



July 1, 2014

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 AMENDMENT NO. 13 TO LEASE NO. 5601
CATALINA YACHT ANCHORAGE (Parcel 41 at 13505 Bali Way)
MARINA DEL REY
(FOURTH DISTRICT) (4 VOTES)**

SUBJECT

This Board letter requests approval of a Marina del Rey lease amendment for Parcel 41 (Catalina Yacht Anchorage) that adjusts percentage rents, increases the rental security deposit, updates insurance coverage and updates the square foot rental provisions.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed lease Amendment No. 13 is categorically exempt under the California Environmental Quality Act pursuant to class 1(r) of the County's Environmental Document Reporting Procedures and Guidelines and Section 15301 of the State CEQA Guidelines.
2. Approve and authorize the Chairman to sign the attached Amendment No. 13 to Lease No. 5601, pertaining to the readjustment of rents and insurance for a ten-year term ending May 31, 2022.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Marina del Rey leases generally provide for the periodic review of leasehold rents and insurance coverage to ensure that the percentage rents payable to the County are maintained at current fair market levels and that the amount of general insurance coverage is adequate to protect the County's interests.

Amendment No. 13 requires an adjustment of percentage rents and insurance coverage on June 1, 2012 (2012 Rental Adjustment Date) and every tenth anniversary thereafter. Rents are adjusted to the higher of either the rate in effect immediately prior to June 1,

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

13 July 1, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Caring for Your Coast

Gary Jones
Acting Director

Kerry Silverstrom
Chief Deputy

John Kelly
Deputy Director

2002 or the average of the then-existing percentage rents of specified Marina del Rey parcels. Amendment No. 13 reflects percentage rent changes as follows: Occupancy of Structures from 7.5% to 8.75%; Boat Brokerage from 5.0% to 5.50%; Restaurants from 3.0% to 3.25%; Boat Haul Out/Repair from 5.0% to 4.0%; Admission to Facilities During Entertainment from 5.0% to 5.10%.

As of the 2012 Rental Adjustment Date, Amendment No. 13 also provides that the rental security deposit be maintained at an amount equal to three times monthly minimum rent and, as of the date the Amendment is executed, incorporates changes to the indemnity clause, insurance requirements, and miscellaneous insurance provisions to conform to the Chief Executive Office Risk Management Branch's new and more stringent requirements.

Amendment No. 13 also provides that, following Amendment No. 13 Effective Date, all annual minimum rent adjustments shall either increase the annual minimum rent or maintain it at the then-current amount.

Finally, the Amendment provides for a reconciliation of the rent effective back to the 2012 Rental Adjustment Date and requires payment of any additional sums owed to the County as a result of the rent adjustment.

Implementation of Strategic Plan Goals

The recommended action will keep County percentage rent categories at Parcel 41 comparable to other Marina del Rey leaseholds and incorporates the new insurance provisions, in fulfillment of Strategic Plan Goal No. 1, "Operational Effectiveness", Strategy 1, "Fiscal Sustainability."

FISCAL IMPACT/FINANCING

There will be no significant fiscal impact from your Board's approval of Amendment No. 13.

Operating Budget Impact

Upon your Board's approval of Amendment No. 13, the Department of Beaches and Harbors will receive \$1,000 in prior year revenue for Fiscal Year 2012-13, and an annual increase of \$2,000 in leasehold rent revenue. The revenue increase is budgeted in the Department's FY 2014-15 Recommended Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Commonly known as Catalina Yacht Anchorage, Parcel 41 is improved with two one-story buildings totaling 2,085 square feet and 148 boat slips on 2.35 acres of land and

The Honorable Board of Supervisors
July 1, 2014
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3.18 acres of water in Marina del Rey. The 60-year ground lease between the County and the lessee was executed in 1962.

This proposed Amendment No. 13 has been approved as to form by County Counsel. At its meeting on June 11, 2014, the Small Craft Harbor Commission approved the recommendation of the Director of the Department of Beaches and Harbors that your Board approve and execute the proposed Amendment No. 13.

ENVIRONMENTAL DOCUMENTATION

The proposed Amendment No. 13 is categorically exempt under the provisions of the California Environmental Quality Act pursuant to Class 1(r) of the County's Environmental Document Reporting Procedures and Guidelines and Section 15301 of the State CEQA Guidelines (Existing Facilities).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on current services from your Board's approval of Amendment No. 13.

CONCLUSION

Please have the Chairman sign all three copies of Amendment No. 13 and have the Executive Officer of the Board return two executed copies, as well as a copy of the adopted Board letter, to the Department of Beaches and Harbors.

Should you have any questions, please contact Linda Nava at (310) 301-0300 or Lnava@bh.lacounty.gov.

Respectfully submitted,



Gary Jones
Director

Attachment (1)

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

GJ:SP:JT:ln



**STATEMENT OF PROCEEDINGS FOR THE
REGULAR MEETING OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF LOS ANGELES HELD IN ROOM 381B
OF THE KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, LOS ANGELES, CALIFORNIA 90012**

Tuesday, July 1, 2014

9:30 AM

- 13. Recommendation: Approve and instruct the Chairman to sign an amendment to the lease for the Marina del Rey Parcel 41, Catalina Yacht Anchorage, located at 13505 Bali Way, in Marina del Rey (4), pertaining to the readjustment of rents and insurance for a ten-year term ending May 31, 2022; and find that the lease is exempt from the California Environmental Quality Act. (Department of Beaches and Harbors) 4-VOTES (14-2792)**

Arnold Sachs addressed the Board.

On motion of Supervisor Molina, seconded by Supervisor Ridley-Thomas, this item was approved.

Later in the meeting, on motion of Supervisor Knabe and by Common Consent, there being no objection, the foregoing motion was reconsidered to allow a member of the public to address the Board. Jon Nahhas addressed the Board.

After discussion, on motion of Supervisor Yaroslavsky, seconded by Supervisor Antonovich, this item was approved.

**Ayes: 5 - Supervisor Molina, Supervisor Ridley-Thomas,
Supervisor Yaroslavsky, Supervisor Antonovich and
Supervisor Knabe**

Agreement No. 5601, Supplement No. 13

The foregoing is a fair statement of the proceedings for the meeting held July 1, 2014, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



Sachi A. Hamai, Executive Officer
Executive Officer-Clerk
of the Board of Supervisors

By Sachi A. Hamai

ATTEST: SACHIA A. HAMAI
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISOR
By [Signature], Deputy

AMENDMENT NO. 13 TO LEASE NO. 5601

PARCEL NO. 41 – MARINA DEL REY SMALL CRAFT HARBOR

READJUSTMENT OF RENT AND INSURANCE

THIS AMENDMENT TO LEASE is made and entered into this 1st day of July, 201~~2~~⁴ (the "Effective Date").

BY AND BETWEEN

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

AND

WESCO SALES CORP., a California
corporation, hereinafter referred to as
"Lessee".

RECITALS:

WHEREAS, County and Lessee's predecessor in interest entered into Lease No. 5601 under the terms of which County leased to Lessee's predecessor in interest 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 41, which leasehold premises (the "Premises") are more particularly and legally described in Exhibit "A" attached to and incorporated in said lease, and amended (the lease and all amendments are collectively hereafter referred to as the "Lease"); and

WHEREAS, the parties hereto have reached agreement with respect to the annual rent that is to apply as of June 1, 2012 (the "2012 Rental Adjustment Date"); and

WHEREAS, parties wish to amend the Lease as set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements, covenants and restrictions contained herein, the parties, and each of them, agree as follows:

1. Security Deposit. Commencing as of the 2012 Rental Adjustment Date, Section 7 of the Lease is deleted in its entirety and the following substituted therefor:

"The security deposit shall be maintained at an amount equal to three (3) monthly installments of the current annual square foot rental. The security deposit shall be retained by County to cover delinquent rent and any other financial obligations of the Lessee under this lease, and shall be so applied at the discretion of County.

In the event all or any part of the security deposit is applied against any rent or other financial obligations of Lessee due and unpaid, the Lessee shall immediately reimburse the County an amount equal to that portion of the security deposit applied by County so that at all times during the life of

this lease said full security deposit shall be maintained with County. Failure to maintain the full amount of security deposit shall constitute an event of default as provided for in Section 21. Upon forfeiture or termination of this lease, any portion of said security deposit due the Lessee shall be returned."

2. Square Foot Rental. Effective as of the 2012 Rental Adjustment Date, the first paragraph of Section 12 of the Lease is amended to read as follows:

"The annual square foot rental shall be readjusted on June 1, 2014 and on June 1 of every third year thereafter (the "Square Foot Rental Adjustment Date"). On the Square Foot Rental Adjustment Date, the annual square foot rental shall be readjusted to an amount equal to seventy-five percent (75%) of the annual average of all rents payable by Lessee for the preceding three (3) year period that ends three (3) months prior to the Square Foot Rental Adjustment Date; provided, however, that in no event shall annual square foot rental be readjusted to an amount that is less than the then-in effect annual square foot rental".

3. Percentage Rentals. Effective as of the 2012 Rental Adjustment Date, subsections (c), (e)(1)(A), (e)(2), (j), (p), and (q) of Section 13 (Percentage Rentals) are deemed deleted and the following subsections (c), (e)(1)(A), (e)(2), (j), (p), and (q) are correspondingly substituted therefor:

"(c) (i) EIGHT AND THREE-QUARTER percent (8.75%) of gross receipts or other fees charged for the occupancy of structures and other facilities including but not limited to (1) apartments, (2) hotel and/or motel accommodations, (3) house trailers, (4) meeting rooms, (5) rental of land and/or water or facilities for activities not otherwise provided for in this section such as but not limited to television and/or motion pictures, (6) parking fees or charges except where such parking fees or charges are collected in conjunction with an activity, the gross receipts from which are required to be reported in a percentage category greater than EIGHT AND THREE-QUARTER percent (8.75%), and (7) offices utilized for banking, financial or investment activities, internal clerical or administrative activities of business enterprises, real estate and insurance brokerage, legal, medical, engineering, travel agencies, or similar professional services but not to include, however, stores, shops or other commercial establishments, the gross receipts pertaining to which are subject to percentage rentals and specifically required to be reported under other subsections of this Section;"

"(e)(1)(A) FIVE AND ONE-HALF percent (5.5%) of boat brokerage commission or other fees earned from boat brokerage; or"

"(e)(2) FIVE AND ONE-HALF percent (5.5%) of commissions or other fees earned from car rental agencies, marine insurance commissions where the sale of insurance is conducted in conjunction with boat sales and/or boat brokerage, telephone service charges, laundry and dry cleaning commissions and other similar activities where earnings are normally on a commission basis when said activity is approved in advance by Director."

"(j) THREE AND ONE-QUARTER percent (3.25%) of gross receipts from the operation of restaurants, restaurant/cocktail lounge combination, coffee shops, beach and theater food facilities, except that gross receipts from facilities established and operated as a take-out food operation shall be reported under Subsection (s);"

"(p) FOUR percent (4%) of gross receipts or other fees charged by authorized boat repair yards, including repair, painting, tugboat, salvage and boat pump-out services and similar activities (collectively "Boat Haul Out/Repair"), except that where parts and materials are separately invoiced, they may be reported under Subsection (s) of this Section;"

"(q) FIVE AND ONE-TENTH percent (5.10%) of gross receipts of cover charges or other fees charged for admission to facilities featuring entertainment, excluding movie theaters whose gross receipts shall be reportable under Subsection (s);"

4. General Rent Adjustment and Arbitration. Commencing as of the 2012 Rental Adjustment Date, the first sentence of the first paragraph of Section 15, Subsection (a) (i), of the Lease is deleted and the following substituted therefor:

"As of each Rental Adjustment Date, Lessee's percentage rent for each category of use shall be set at the higher of either (1) the rate in effect immediately preceding the current Rental Adjustment Date for such category, or (2) the average of the then existing percentage rental rates for that category of use charged to all those Marina del Rey Small Craft harbor leaseholds enumerated below."

5. Property Insurance. Commencing as of the 2012 Rental Adjustment Date, Section 25 (PROPERTY INSURANCE) of said Lease is deemed deleted in its entirety.
6. Indemnification and Insurance Requirements. Commencing as of the 2012 Rental Adjustment Date, Section 26 (INDEMNITY CLAUSE AND CASUALTY INSURANCE) of said Lease is deemed deleted in its entirety and the following substituted therefor:

"INDEMNIFICATION AND INSURANCE REQUIREMENTS: During the term of this Lease, the following indemnification and insurance requirements shall be in effect.

I. INDEMNIFICATION

The Lessee shall indemnify, defend and hold harmless the Lessor, from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with the

Lessee's repair, maintenance and other acts and omissions arising from and/or relating to the Lessee's use of the Premises.

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

II. GENERAL INSURANCE PROVISIONS - LESSEE REQUIREMENTS

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

A. Evidence of Coverage and Notice to Lessor

- Certificate(s) of insurance coverage (Certificate) satisfactory to Lessor, and a copy of an Additional Insured endorsement confirming Lessor and its Agents (defined below) has been given Insured status under the Lessee's General Liability policy, shall be delivered to Lessor at the address shown below and provided prior to the start day of this Lease.
- Renewal Certificates shall be provided to Lessor not less than 10 days prior to Lessee's policy expiration dates. The Lessor reserves the right to obtain complete, certified copies of any required Lessee insurance policies at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Lessee identified in this Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding twenty five thousand (\$25,000.00) dollars, and list any Lessor required endorsement forms.

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

County of Los Angeles
Department of Beaches and Harbors
13837 Fiji Way, Marina del Rey, CA 90292
Attention: Asset Management Division

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

B. Additional Insured Status and Scope of Coverage

The Lessor, which is the County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively Lessor and its Agents), shall be provided additional insured status under Lessee's General Liability policy with respect to liability arising from or connected with the Lessee's acts, errors, and omissions arising from and/or relating to the Lessee's operations on and/or its use of the premises. Lessor's additional insured status shall apply with respect to liability and defense of suits arising out of the Lessee's acts or omissions, whether such liability is attributable to the Lessee or to the Lessor. The full policy limits and scope of protection also shall apply to the Lessor as an additional insured, even if they exceed the Lessor's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

C. Cancellation of or Changes in Insurance

Lessee shall provide the Lessor with, or Lessee's insurance policies shall contain a provision that the Lessor shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to the Lessor at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Lease,

in the sole discretion of the Lessor, upon which the Lessor may suspend or terminate this Lease.

D. Failure to Maintain Insurance

Lessee's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Lease.

E. Insurer Financial Ratings.

Insurance is to be provided by an insurance company authorized to do business in California and acceptable to the Lessor, with an A.M. Best rating of not less than A:VII, unless otherwise approved by the Lessor.

F. Lessee's Insurance Shall Be Primary

Lessee's insurance policies, with respect to any claims related to this Lease, shall be primary with respect to all other sources of coverage available to Lessor. Any Lessor maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Lessee coverage.

G. Waiver of Subrogation

To the fullest extent permitted by law, the Lessee hereby waives its and its insurer(s) rights of recovery against Lessor under all required insurance policies for any loss arising from or related to this Lease. The Lessee shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.

H. Deductibles and Self-Insured Retentions (SIRs)

Lessee's policies shall not obligate the Lessor to pay any portion of any Lessee deductible or SIR. The Lessor retains the right to require Lessee to reduce or eliminate policy deductibles and SIRs as respects the Lessor, or to provide a bond guaranteeing Lessee's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

I. Claims Made Coverage

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the start date of this Lease. Lessee understands and agrees it shall maintain such

coverage for a period of not less than three (3) years following Lease expiration, termination or cancellation.

J. Application of Excess Liability Coverage

Lessee may use a combination of primary and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

K. Separation of Insureds

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

L. Lessor Review and Approval of Insurance Requirements

The Lessor reserves the right to review and adjust the Required Insurance provisions, conditioned upon Lessor's determination of changes in risk exposures.

III. INSURANCE COVERAGE TYPES AND LIMITS

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

General Aggregate:	\$ 10 million
Products/Completed Operations Aggregate:	\$ 10 million
Personal and Advertising Injury:	\$ 5 million
Each Occurrence:	\$ 5 million

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

C. Workers Compensation and Employers' Liability insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Lessee's employees will be engaged in maritime operations, coverage also shall be arranged to provide workers compensation benefits as required by the U.S. Longshore

and Harbor Workers Compensation Act, Jones Act or any other federal law for which Lessee is responsible.

D. Commercial Property Insurance. Such coverage shall:

- Provide coverage for Lessee's property, and any improvements and betterments; This coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), including earthquake (if Lessee deems it reasonable), Ordinance or Law Coverage, flood, and Business Interruption equal to two (2) years annual rent;
- Be written for the full replacement cost of the property, with a deductible no greater than \$250,000 or 5% of the property value whichever is less. Insurance proceeds shall be payable to the Lessee and Lessor as their interests may appear and be utilized for repair and restoration of the Premises. Failure to use such insurance proceeds to timely repair and restore the Premises shall constitute a material breach of the Lease; provided, however, that Lessee's obligation, under the Lease or otherwise, shall not be dependent on the existence of insurance coverage or proceeds.

E. Marina Operator's Liability insurance shall be provided and maintained by the Lessee if operating a marina, berthing, docking, and/or launching of boats and/or pleasure crafts, and/or use of floating docks, piers and/or ramps, with limits of not less than \$5 million per occurrence and \$10 million aggregate. If written on a "claims made" form, the coverage shall also provide an extended two (2) year reporting period commencing upon the expiration or earlier termination of this Lease, or replacement coverage shall be maintained until such time.

F. Construction Insurance. If major construction work is performed by Lessee during the term of this Lease (i.e. demolition of structures, construction of new structures, renovation or retrofit involving structures frame, foundation or supports, or more than 50% of building, etc.) then Lessee or Lessee's contractor shall provide the following insurance. Lessor will determine the coverage limits required on a project by project basis:

- **Builder's Risk Course of Construction Insurance.** Such coverage shall insure against damage from perils covered by the Causes-of-Loss Special Form (ISO form CP 10 30). This insurance shall be endorsed to include earthquake, flood, ordinance or law coverage, coverage for temporary offsite storage, debris removal, pollutant cleanup and removal, testing, preservation of property, excavation costs, landscaping, shrubs and plants, and full collapse coverage during construction, without restricting collapse coverage

to specified perils. Such insurance shall be extended to include boiler & machinery coverage for air conditioning, heating and other equipment during testing. This insurance shall be written on a completed-value basis and cover the entire value of the construction project, including Lessor furnished materials and equipment, against loss or damage until completion and acceptance by the Lessee and the Lessor if required.

- **General Liability Insurance.** Such coverage shall be written on ISO policy form CG 00 01 or its equivalent, naming Lessor as an additional insured, with limits of not less than \$(determined on a project by project basis):

General Aggregate:

Products/Completed Operations Aggregate:

Personal and Advertising Injury:

Each Occurrence:

The Products/Completed Operations coverage shall continue to be maintained in the amount indicated above for at least two (2) years from the date the Project is completed and accepted by the Lessee and the Lessor if required.

- **Automobile Liability.** Such coverage shall be written on ISO policy form CA 00 01 or its equivalent with limits of not less than \$(determined on a project by project basis) for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Such insurance shall cover liability arising out of Lessee's or Lessee's contractor use of autos pursuant to this Lease, including owned, leased, hired, and/or non-owned autos, as each may be applicable.
- **Professional Liability.** Such insurance shall cover liability arising from any error, omission, negligent, or wrongful act of the Lessee's contractor and/or licensed professional (i.e. architects, engineers, surveyors, etc.) with limits of not less than \$(determined on a project by project basis) per claim and \$(double the per claim limit) aggregate. The coverage shall also provide an extended two-year reporting period commencing upon expiration, termination or cancellation of the construction project.
- **Workers Compensation and Employers' Liability Insurance** or qualified self-insurance satisfying statutory requirements. Such coverage shall provide Employers' Liability coverage with limits of not less than \$1 million per accident. Such policy shall be endorsed to waive subrogation against the Lessor for injury to the Lessee's or Lessee's contractor employees. If the Lessee's or Lessee's contractor employees will be engaged in maritime employment, the

coverage shall provide the benefits required by the *U.S. Longshore and Harbor Workers Compensation Act, Jones Act* or any other federal law to which the Lessee is subject. If Lessee or Lessee's contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the Lessor as the Alternate Employer, and the endorsement form shall be modified to provide that Lessor will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision.

- **Asbestos Liability or Contractors Pollution Liability Insurance** is needed if construction requires remediation of asbestos or pollutants. Such insurance shall cover liability for personal injury and property damage arising from the release, discharge, escape, dispersal, or emission of asbestos or pollutants, whether gradual or sudden, and include coverage for the costs and expenses associated with voluntary clean-up, testing, monitoring, and treatment of asbestos in compliance with governmental mandate or requests. If the asbestos or pollutant will be removed from the construction site, asbestos or pollution liability is also required under the Lessee's or Lessee's contractor Automobile Liability Insurance. Lessee or Lessee's contractor shall maintain limits of not less than \$(determined on a project by project basis) for this project.
- **Performance Security Requirements.** Prior to the beginning of construction Lessee shall require its contractor to file surety bonds with the Lessee and the Lessor if required in the amounts and for the purposes noted below. All bonds shall be duly executed by a solvent surety company that is authorized by the State of California, is listed in the United States Department of the Treasury's Listing of Approved Sureties Treasury (Circular 570) and is satisfactory to the County, and it shall pay all premiums and costs thereof and incidental thereto (see www.fms.treas.gov/c570/).

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

The Lessee's contractor shall give two surety bonds with good and sufficient sureties: the first in the sum of not less than 100% of the Project price to assure the payment of claims of material men supplying materials to Lessee's contractor, subcontractors, mechanics, and laborers employed by the Lessee's contractor on the Project, and the second in the sum of not less than 100% of the Project price to assure the faithful performance of the Project Contract.

1. The "Materials and Labor Bond" (or "Payment Bond") shall be so conditioned as to inure to the benefit of persons furnishing materials for, or performing labor upon the Work. This bond shall be maintained by the Lessee's contractor in full force and effect until the Work is completed and accepted by the Lessee and the Lessor if required, and until all claims for materials, labor, and subcontracts are paid.
2. The "Bond for Faithful Performance" shall be so conditioned as to assure the faithful performance by the Lessee's contractor of all Work under said Project contract within the time limits prescribed, including any maintenance and warranty provisions, in a manner that is satisfactory and acceptable to the Lessee and the Lessor if required; that all materials and workmanship supplied by Lessee's contractor will be free from original or developed defects, and that should original or developed defects, or failures appear within a period of one year from the date of Acceptance of the Work by the Lessee and the Lessor if required, the Contractor shall, at Contractor's own expense, make good such defects and failures, and make all replacements and adjustments required, within a reasonable time after being notified by the Lessee to do so, and to the approval of the Lessor if required. This bond shall be maintained by the Lessee's contractor in full force and effect during the performance of the Project and for a period of one year after acceptance of the Work by the Lessee and the Lessor if required.

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

No further payment shall be deemed due, or will be made under this Contract until the new sureties shall qualify and be accepted by the Lessee and the Lessor."

7. Workmen's Compensation Insurance. Commencing as of the 2012 Rental Adjustment Date, Section 27 (WORKMEN'S COMPENSATION INSUARANCE) of said Lease is deemed deleted in its entirety.
8. Liability Insurance. Amendment No. 8, page 18, Section 4, is deemed deleted in its entirety.
9. Miscellaneous. Except as herein specifically amended, all terms, conditions and provisions of the Lease shall be and continue to remain in full force and effect

and are unmodified, and each of the parties hereto reaffirms and re-acknowledges its respective obligations under the Lease as amended hereby.

10. In the event of any conflict between the terms of this Amendment No. 13 and the terms of the Lease (or any previous amendment thereto), the terms of this Amendment No. 13 shall control.

IN WITNESS WHEREOF, County has, by order of its Board of Supervisors, caused this Amendment No. 13 to Lease No. 5601 to be subscribed by the Chairman of said Board and attested by the Executive Officer thereof, and the Lessee or its duly authorized representative, has executed the same.



COUNTY OF LOS ANGELES

By: *Don Knabe*

DON KNABE

Chairman, Board of Supervisors

ATTEST:

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

By: *Sachi A. Hamai*
Deputy

LESSEE:

WESCO SALES CORP., a California
corporation

By: *Bill Butler*
Its: *President*

APPROVED AS TO FORM:

JOHN F. KRATTLI

County Counsel

By: *John F. Krattli*
Senior Deputy

ADOPTED
BOARD OF SUPERVISORS

013 JUL 01 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER