requirement pursuant to the Ground Lease (including Article 12 of the Ground Lease) to deliver to the County a separate notice of a leasehold mortgage or a separate request for notice of defaults, if any, is hereby deemed satisfied.

6. **No Encumbrances.** If the County encumbers, mortgages, grants a security interest or otherwise finances its interest in the Ground Lease or its fee interest in the Premises (the "**Fee Financing**"), any such Fee Financing shall be expressly subject and subordinate to the Ground Lease and the Deed of Trust. If a Fee Financing is granted by County, within ten (10) days after request therefor by a Lender, the County will cause its mortgagee or other lender on the fee interest in the Premises to provide a commercially reasonable recognition agreement (or other reasonable agreement) requested by Lender, the purpose of which is to confirm the matters set out in this Section and that the lien related to such Fee Financing is subordinate to the lien created by the Deed of Trust on the Ground Leasehold Estate and to Ground Lessee's interest in the Ground Lease, with the effect of such subordination being that in the event of a foreclosure of the lien related to such Fee Financing,

the lien created by the Deed of Trust on the Ground Leasehold Estate and the Ground Lessee's interest in the Ground Lease and the Ground Lease will remain in full force and effect and unaffected by such foreclosure of the lien related to such Fee Financing.

7. **Subleases.** In the event of termination of the Ground Lease under circumstances in which Lender is entitled to a new lease in accordance with Section 12.7 of the Ground Lease, the County agrees that it shall not terminate any subleases in effect at the Premises ("**Subleases**"), and shall recognize and use reasonable efforts to preserve the Subleases as direct leases between the subtenants under the Subleases and the County until a new lease is entered into with Lender or an affiliate thereof in accordance with the Ground Lease.

8. **Recognition of Lender; Rights Exercisable by Lender.** The County and Ground Lessee hereby agree that all rights and options of Ground Lessee under the Ground Lease may be exercised directly by or on behalf of Lender. The County agrees that (i) Lender is an "Encumbrance Holder" and "Institutional Lender" as such terms are defined in the Ground Lease and that the Deed of Trust is an "Encumbrance" as such term is defined in the Ground Lease, and (ii) that Lender shall have all rights and privileges of such persons thereunder including, without limitation, all rights and privileges set forth in Article 12 of the Ground Lease.

9. **Future Amendments; Cancellation.** Ground Lessee and the County agree not to amend, modify, cancel or terminate the Ground Lease or surrender the Ground Leasehold Estate or the Premises without the prior, written consent of the Lender. Any such amendment or modification effected without such prior, written consent shall be null and void. Notwithstanding the foregoing, the County reserves its rights to terminate the Ground Lease in accordance with the terms and conditions of the Ground Lease, provided that the County has given: (a) all notices of default and opportunities to cure that are required by the Ground Lease and/or this Agreement to be provided to Lender, as an approved "Encumbrance Holder," and the default(s) referenced in such notices remain uncured after expiration of any applicable grace or cure periods; and (b) if applicable, to Lender, the right to enter into a new lease as set forth in Section 12.7 of the Ground Lease.

10. **Casualty and Condemnation.** County acknowledges that pursuant to the Leasehold Loan Documents, Ground Lessee has pledged to Lender its interest in all insurance and condemnation proceeds which are payable to Ground Lessee under the Ground Lease and that Lender shall maintain a lien and security interest in said funds and that such funds shall be cash collateral of Lender in the event of a bankruptcy or insolvency of the Ground Lessee. However, nothing contained herein or in the Leasehold Loan Documents shall alter the provisions of the Ground Lease and County's associated rights thereunder, including without limitation its right to require use of insurance and condemnation proceeds for restoration and repair as and to the full extent set forth in the Ground Lease, provided that (i) to the extent the terms of the Leasehold Loan Documents are consistent with the terms of the Ground Lease (or are not prohibited by or contrary to the terms of the Ground Lease), the terms of the Leasehold Loan Documents shall control as between Ground Lessee and Lender and Lender may apply such proceeds received by Lender as it sees fit, subject to the provisions of the Leasehold Loan Documents and the Ground Lease and (ii) notwithstanding anything to the contrary in the Ground Lease, including Section 6.7.3 thereof, any Security Deposit to be returned to Ground Lessee under Section 6.7.3 of the Ground Lease and any insurance or condemnation proceeds to which Ground Lessee is entitled under the Ground

Lease and which are not required by the terms of the Ground Lease to be applied to restoration of the Improvements on the Premises shall be paid to Lender and applied by Lender in accordance with the terms of the Leasehold Loan Documents. Additionally, County acknowledges and agrees that pursuant to Section 12.8 of the Ground Lease, Lender shall be entitled to hold and control the disbursement of any insurance or condemnation proceeds to which Ground Lessee is entitled under the Ground Lease that are required by the terms of the Ground Lease to be applied to restoration of the Improvements on the Premises (provided that such funds shall be used for such restoration in accordance with the requirements of the Ground Lease).

11. No Merger of Estates. If Ground Lessee acquires the fee estate of the County under the Ground Lease (the “**Fee Estate**”) (i) there shall be no merger between the Fee Estate and the Ground Leasehold Estate unless all persons having an interest in the Ground Lease, including without limitation Lender, consent in writing to the merger. If Lender or its affiliate acquires the Fee Estate and the Ground Leasehold Estate (whether pursuant to the provisions of the Ground Lease, by exercise of remedies under the Leasehold Loan Documents or otherwise), the Fee Estate and the Ground Leasehold Estate shall not merge as a result of such exercise of remedies and shall remain separate and distinct for all purposes after such exercise of remedies.

12. Future Financings. In the event Ground Lessee seeks to refinance the Leasehold Loan from time to time by mortgaging the Ground Leasehold Estate, the County agrees to enter into an agreement substantially similar in form and content to this Agreement with an Institutional Lender proposing to make a loan to Ground Lessee secured by a first lien upon the Ground Leasehold Estate. All reasonable expenses incurred by the County in connection with any such agreement shall be paid by Ground Lessee.

13. No Subordination. While the Leasehold Loan Documents executed by Ground Lessee and Lender in connection with the Leasehold Loan shall be determinative of the rights and obligations among Ground Lessee and Lender and any sublessee of Ground Lessee under the Ground Lease with respect to the Leasehold Loan, they do not, and shall not enlarge upon any rights of Ground Lessee and Lender or any sublessee, as against the County, except as expressly provided in the Ground Lease and/or this Agreement. In consenting to this Leasehold Loan, the County does not intend to subordinate any of its rights under the Ground Lease to the rights of Lender under the Leasehold Loan and, to the extent the respective rights are inconsistent, the rights of the County shall prevail, except as expressly provided in this Agreement. Without limiting the generality of the foregoing, Lender acknowledges and agrees that the fee simple interest of the County in the Premises and the County’s interest in the Ground Lease is not subject to, and not encumbered by, the Leasehold Loan and the Leasehold Loan Documents.

14. Lease Determinative. As between the County, Ground Lessee and any sublessee under the Ground Lease, the Ground Lease alone shall be determinative of any rights and obligations of the parties. As between the County and Lender, the Ground Lease and this Agreement shall be determinative of any rights and obligations of the parties with respect to the subject matter of the Ground Lease.

15. Termination of Encumbrance. The encumbrance in favor of Lender on the Ground Leasehold Estate which was created in connection with the Leasehold Loan and any interest that

Lender may acquire in that estate and the buildings, improvements, fixtures, easements, rights of way, appurtenances, water, water rights and ditch rights, and all other rights, royalties, profits, rents and collateral thereafter arising from the Ground Leasehold Estate under the Leasehold Loan Documents, if any, in connection with the Leasehold Loan shall terminate upon: (i) the expiration of the term of the Ground Lease; or (ii) the early termination of the Ground Lease, provided that the County has given: (a) all notices of default and opportunities to cure that are required by the Ground Lease and/or this Agreement to be provided to Lender, as an approved "Encumbrance Holder," and the default(s) referenced in such notices remain uncured after expiration of any applicable grace or cure periods; and (b) if applicable, to Lender, the right to enter into a new lease as set forth in Section 12.7 of the Ground Lease.

16. Full Payment. Upon full payment and performance by Ground Lessee of all of its obligations under the Leasehold Loan and the reconveyance of the Deed of Trust by the trustee thereunder recorded in the Official Records of the County of Los Angeles, Lender's rights under the Leasehold Loan Documents, regarding any assignment or encumbrance of the Ground Leasehold Estate obtained in connection with the Leasehold Loan (but excluding any guaranties, indemnities or other obligations of Ground Lessee and other parties (other than the County) that expressly survive the repayment of the Leasehold Loan), shall terminate without the necessity of any further action by the County.

17. Consent to New Loan. The County's consent to any new loan (other than the Leasehold Loan as described herein), including increases in the principal of the Leasehold Loan consented to herein, is required to the extent the new loan is to be secured by the Leasehold Loan Documents or new security instruments that encumber Ground Lessee's leasehold interest in the Premises. For avoidance of doubt, the following shall not be considered a new loan or increase in the principal of the Leasehold Loan for which consent is required pursuant to this provision: (i) advances specifically contemplated to be made by Lender pursuant to the Leasehold Loan Documents, (ii) advances to protect Lender's interest in the security for the Leasehold Loan, and (iii) the capitalization of accrued interest or late fees or other penalties as set forth in the Leasehold Loan Documents.

18. Loan Transferred. Not more than once in any twelve (12) month period, County shall be entitled to request in writing confirmation from Lender regarding the party authorized to act on behalf of the Lender, in which case Lender shall provide such confirmation within forty-five (45) days of receipt of such written request. Ground Lessee shall promptly notify the County if Ground Lessee receives written notice that the Leasehold Loan has been transferred to any unaffiliated party of Lender (except in connection with the syndication of the Leasehold Loan or in connection with the grant of participation interests that do not alter the Lender's authority with respect to the Leasehold Loan Documents, a securitization of all or any portion of the Leasehold Loan that does not change the entity authorized to act on behalf of Lender under the Leasehold Loan, or a change in the Leasehold Loan servicer) prior to its full repayment and retirement. The County recognizes that Lender may assign its interest in the Leasehold Loan to affiliates and sell and assign participation interests in and to the Leasehold Loan, or pledge, hypothecate or encumber all or any portion of the Leasehold Loan and the County explicitly consents to such actions subject to the terms and conditions of the Ground Lease and this Agreement.

20. **Lender Notice.** County shall mail to Lender a duplicate copy by certified mail of any and all notices which County may from time to time give to or serve upon Ground Lessee pursuant to the provisions of the Ground Lease; and no notice by County to Lessee hereunder shall be deemed to have been given as to Lender unless and until a copy thereof has been mailed to Lender.

22. **Notices.** Any notice or demand which may be given or made hereunder or with reference to the Ground Lease shall be a sufficient notice or demand if made in writing and (a) deposited in any letter box under the control of the United States Government, enclosed in a postpaid envelope, certified, return receipt requested, (b) sent by overnight national courier service (*e.g.*, Federal Express) or (c) delivered by hand, and addressed to the respective parties at the last address of which the parties may have been informed in writing, or if no place has been designated:

With a Copy to: Office of County Counsel
Los Angeles County
500 West Temple Street
Los Angeles, CA 90012
Attn: County Counsel

With a copy to:

8

E-Mail: GREPortfolio@guggenheimpartners.com

With a copy to: Midland National Life Insurance Company
c/o Guggenheim Partners Investment Management, LLC
1 N. Brentwood Boulevard, Suite 910
St. Louis, Missouri 63105
Attention: Jennifer A. Marler
E-Mail: Jennifer.Marler@guggenheimpartners.com

With a copy to: Norton Rose Fulbright US LLP
7676 Forsyth Boulevard, Suite 2230
St. Louis, Missouri 63105
Attention: Danette Davis, Esq.
E-Mail: Dani.davis@nortonrosefulbright.com

23. Original Lease. To County's and Ground Lessee's knowledge, there exists no default, nor state of facts that with notice, the passage of time, or both, could ripen into a default on the part of Ground Lessee or County under the Original Lease. Without limiting the generality of the foregoing, County and Ground Lessee represent and warrant to Lender that all rent due under the terms of the Original Lease has been paid in full and no amounts remain outstanding thereunder. Neither County, nor Ground Lessee has sent a notice of default under the Original Lease.

24. Successors and Assigns. This Agreement binds and inures to the benefit of the parties hereto, their heirs, successors and assigns.

25. Headings. The headings used herein are for purposes of convenience only and should not be used in construing provisions hereof.

26. Counterparts; Electronic Signatures. This Agreement and any other document necessary for the consummation of the transaction contemplated by this Agreement 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 Agreement 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 Agreement had been delivered had been signed using a handwritten signature. County and Ground Lessee (i) agree that an electronic signature, whether digital or encrypted, of a party to this Ground 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 rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Ground Lease based on the foregoing forms of signature. If this Agreement 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.

27. Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of California.

28. Rules of Construction. The parties hereto acknowledge that each party and its counsel has reviewed this Agreement, and the parties hereby agree that normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto.

29. Reliance. The County and Ground Lessee acknowledge that Lender may rely upon the statements and provisions in this Agreement in making the Leasehold Loan and that the provisions of this Agreement shall be effective notwithstanding a contrary provision or the absence of a similar provision in the Ground Lease.

[Remainder of page left intentionally blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement under seal as of the day and year first written above.

COUNTY:

COUNTY OF LOS ANGELES

By: _____

Name: Gary Jones

Title: Director, Department of Beaches and Harbors

APPROVED AS TO FORM:

DAWYN R. HARRISON,
County Counsel

By: _____
Senior Deputy

APPROVED AS TO FORM:

Counsel for County

GLASER, WEIL, FINK, HOWARD, JORDAN & SHAPIRO LLP

By: _____
Roger H. Howard, Esq.

LENDER:

**MIDLAND NATIONAL LIFE INSURANCE
COMPANY**, an Iowa corporation

By: Guggenheim Partners Investment
Management, LLC

By: _____

Jennifer A. Marler
Authorized Signer

GROUND LESSEE:

VDM PARTNERS, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

DRAFT

EXHIBIT A
PREMISES LEGAL DESCRIPTION

[to be added]

DRAFT

CONSENT TO ASSIGNMENT AND ESTOPPEL CERTIFICATE

THIS ESTOPPEL CERTIFICATE (“**Certificate**”) is made as of the _____ day of _____, 2025 (the “**Effective Date**”), by the County of Los Angeles (“**Lessor**”), in favor of Villa del Mar Properties, LTD., L.P., a California limited partnership (“**Lessee**”), VDM Partners, LLC, a Delaware limited liability company (“**Buyer**”).

Lessor hereby certifies to Lessee and Buyer that as of the Effective Date hereof:

1. Lessor is the lessor under that certain Amended and Restated Lease Agreement, dated December 5, 2014 (the “**Lease**”), by and between Lessor and Lessee, demising that certain real property located at 13999 Marquesas Way, Marina del Rey, California 90292, as more fully described in the Lease, and commonly referred to as the Villa Del Mar Apartment Homes and Marina (the “**Property**”).

2. Lessor is the owner of the fee simple estate in the Property.

3. Lessor does hereby consent to the assignment of Lessee’s interest in said Lease to Buyer.

4. The term of the Lease commenced on June 8, 1961 and expires on June 7, 2060.

5. A true and complete copy of the Lease, including all amendments, supplements and other modifications thereto is attached hereto as **Exhibit A**. The documents attached to **Exhibit A** hereto represent the entire agreement between Lessor and Lessee as to the Lease and the Lease has not otherwise been modified, supplemented or amended in any way.

6. Rents and other charges have been fully paid under the Lease through _____, 2025, with rent and other charges as verified by formal audit for the period ending _____, 2023 (the “**Effective Audit Date**”), and all delinquencies revealed by such audit have been paid to Lessor. Subject to County audit rights for periods after the Effective Audit Date that might affect the calculation of the Annual Minimum Rent required to be paid under the Lease, the Annual Minimum Rent payable under the Lease as of the date hereof is _____. Subject to the foregoing, Annual Minimum Rent as required by the Lease has been timely and fully made since the Effective Audit Date for all months up through and including _____, 20____. Monthly percentage rent payments have been made through the month of _____, 20____ (for gross receipts reported for the month of _____, 20____), but all such payments are subject to audit for periods from and after the Effective Audit Date. In the event any such audit reveals a rental deficiency, Lessee and Assignee shall be liable jointly and severally for payment of all unpaid deficiencies accruing on and after the Effective Audit Date. Annual Minimum Rent and percentage rental rates under the Lease are subject to adjustment in accordance with the terms and provisions of the Lease.

7. The amount of the security deposit required under the Lease is \$ _____ and such amount has been paid to Lessor.

8. Lessor acknowledges that Realty Center Management, Inc. has been approved as the property management company for the Property and all improvements located thereon upon the consummation of the assignments to Buyer.

9. The Lease is in full force and effect to the knowledge of Lessor. Lessor has not been notified by Lessee of any assignment of the Lease other than the contemplated assignment of the Lease.

10. Subject to any matters that may be disclosed by the audit described in Section 5 above, to the knowledge of Lessor, there is no existing uncured default under the Lease with respect to any monetary or non-monetary provision of the Lease and no event has occurred which, with the passage of time or giving of notice, or both, would constitute a default with respect to any provision of the Lease. Notwithstanding any contrary provision of this Section 10, County has made no inspection of the Premises or investigation or inquiry as to Lessee's performance of any non-monetary obligation under the Lease, and the certification in this Section 10 is made without any duty of such investigation or inquiry.

11. Lessor has not assigned, conveyed, transferred, sold, encumbered or mortgaged its interest in the Lease or the Property.

12. The undersigned individual is duly authorized to execute this Certificate.

13. Lessee is in compliance with the dockmaster requirement in Sections 3.4 and 15.20 of the Lease.

14. The next renegotiation date is January 1, 2035.

15. All required Renovation Work, as defined in Section 5.1 of the Lease has been completed.

16. No Anchorage Improvements Work as defined in Section 5.____ of the Lease or any other work related to the Anchorage Improvements is currently required.

17. As of the date hereof, the required amount to be deposited in the account for the Capital Improvement Fund is \$_____ in the Sub-Fund for Improvements other than Anchorage Improvements and \$_____ in the Sub-Fund for Anchorage Improvements, and the required amount to be deposited in the Subsequent Renovation Fund \$_____.

18. The truth and accuracy of the certifications contained in this Certificate may be relied upon by Buyer and its successors, assigns and transferees, and lenders and said certifications shall be binding upon Lessor and its successors and assigns, and inure to the benefit of Buyer and its successors, assigns and transferees and lenders. Except as specifically set forth herein, this Consent to Assignment and Estoppel Certificate shall not be deemed to alter or modify any of the terms and conditions of the Lease.

[The remainder of this page is intentionally left blank.]

This Certificate is executed as of the Effective Date.

COUNTY OF LOS ANGELES

By: _____
Name: Gary Jones
Title: Director, Department of Beaches and
Harbors

DRAFT

Exhibit A

LEASE

(see attached)

5003915671.1

5003915671.1

DRAFT

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	6/18/2025			
BOARD MEETING DATE	7/8/2025			
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input checked="" type="checkbox"/> 5 th			
DEPARTMENT(S)	Parks and Recreation			
SUBJECT	APPROVAL OF A LICENSE AGREEMENT FOR THE USE OF THE BOATING INSTRUCTION AND SAFETY CENTER WITHIN THE WARREN M. DORN COMPLEX AT THE CASTAIC LAKE RECREATION AREA FOR AQUATIC SAFETY PROGRAMS			
PROGRAM	License Agreement			
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:			
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No – Not Applicable			
DEADLINES/ TIME CONSTRAINTS	Current Agreement Expiration Date is July 31, 2025. Approval of the new license agreement must be executed prior to July 31, 2025.			
COST & FUNDING	<table border="1"> <tr> <td>Total cost: \$ N/A</td><td>Funding source: N/A</td></tr> </table>		Total cost: \$ N/A	Funding source: N/A
Total cost: \$ N/A	Funding source: N/A			
	TERMS (if applicable): As mutually agreed by the Department and California State University, Northridge (CSUN). Explanation: CSUN shall pay the annual rent for the use of designated spaces in three equal installments as mutually agreed by CSUN and the Department. Commencing on September 1 st of each subsequent year throughout the Agreement Term, the annual rent will increase and be rounded to the nearest dollar amount.			
PURPOSE OF REQUEST	Approval of the recommended actions will allow CSUN the use of the BISC to conduct water safety instruction and training and offer a public benefit program that enhances community well-being and promotes recreational safety. The proposed License Agreement will not negatively affect current County services or projects at Castaic Lake Recreation Area.			
BACKGROUND (include internal/external issues that may exist including any related motions)	The Castaic Lake State Recreation Area (Castaic Lake) is owned by the State of California (State) and operated by the County of Los Angeles (County) under an existing operating agreement (Operating Agreement) with the State for the operation and maintenance of Castaic Lake.			

	<p>The Department of Parks and Recreation (Department) and California State University, Northridge (CSUN) have maintained a long-standing partnership centered on aquatic education and safety programming at the Boating Instruction and Safety Center (BISC). For decades, CSUN has collaborated with the Department to deliver instructional and community-focused aquatic programs, reinforcing a shared commitment to public safety, environmental stewardship, and expanding recreational access.</p> <p>CSUN, through its curriculum, offers an Aquatic Safety Program that provides instruction, education, and training in the safe use of water skis, boats, and similar watercraft, including, but not limited to, boat launching and recovery from the dock area.</p> <p>The recommended actions will allow to use the BISC to provide CSUN the space to conduct its Aquatic Safety Program and store the necessary instructional equipment.</p> <p>In addition to an annual rental fee, and in recognition of a long-standing partnership with the Department, CSUN will continue providing at least one community benefit program per year at no cost to the public in alignment with the Aquatic Safety Program curriculum.</p> <p>The BISC also serves as a critical hub for the Department to deliver high-quality community services and expand access to aquatic safety education, youth recreation programs, and trainings, including a lifeguard training program and other related classes to aquatic professionals. Maintaining access to and use of the BISC is essential to supporting a partnership with CSUN and advancing the Department's mission to promote public engagement, water safety, and year-round programming for youth and families.</p> <p>To advance and support the Department's aquatic programming goals, the Department plans to activate and expand year-round recreational and safety offerings at the BISC. These could include kayaking, lifeguard training, diving and scuba certification, and first responder and Emergency Medical Technician training. The Department will also coordinate with CSUN to enhance scheduling and communication in support of both academic and public-serving uses of the facility.</p>
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: RUBEN LOPEZ, CHIEF OF CONTRACTS AND PROCUREMENT DIVISION (626) 588-5300, rlopez@parks.lacounty.gov RUBEN EGOYAN, CONTRACTS SECTION HEAD (626) 588-5266, regoyan@parks.lacounty.gov



COUNTY OF LOS ANGELES
DEPARTMENT OF PARKS AND RECREATION

"Parks Make Life Better!"

Norma E. García-González, Director

Alina Bokde, Chief Deputy Director

July 8, 2025

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

Dear Supervisors:

**APPROVAL OF A LICENSE AGREEMENT FOR THE USE OF THE
BOATING INSTRUCTION AND SAFETY CENTER WITHIN THE
WARREN M. DORN COMPLEX AT THE CASTAIC LAKE RECREATION AREA FOR
AQUATIC SAFETY PROGRAMS
(SUPERVISORIAL DISTRICT 5) (3-VOTES)**

SUBJECT

Approval of the recommended actions will delegate authority to the Director of Parks and Recreation, or her designee, to execute the license agreement with California State University, Northridge, for the use of the Boating Instruction and Safety Center, located within the Castaic Lake Recreation Area, to conduct instructional academic classes in boating instruction and water safety.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed actions are categorically exempt from the California Environmental Quality Act, for the reasons stated in this Board letter and the record.
2. Delegate authority to the Director of Parks and Recreation, or her designee, to execute a license agreement, substantially similar to the attached sample agreement, upon approval as to form by County Counsel, to authorize California State University, Northridge to operate the Boating Instruction and Safety Center, as mutually agreed with the County, to conduct instructional academic classes in boating instruction and water safety, for an initial term of five years and one additional five-year extension option, for a maximum term of ten years.
3. Delegate authority to the Director of Parks and Recreation, or her designee, to exercise the additional five-year extension option, if, in her opinion, the Licensee

has complied with the License Agreement's terms and conditions during the previous term; and to amend, suspend, terminate, or assign this License Agreement, if deemed necessary, in accordance with the approved terms and conditions of the License Agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Castaic Lake State Recreation Area (Castaic Lake) is owned by the State of California (State) and operated by the County of Los Angeles (County) under an existing operating agreement (Operating Agreement) with the State for the operation and maintenance of Castaic Lake.

The Department of Parks and Recreation (Department) and California State University, Northridge (CSUN) have maintained a long-standing partnership centered on aquatic education and safety programming at the Boating Instruction and Safety Center (BISC). For decades, CSUN has collaborated with the Department to deliver instructional and community-focused aquatic programs, reinforcing a shared commitment to public safety, environmental stewardship, and expanding recreational access.

CSUN, through its curriculum, offers an Aquatic Safety Program that provides instruction, education, and training in the safe use of water skis, boats, and similar watercraft, including, but not limited to, boat launching and recovery from the dock area.

The recommended actions will allow the use of the BISC to provide CSUN the space to conduct its Aquatic Safety Program and store the necessary instructional equipment.

In addition to an annual rental fee, and in recognition of a long-standing partnership with the Department, CSUN will continue providing at least one community benefit program per year at no cost to the public in alignment with the Aquatic Safety Program curriculum.

The BISC also serves as a critical hub for the Department to deliver high-quality community services and expand access to aquatic safety education, youth recreation programs, and trainings, including a lifeguard training program and other related classes to aquatic professionals. Maintaining access to and use of the BISC is essential to supporting a partnership with CSUN and advancing the Department's mission to promote public engagement, water safety, and year-round programming for youth and families.

To advance and support the Department's aquatic programming goals, the Department plans to activate and expand year-round recreational and safety offerings at the BISC. These could include kayaking, lifeguard training, diving and scuba certification, and first responder and Emergency Medical Technician training. The Department will also coordinate with CSUN to enhance scheduling and communication in support of both academic and public-serving uses of the facility.

Implementation of Strategic Plan Goals

The recommended actions uphold the County's Strategic Plan Goals to Improve Health Outcomes, by promoting comprehensive, inclusive, culturally-responsible care, health lifestyles, and the improvement of physical health outcomes (North Star 1.A.ii); Foster Vibrant and Resilient Communities, by increasing support for student and family school engagement and well-being through expansion of integrated student supports (North Star 2.F.iii), Manage and Maximize County Assets, by maximizing the use of County assets, guide strategic investments (including real estate and space management) in ways that are fiscally responsible and in alignment with the County's highest priority needs (North Star 3.G.ii).

FISCAL IMPACT/FINANCING

CSUN shall pay the annual rent for the use of designated spaces in three equal installments as mutually agreed by CSUN and the Department. Commencing on September 1st of each subsequent year throughout the Agreement Term, the annual rent will increase and be rounded to the nearest dollar amount.

OPERATING BUDGET IMPACT

CSUN's Aquatic Safety Program is a financially self-supporting unit of the CSUN's Department of Recreation and Leisure Studies. The rent revenues received from the recommended license agreement will be deposited into the Department's Operating Budget to help offset the County's maintenance costs of the BISC.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County and the State entered into Operating Agreement No. 15764 (the "Operating Agreement") on November 18, 1969, in which the Department is authorized to provide a variety of recreational activities at Castaic Lake. These activities include, but are not limited to, hiking, mountain biking, overnight camping, picnicking, recreational events, boating, fishing, water skiing, and other water-based recreation, while also maintaining and overseeing the management of the area.

The County, through its Department, is authorized by the provision of Government Code Section 25907 to grant licenses and leases for the provision of parks and recreation related activities.

Approval of the recommended actions is consistent with said Government Code.

The Sample License Agreement, Attachment I, contains terms and conditions supporting your Board of Supervisors (Board) ordinances, policies, and programs. The CEO's Risk

Management Office has approved the insurance, indemnification, and liability provisions included in the Sample License Agreement.

County Counsel will approve the License Agreement as to form prior to the Director of Parks and Recreation (Director), or her designee, executing the License Agreement.

ENVIRONMENTAL DOCUMENTATION

The proposed actions are categorically exempt from the California Environmental Quality Act (CEQA). The actions, which will delegate authority to the Director, or her designee, to execute a license agreement with CSUN for the use of the BISC located within Castaic Lake to conduct instructional academic classes in boating and water safety, are within a class of projects that have been determined not to have a significant effect on the environment and which meet the criteria set forth in section 15323 of the State CEQA Guidelines and Class 23 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. The actions provide for the normal operations of existing facilities for public gatherings for which the facilities were designed, where there is a history of the facility being used for the same or similar kind of purpose.

In addition, based on the records related to the proposed actions, they 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 they 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 recommended actions, the department will file a Notice of Exemption with the County Clerk in accordance with section 21152 of the California Public Resources Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will allow CSUN to use BISC to conduct water safety instruction and training and offer a public benefit program that enhances community well-being and promotes recreational safety. The proposed License Agreement will not negatively affect current County services or projects at Castaic Lake Recreation Area.

CONCLUSION

Please instruct the Executive Officer of the Board to forward an adopted copy of the action taken by your Board to the Department.

Honorable Board of Supervisors
July 8, 2025
Page 5

Should you have any questions please contact Mr. Ruben Lopez at (626) 588-5278 or via-email at rlopez@parks.lacounty.gov or Mr. Ruben Egoyan at (626) 588-5266 or via email at regoyan@parks.lacounty.gov or Johanna Hernandez at (626) 588-5098 or via at blh@parks.lacounty.gov.

Respectfully submitted,

Norma E. García-González
Director

NEGG:AB:MR
RL:BT:RE:AA:rc

Attachment

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

ATTACHMENT

June 18, 2025

**APPROVAL OF A LICENSE AGREEMENT FOR THE USE OF THE
BOATING INSTRUCTION AND SAFETY CENTER WITHIN THE
WARREN M. DORN COMPLEX AT THE CASTAIC LAKE RECREATION AREA FOR
AQUATIC SAFETY PROGRAMS
(SUPERVISORIAL DISTRICT 5)
(3-VOTES)**

This Board letter has a large attachment.
Click on link to access:

[PK - Aquatic Safety Program - Castaic Lake Recreation Area.pdf](#)

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	6/18/2025		
BOARD MEETING DATE	7/8/2025		
SUPERVISORIAL DISTRICT AFFECTED	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 st <input checked="" type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th		
DEPARTMENT(S)	Parks and Recreation		
SUBJECT	APPROVAL OF MEMORANDUM OF UNDERSTANDING WITH THE MUSEUM ASSOCIATES, INC. DBA LOS ANGELES COUNTY MUSEUM OF ART FOR USE OF PARK FACILITIES FOR MUSEUM PROGRAMMING (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)		
PROGRAM	N/A		
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:		
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable		
DEADLINES/ TIME CONSTRAINTS	Museum Associates (dba LACMA) is currently under a Core and Community Partner Program agreement with County Department of Parks and Recreation, however, that agreement shall expire November 1, 2025 which will need a new long-term agreement for LACMA to continue to provide programming at County Parks.		
COST & FUNDING	Total cost:	Funding source:	
	\$0	LACMA (dba Museum Associates)	
	TERMS (if applicable): Five (5) years		
	Explanation:		
PURPOSE OF REQUEST	<ul style="list-style-type: none"> Find that the proposed actions are not a project under the California Environmental Quality Act for the reasons stated in the Board letter and the record. Authorize the Director of Parks and Recreation, or her designee, to execute, and if necessary, suspend or terminate, a Memorandum of Understanding (MOU) with the Museum Associates dba Los Angeles County Museum of Art (LACMA), in a form substantially similar to Attachment I and upon approval as to form by County Counsel, to grant Museum Associates access to temporarily enter onto, occupy and use County park property for activities related to LACMA programs for an initial term of five (5) years with an option to extend the term for an additional five (5) year term, totaling no more than ten (10) years. 		
BACKGROUND (include internal/external issues that may exist including any related motions)	<ul style="list-style-type: none"> LACMA providing programs for youth and families in community sites is a public benefit. LACMA Programs are both integrated into DPR's programming (including Parks After Dark) and offered in complement to DPR recreational programs to increase youth, adult, and family access to art experiences that are culturally affirmative, and that support positive identity formation, individual resiliency, family cohesion, and community vibrancy. LACMA Programs also activate DPR operated park sites and promote community use, community engagement, cultural expression, and cultural equity. 		

	This MOU creates a non-exclusive, non-continuous and temporary right for Museum Associates to utilize County Park property for LACMA Programs on days and times as mutually agreed upon by LACMA and the Department.
EQUITY INDEX OR LENS WAS UTILIZED	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain how: The recommended actions to approve gratis agreements for non-profit partners, especially at parks in vulnerable and disadvantaged communities, is aligned with the County's Anti-Racism, Diversity, and Inclusion Initiative.
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: The proposed projects will achieve the goals of creating buildings and infrastructure that support human health and resilience (Goal 2) and creating accessible parks, public lands, and public spaces that create opportunities for respite, recreation, ecological discovery, and cultural activities (Goal 6) of the Our County Sustainability Plan.
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Lynda Hikichi, Departmental Facilities Planner – II, (626) 588-5303, lhikichi@parks.lacounty.gov Sean Woods, Planning Division Operations Manager, (626) 588-5345, swoods@parks.lacounty.gov



COUNTY OF LOS ANGELES
DEPARTMENT OF PARKS AND RECREATION
"Parks Make Life Better!"

Norma E. García-González, Director

Alina Bokde, Chief Deputy Director

July 8, 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:

**APPROVAL OF MEMORANDUM OF UNDERSTANDING WITH THE MUSEUM
ASSOCIATES, INC. DBA LOS ANGELES COUNTY MUSEUM OF ART FOR USE OF
PARK FACILITIES FOR MUSEUM PROGRAMMING
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

SUBJECT

Approval of the recommended actions will authorize the Director of Parks and Recreation to enter into an agreement with the Museum Associates dba Los Angeles County Museum of Art to access County park property for activities related to Los Angeles County Museum of Art programs. The parties will enter into a five (5)-year agreement and may mutually agree to extend the term for one additional five (5)-year term for a maximum total term of ten (10) years,

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed actions are not a project under the California Environmental Quality Act for the reasons stated in the Board letter and the record.
2. Authorize the Director of Parks and Recreation, or her designee, to execute, and if necessary, suspend or terminate, a Memorandum of Understanding (MOU) with the Museum Associates dba Los Angeles County Museum of Art (LACMA), in a form substantially similar to Attachment I and upon approval as to form by County Counsel, to grant Museum Associates access to temporarily enter onto, occupy and use County park property for activities related to LACMA programs for an initial term of five (5) years with an option to extend the term for an additional five (5) year term, totaling no more than ten (10) years.

HOA.104617675.1

Executive Offices • 1000 S Fremont Ave, Unit #40 • Alhambra, CA 91803 • (626) 588-5373

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Department of Parks and Recreation (Department or DPR) operates 181 facilities throughout the County, some of which contain spaces that may be used by nonprofits and government agencies to offer activities that provide recreational, park, and public benefits.

The Department incorporates arts-based youth development programming, some of which is provided by Museum Associates dba the Los Angeles County Museum of Art, as a component of its youth and family programs. These activities can complement existing park uses and enhance park user experiences in alignment with the Department's mission to steward parklands, build healthy and resilient communities, and advance social equity and cohesion.

Museum Associates operates and manages the Los Angeles County Museum of Art, pursuant to existing agreements as amended, dated December 9, 1958, March 4, 1960, December 26, 1979, December 22, 1981, July 8, 1983, February 8, 1994, and May 20, 2008 between the County of Los Angeles and Museum Associates dba LACMA, a nonprofit corporation, and its mission is to serve the public through the collection, conservation, exhibition, and interpretation of significant works of art from a broad range of cultures and historical periods, and through the translation of these collections into meaningful educational, aesthetic, intellectual, and cultural experiences for the widest array of audiences.

LACMA programs for youth and families at County park facilities provide an immense public benefit to the communities that we serve. LACMA programs activate DPR operated park sites and are offered to complement DPR recreational programs to increase youth, adult, and family access to art experiences that are culturally affirmative, and that support positive identity formation, individual resiliency, family cohesion. LACMA Programs provide community engagement, cultural expression, vibrancy and equity. Specifically, LACMA Programs have been integrated into DPR's programming, including monthly Community Art Workshops and hosting of field trips, including bus transportation, for all five of Parks' Camps.

This Master MOU creates a non-exclusive, non-continuous and temporary right for Museum Associates to utilize County park property for LACMA Programs on days and times as mutually agreed upon by LACMA and the Department. The initial term of this MOU is five (5) years. The parties may mutually agree to extend the term for one additional five (5)-year term for a maximum total term of ten (10) years. There is no fee to LACMA for accessing park property to provide arts programming during the term of this MOU. To the extent DPR staffing is required for LACMA Programs, LACMA may be required to pay staff fees associated with providing support and access at DPR facilities, including setup and tear-down, as well as DPR's staff time beyond staffed operating hours

at the DPR facility. LACMA staff, volunteers, and guests will be required to pay the standard vehicle entry fee for LACMA Programs, if applicable, scheduled at any DPR Regional facility.

Implementation of Strategic Plan Goals

The recommended actions will further the County's Strategic Plan Goal to Foster Vibrant and Resilient Communities and improve Community Connections through continued Environmental Justice efforts. The recommended actions support efforts to engage children and families through philanthropic and other funding opportunities, extending programs and services for underserved youth and families, including early learning programs, by providing safe and accessible recreational opportunities for residents and visitors to Los Angeles County (North Star 2.F.iv).

Implementation of County Sustainability Goals

Adopted by the Board in 2019, the Our County Sustainability Plan establishes goals to address the environmental impacts of climate change and the subsequent social challenges. The proposed action will achieve the goals of permitting and/or allowing the operation of buildings and infrastructure that support human health and resilience (Goal 2) and creating accessible parks, public lands, and public spaces that create opportunities for respite, recreation, ecological discovery, and cultural activities (Goal 6).

Implementation of County Anti-Racism, Diversity, and Inclusion Initiative

The recommended actions to approve gratis agreements for nonprofit partners, especially at parks in vulnerable and disadvantaged communities, is aligned with the County's Anti-Racism, Diversity, and Inclusion Initiative and guided by the Countywide Equity Guiding Principles adopted by the Board on September 15, 2021 including the reduction of racial disparities in life outcomes as well as disparities in public investment to shape those outcomes. Consistent with these Principles, the Department has developed and proposes implementation of actions that seek to support all our disadvantaged geographies and populations.

FISCAL IMPACT/FINANCING

There is no net-County cost incurred from the recommended actions. This MOU is consistent with the Core/Community Partnership Program.

Operating Budget Impact

There are no operating costs for operation and maintenance of an area under permit to LACMA for programming.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Board is authorized by the provision of Government Code section 25907 to lease, let, or grant licenses to County parks for the provisions of recreational services that are consistent with public and recreation purposes. The recommended actions are consistent with said purposes.

The MOU grants LACMA a non-exclusive right to temporarily enter onto, occupy and use the County park property for activities related to LACMA programs which are a public benefit to youth and families in surrounding communities as well as regionally. LACMA programming complements DPR recreational programs to increase youth, adult, and family access to art experiences. The five (5) year agreement will require LACMA to advertise all programming as a collaborative effort with DPR and be at no cost to LACMA, except reimbursement for additional DPR staff.

The MOU includes Chief Executive Office (CEO) approved requirements for indemnification and insurance.

County Counsel has approved the MOU (Attachment I) as to form.

ENVIRONMENTAL DOCUMENTATION

The proposed use of the property for LACMA Programs under this MOU is not subject to the California Environmental Quality Act ("CEQA"), because: (i) the activity is not a "project" for purposes of CEQA, since it is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment; (ii) the activity is exempt from the provisions of CEQA under the commonsense exemption, since it can be seen with certainty that there is no possibility that the activity will have a significant effect on the environment pursuant to State CEQA Guidelines § 14061(b)(3); and (iii) the activity is exempt under § 15301 of the CEQA Guidelines, since the activity involved the operation of an existing public facility with negligible or no expansion of its existing use.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed agreement will have no impact on current services offered by the Department.

CONCLUSION

The Honorable Board of Supervisors
July 8, 2025
Page 5

Please instruct the Executive Officer of the Board to forward an adopted copy of the action taken by your Board to the Department.

Should you have any questions please contact Mr. Sean Woods at (626) 588-5345 or via-email at SWoods@parks.lacounty.gov or Johanna Hernandez at (626) 588-5098 or via at bll@parks.lacounty.gov.

Respectfully submitted,

Norma E. García-González
Director

NEGG:AB:SW
LH:bm
Attachment

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

ATTACHMENT

June 18, 2025

**APPROVAL OF MEMORANDUM OF UNDERSTANDING WITH
THE MUSEUM ASSOCIATES, INC. DBA LOS ANGELES COUNTY
MUSEUM OF ART FOR USE OF
PARK FACILITIES FOR MUSEUM PROGRAMMING
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

This Board letter has a large attachment.
Click on link to access:

[PK - Museum of Art - Use of Park Facilities.pdf](#)

MOTION BY SUPERVISOR LINDSEY P. HORVATH

JULY 1, 2025

Legal Pathways to Los Angeles County Serving as a Rebuilding Authority for Wildfire Recovery

The January 2025 fires changed the face of Los Angeles, representing one of the costliest US climate disasters since Hurricane Katrina, and serving as a harbinger of future risks facing the region in terms of extreme drought, weather, heat, and fire. With more than 16,000 structures damaged or destroyed, the scale of this disaster is unlike any our region has faced before.

Los Angeles County has already led a historic and ambitious response to the fires. Our Chief Executive Office/Office of Emergency Management coordinated nine recovery taskforces setting unified policy among federal, state, county, and municipal partners to chart our recovery, including:

- LA County Public Works leading the largest and fastest debris removal program in American history, with a Private Property Debris Removal program implemented by the US Army Corps of Engineers, Federal Emergency Management Agency, and California Office of Emergency Services, that has already cleared nearly 70% of lots.

MOTION

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HORVATH	_____
HAHN	_____
BARGER	_____

- A comprehensive debris flow program that removed 500,000 cubic yards of debris, avoided loss of life, and significantly mitigated damage to private property and public infrastructure.
- Recovery centers established to centralize resources for impacted residents.
- Public assistance programs for households, small businesses, and workers directly impacted by the fires.

In addition to surging tremendous government resources where needed, the County has also found ways to streamline procedures and work efficiently to support recovery. One-stop Rebuilding Permit Centers are open for both the Eaton and Palisades Fire burn areas. A new artificial intelligence tool has been deployed to streamline the plan check and permitting review process. Architect and engineer self-certification are now allowed for residential fire rebuilds. The first rebuilding permits have been issued with total review and issuance time currently averaging just 25 business days.

As rebuilding picks up, there are tremendous challenges facing community and government:

- Financing and reconstructing public infrastructure, including improvements that will guarantee public safety from future events and enhance the insurability of neighborhoods.
- Logistical challenges as hundreds of homes are built in neighborhoods that also include residents whose homes have not burned down.
- Escalating costs, workforce shortages, and complex inter-connected construction timelines among public and private stakeholders.
- The need for affordable financing solutions to support homeowners without the financial means to rebuild to 21st century safety standards.

Approaching this recovery with a business-as-usual model will not meet the moment. In times of great community need the government is best suited to step up and create effective systems to assist fire survivors in their recovery and rebuilding. We need to reduce layers of bureaucracy involved in typical construction projects if we want to successfully get people in their homes and reopen their businesses faster. After other major natural disasters including the 1994 Northridge Earthquake, September 11th Terrorist Attacks, and Hurricane Katrina, unified reconstruction authorities were established to effectively plan, implement, and recover. The County must respond to this unprecedented disaster the way the Federal Emergency Management Administration and the California Office of Emergency Management have responded; with urgency and innovation that resulted in the fastest cleanup effort in U.S. history.

Many of the families impacted by the fires face an uncertain financial reality for rebuilding. Many had inadequate or in some cases no insurance at all and face a host of financial barriers. And regardless of financial wherewithal, almost no individual homeowners have managed a ground-up new construction project, let alone one in as competitive of a marketplace as this recovery will likely be. Many impacted families are looking for both the construction management and financial assistance that will help them rebuild in a safe and accelerated way.

Long-term affordability of fire-threatened neighborhoods means that homes and businesses must be insurable. The insurance industry, which deploys a risk-based approach to its business, has signaled that it will insure properties if they are built to standards that protect them from fire and other climactic threats, and if there are effective strategies to manage fire risk in the surrounding neighborhood.

Just as the government-run Private Property Debris Removal program provided a

cost-effective, nimble, and highly effective option to support private property owners and local governments at scale, we owe it to residents to move equally effectively into rebuilding homes, businesses, and infrastructure. The cities of Los Angeles, Malibu, Pasadena, and Sierra Madre entrusted the County to lead this unprecedented program to much success. As recommended by the independent *Blue Ribbon Commission on Climate Action and Fire Safe Recovery*, ULI's *Project Recovery*, and other independent thought leaders on disaster recovery, with a unified, all-of-government approach, we can streamline this complex rebuilding effort, prioritize and support the return of all residents and businesses, and implement proactive, large-scale fire mitigation projects, and include all willing local government partners. Without bold, coordinated action, we risk further displacement, rising insurance costs, and deepening community and first responder vulnerability to future fire events.

I, THEREFORE, MOVE, that the Board of Supervisors, direct County Counsel to report back in writing in seven days with a report detailing the legal viability of Los Angeles County serving as a Rebuilding Authority, including in any jurisdictions impacted by the January 2025 wildfires, and the December 2024 Franklin Fire, that voluntarily seek this partnership with the County. The report should detail the County's current authorities, any new required authorities, and any state authorization required to implement the following roles:

- 1) Issue, deploy, and implement tax increment financing, federal, state, and philanthropic funds;
- 2) Manage and coordinate rebuilding and related logistics between public and private reconstruction;

- 3) Purchase lots at a fair price for land banking, with first look sale options provided to returning residents and their families and to create community amenities such as open space that could promote community-scale resiliency;
- 4) Work with builders to reconstruct properties to resilient construction standards and that prioritize strategies for accelerated and cost-effective rebuilding;
- 5) Create economies of scale for acquiring equipment and materials by bulk purchasing critical construction materials;
- 6) Support the reconstruction workforce by partnering with trades, facilitating training, and creating temporary workforce housing;
- 7) Enhance financing options for families that lack the ability to cover costs of rebuilding by partnering with private lenders, community development finance institutions, private philanthropy, and non-profits;
- 8) Facilitate reconstruction of lost rental housing stock, including by promotion of accessory dwelling units;
- 9) Carry out other activities that enhance property insurability and promote a resilient and sustainable recovery; and
- 10) Provides a meaningful mechanism for community engagement.

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MOTION BY SUPERVISOR JANICE HAHN

AGN. NO.
July 1, 2025

Veteran Commons Project Gap Financing and Community Workforce Agreement

On August 30, 2022, the Los Angeles County (County) Board of Supervisors (Board) approved and authorized execution of the Option to Lease Agreement (Option) by and between the County, through the Los Angeles County Development Authority (LACDA), Abode Communities, a California nonprofit public benefit corporation, and Path Ventures, a California nonprofit public benefit corporation (together Developer). The Option authorized the parties to finalize the terms of a ground lease for development of the Veteran Commons project (Project) on the 2.23-acre County-owned property located at 11269 Garfield Avenue, Downey, CA 90242 (Property). The Project will include 50 units for homeless veterans, 49 units for low-income families, one manager's unit and 20,164 square feet of open space. The parties have worked together through the term of the Option and subsequent extensions to finalize the ground lease and secure all funding sources for development of the Project, including securing an award from the California Debt Limit Allocation Committee (CDLAC). The current term of the Option has been extended by the County to ensure that the Project can continue towards the start of construction.

Through LACDA's Notice of Funding Availability (NOFA) Round 27, the LACDA Board of Commissioners approved an award of \$7,000,000 in Affordable Housing Trust

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HAHN _____

BARGER _____

Funds (AHTF) for development of the Project. On August 6, 2024, the Board approved an additional \$9,600,000 in AHTF to enable the Developer to leverage LACDA and other funding in their CDLAC application. The supplemental funding also allowed the Developer to incorporate numerous design elements and amenities to better serve the needs of the future residents. The Developer is now requesting additional funding from LACDA to fill a funding gap of approximately \$3,500,000. The funding gap is caused by an increase in development costs, resulting from current economic conditions affecting labor and materials, tariffs, the cost of permanent financing from private lending institutions, and lack of clarity over corporate tax rates, which affect tax credit pricing. The additional funding is needed to ensure the Project can begin construction.

The Developer was procured through a Request for Proposals (RFP) issued on January 9, 2019, by LACDA, acting on behalf of the County. The County imposed certain requirements under the RFP, including the requirement for the selected developer to enter into a project labor agreement for development of the Property. As a result, the County is being asked to add the Project as a covered project under the County's Community Workforce Agreement (CWA).

Approval of the recommended actions will 1) increase the Project's AHTF loan by up to \$3,500,000; and 2) determine that the Project should be included as a covered project under the County's CWA.

I, THEREFORE, MOVE that the Board of Supervisors:

1. Find that the recommended actions are within the scope of the Board of Supervisors' (Board) August 30, 2022 determination that the Veteran Commons project (Project) is exempt from the California Environmental Quality Act (CEQA) pursuant to the determination prepared by the City of Downey as lead agency; and

2. Determine that the Project should be included as a Covered Project within the County's CWA and determine that the Developer shall fulfill the CWA administrative duties normally fulfilled by the County for the Project.

I, FURTHER, MOVE that the Board of Supervisors, Acting as the Commissioners of the Los Angeles County Development Authority:

1. Find that the recommended actions are within the scope of the Board's August 30, 2022 determination that the Project is exempt from CEQA, pursuant to the determination prepared by the City of Downey as lead agency;
2. Find that the recommended action to provide additional funding for the Project is not subject to CEQA pursuant to SB 406 and Public Resources Code Section 21080.10. CEQA does not apply to the provision of financial assistance by a local agency not acting as lead agency for the development and construction of residential housing for persons and families of low and moderate income, as defined in Section 50096 of the Health and Safety Code;
3. Approve a loan amount increase of up to \$3,500,000 in AHTF for development of the Project;
4. Authorize the Executive Director to incorporate \$3,500,000 in AHTF into the LACDA's approved Fiscal Year 2025-2026 budget, or future Fiscal Year budgets, as needed; and
5. Authorize the Executive Director, or his designee, to reallocate LACDA funding set aside for affordable housing at the time of Project funding, as needed and within the Project's approved funding limit, in line with the Project's needs and within the requirements for each funding source.

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