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12/15/20 AT 02:31PM

FEES :	139.00
TAXES :	0.00
OTHER :	0.00
SB2 :	75.00
PAID :	<u>214.00</u>

PCOR SURCHARGE \$20.00



LEADSHEET



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SECURE - Daily



THIS FORM IS NOT TO BE DUPLICATED
EXHIBIT NO. 1

E13-202011180040033

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

City of Carson
701 E. Carson Street
Carson, CA 90745
Attention: City Clerk

Exempt from filing/recording fees per Govt. Code §27383
APN 7330-007-906

SPACE ABOVE FOR RECORDER'S USE ONLY

CSD CONTRACT NO. 5319

LEASE AGREEMENT

(Portion of Former Color Spot Property Across from JWPCP)

This Lease Agreement (“**Lease**”) is dated October 14, 2020 and is between **COUNTY SANITATION DISTRICT NO. 8 OF LOS ANGELES COUNTY**, a county sanitation district organized and existing under the provisions of the County Sanitation District Act (California Health and Safety Code Section 4700 *et seq.*) (“**District**”), and the **CITY OF CARSON**, a charter city (“**Tenant**”). District and Tenant are each a “**Party**” and together are the “**Parties**”.

RECITALS

A. Districts’ Administration. District and County Sanitation District No. 2 of Los Angeles County (“**District No. 2**”), among others, are parties to an *Amended Joint Outfall Agreement*, effective July 1, 1995, under which District No. 2 has been delegated authority to manage and operate the Joint Outfall System facilities, including the Joint Water Pollution Control Plant (“**JWPCP**”), which is a wastewater treatment facility, and the Master District Property (defined below). District No. 2 approves this Lease (as indicated on the signature page) and will administer it on behalf of District.

B. District Property. District owns approximately thirty-two (32) acres of real property located at 321 W. Sepulveda Boulevard in the City of Carson (“**City**”), County of Los Angeles, State of California, comprised of fifteen (15) contiguous parcels outlined in yellow and depicted on Exhibit A-1 (“**Master District Property**”). A portion of the Master District Property which consists of approximately 10.5 acres (APN 7330-007-906) is legally described on Exhibit A and outlined in purple and depicted on Exhibit A-1 (“**District Property**”). As of the Effective Date (as defined in Section 1.1), Master District Property (excluding the 1999 Lease Property, which is defined below) contains portable buildings, greenhouses, administrative offices with restrooms, loading docks, a maintenance shop, storage areas, a guard shack, and a groundwater extraction well, among other improvements, which were utilized in the planting, growing and sale of nursery stock (“**Existing Improvements**”). District Property (excluding the 1999 Lease Property) contains no improvements of value, only several greenhouses and raised planter beds. From the mid-1970s through December 2018, Master District Property (excluding the 1999 Lease Property) was leased to various commercial nursery firms, most recently to Color Spot Nurseries, Inc. Master District Property (excluding the 1999 Lease Property) has been unoccupied since January 2019.

C. JWPCP. District owns and operates the JWPCP which is located south of Master District Property at 24501 S. Figueroa Street in the City. Master District Property acts as a buffer between an adjacent residential neighborhood and the JWPCP. In the future, District may need to use Master District Property for its operations.

D. 1999 Lease with City of Carson. Pursuant to that certain “Parcel X Lease Agreement” dated May 12, 1999 (District Contract No. 3669) between District (as landlord) and Tenant (“**1999 Lease**”), City leased a portion of District Property (consisting approximately 0.23-acres of District Property) as outlined in blue and depicted on Exhibit A-1 (“**1999 Lease Property**”). Pursuant to the 1999 Lease, Tenant was to only use the 1999

Lease Property to support activities at the adjacent Carriage Crest Park (APN 7330-007-905) owned and operated by Tenant as a public park (“**Park Property**”).

E. Termination of 1999 Lease. Only if Tenant elects to continue (or is deemed to have elected to continue) this Lease after conducting its due diligence (as more particularly described below), the 1999 Lease shall terminate as set forth herein and the 1999 Lease Property shall be part of the District Property which is subject to this Lease (together, the “**Premises**”).

F. Tenant’s Use. If Tenant elects to continue (or is deemed to have elected to continue) this Lease after conducting its due diligence (as more particularly described below), the Premises shall be used by Tenant to construct, operate and maintain park improvements on the Premises, such as soccer fields, ancillary facilities and parking lot(s), subject to the terms and conditions set forth below. Any existing improvements on the Premises (e.g., greenhouses, raised planter beds) may be demolished and removed by Tenant in order to accommodate the proposed park improvements.

G. District’s Future Use. As District does not have an immediate operational need for the Premises, District intends that the Premises remain as a buffer pending its operational use for District purposes. The planned use by Tenant under this Lease is compatible with District’s current operations at the JWPCP. District may lease remaining portion(s) of Master District Property, excluding the District Property/Premises, but including the portion of the property immediately adjacent to the east of the District Property/Premises (“**Retained District Property**”) to third party(ies) for commercial use.

H. Zoning for District Property. As of the Effective Date, Master District Property is zoned “RA – Residential, Agricultural.” District has long-term plans to construct offices, laboratories, warehouses, parking areas, storage areas and related facilities on the Master District Property to support operations at the JWPCP. These planned future uses are not permitted under the current zoning for Master District Property. District has submitted a written request to Tenant that the current zoning for the Master District Property be re-zoned consistent with these planned future uses. As part of its Carson 2040 General Plan update process, Tenant will consider changing the zoning of the Master District Property to “ML – Manufacturing, Light” to accommodate District’s planned future uses in support of JWPCP operations, however, Tenant provides no assurances that the requested zoning change will be approved and the failure of any such zoning changes shall not affect this Lease.

NOW, THEREFORE, based on the foregoing Recitals which are incorporated herein, the Parties agree as follows:

1. Effective Date. This Lease shall be effective on the last to occur of: (i) the date executed by both Parties after approval by their respective governing boards; and (ii) an originally executed copy is recorded in the Official Records of Los Angeles County as required by Government Section 37393 (“**Effective Date**”). District shall submit the Lease to the Los Angeles County Recorder for recordation.

2. Lease of Premises.

2.1 Lease. Subject to the terms and conditions of this Lease, District hereby leases to Tenant, and Tenant leases from District, the District Property but excluding the 1999 Lease Property for the period specified in Section 2.2 (“**Premises**”).

2.2 Termination of 1999 Lease. Until the Rental Commencement Date (as defined in Section 5.1), the 1999 Lease shall remain in full force and effect pursuant to its terms. As of the Rental Commencement Date, the 1999 Lease shall automatically terminate and the 1999 Lease Property shall be included in the Premises. Any and all indemnity provisions in the 1999 Lease shall survive and remain in full force and effect. If for any reason Tenant does not elect to continue this Lease as set forth in Section 4.4 and this Lease terminates, then the 1999 Lease shall remain in full force and effect in accordance with its terms.

2.3 Limited Representations and Warranties. As of the Effective Date, District makes the following limited representations and warranties to Tenant:

- a. District has delivered a true and complete copy of the District's Baseline Report (as defined in Section 8.3.1 below) to Tenant, and there are no other written reports regarding the environmental condition of the Premises in District's possession.
- b. To District's actual knowledge, without investigation or inquiry, District is not aware of any existing options, leases or other claims of possession against the Premises.
- c. The specific representations set forth in Sections 30.16 and 30.17.

2.4 Limitations. As of the Effective Date, this Lease, and the rights and privileges granted Tenant in and to the Premises, are subject to the following: (i) all Laws (as defined in Section 2.4); (ii) all covenants, conditions, restrictions, easements, and exceptions of record set forth in the Preliminary Report dated May 5, 2020 prepared by First American Title Company except Exception 6 which must be removed by District (Title Order No. 5209351), a copy of which has been provided to Tenant; or (iii) are apparent from an inspection of the Premises (collectively, "**Existing Conditions**"). Nothing contained in this Lease or in any document related to this Lease will be construed to imply the conveyance to Tenant of rights in the Premises that exceed those held by District, or any representation or warranty, either expressed or implied, relating to the nature or condition of the Premises or District's interest in the Premises.

2.5 "As Is, Where Is" Condition. Tenant acknowledges and agrees that District has disclosed to Tenant that the Premises has been used as a commercial plant nursery by third parties for over forty (40) years. Tenant acknowledges and agrees that, except as otherwise specifically set forth herein, District has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to (a) the Premises (or District's interest therein), (b) the value, nature, quality or condition of the Premises, including, without limitation, the improvements thereon, soil, topography, and geology thereof, (c) the suitability of the Premises for any and all activities and uses which Tenant is conducting thereon or may hereafter conduct thereon, (d) the compliance of the Premises (or any aspect thereof) with any Existing Conditions or any law (including, without limitation, zoning laws or Environmental Laws (as defined below)), rule, regulation, entitlement, order of law, statute, bylaw or ordinance of a governmental agency having jurisdiction governing or regulating the Premises, as they may be amended from time to time (collectively, "**Laws**"), (e) the fitness of the Premises for any use to be made or intended to be made by Tenant, (f) the merchantability, marketability, profitability or fitness for a particular purpose or use of the Premises, (g) the future development of the Premises, (h) the zoning of the Premises, (i) any governmental approvals, permits, licenses, entitlements, or other agreements concerning the Premises, (j) survey and title condition of the Premises, (k) any buildings, structures, perimeter fencing, or other improvements on the Premises, or (l) any other matter with respect to the Premises, and specifically, that District has not made, does not make, and specifically disclaims any representations regarding compliance with any environmental protection, pollution or land use Laws (including, Environmental Laws). Tenant further acknowledges and agrees that it will have the opportunity to fully inspect the Premises during the Due Diligence Period and as of the Rental Commencement Date will be fully familiar with the Premises and all aspects thereof (including, without limitation, its physical, environmental, title, leasing, financial, and regulatory condition), and, as of the Rental Commencement Date will be relying solely on its own investigation of the Premises by Tenant and Tenant's agents, employees, officers, attorneys, consultants and experts. District is not liable or bound in any manner by any oral or written statements, representations or information pertaining to the Premises, furnished by any person, including, without limitation, District's directors, managers, agents, representatives, attorneys, or employees. Tenant further acknowledges and agrees that, except as otherwise specified herein, it is leasing the Premises and has the right to use certain aspects of the Premises (as specifically set forth in this Lease) on "as is", "where is", and "with all faults" basis subject to all Laws and Existing Conditions. As of the Commencement Date, Tenant and anyone claiming by, through or under Tenant shall be deemed to have fully and irrevocably released District,

deemed to have fully and irrevocably released District, its directors, managers, employees, representatives, attorneys and agents from any and all claims that it or they may now have or hereafter acquire against District, its directors, managers, employees, representatives, attorneys and agents for any cost, loss, liability, damage, expense, demand, action or cause of action arising from or related to any matters affecting the Premises. This release includes claims of which Tenant is unaware of as of the Commencement Date or which Tenant does not suspect to exist in its favor as of the Commencement Date and which, if known by Tenant, would materially affect Tenant's release of District. As of the Commencement Date, Tenant specifically waives the provisions of California Civil Code Section 1542, which provides as follows:

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

The foregoing releases shall be effective as of the Commencement Date and survive the expiration or termination of the Lease.

Initials by Tenant: _____



3. Uses.

3.1 Permitted Uses. Tenant is permitted to use the Premises for recreation, sporting, parks, and ancillary uses (e.g., parking, storm water management) and no other purposes (“**Permitted Uses**”) without the prior written consent of District which shall not be unreasonably withheld, conditioned or delayed as to any uses reasonably consistent with the foregoing authorized uses. Tenant shall ensure that the improvements at the Premises related to recreation, sporting, and parks are reasonably available to the public and accessible to residents who live within and outside of the City of Carson. Landlord is aware that Tenant may sublease portions of the Premises to independent for profit operators who may charge a fee to the public for their operations.

3.2 Prohibited Uses. Tenant shall not use the Premises for any purpose, or engage in or permit any activity within or from the Premises except as provided in Section 3.1. Tenant shall not conduct or permit any public or private nuisance in, on, or from the Premises, or to permit any waste on the Premises. Tenant shall not engage in any activities that involve the discharge or storage of Hazardous Materials (as defined in Section 18). Tenant shall not conduct any business on the Premises in violation of the terms of this Lease, or any applicable Laws or Existing Conditions. District is aware that Tenant is subject to certain laws applicable to the general public's use of public property.

3.3 Prohibited Items. Tenant shall not transport or permit to be transported to or from the Premises any Controlled Substance (as defined in 21 U.S.C. §802), cannabis (in any form) or any Hazardous Materials as defined below. In addition, Tenant shall not (i) possess, or permit any person or entity to possess, at the Premises any cannabis, marijuana or cannabinoid product or compound (collectively “**Cannabis**”), or any substance regulated under any state or federal Law (“**Regulated Substances**”), or (ii) use or permit the growing, cultivation, manufacturing, administration, distribution (including without limitation, any retail sales), of any Cannabis or any Regulated Substance on the Premises. For all obligations under this Section, Tenant shall make reasonable efforts to comply with the restrictions and to prohibit possession, use or consumption of Cannabis or Regulated Substances on the Premises.

3.4 Permits and Licenses. Tenant shall obtain, comply with, and keep in force at all times, at Tenant's sole cost and expense, any and all required governmental licenses, approvals and permits needed for the proper and lawful conduct of Tenant's use of the Premises (collectively, “**Permits**”). Tenant shall provide copies of all Permits to District within ten (10) days after District's written request.

3.5 Compliance with Laws. Tenant shall comply with all Laws and the Existing Conditions. District is not responsible for any changes in federal, state, county, district, or local regulations that may require Tenant to modify, change, or upgrade its operations at the Premises.

3.6 Non-Interference; Quiet Enjoyment. Tenant shall not knowingly interfere with District's use of the Retained District Property. Provided Tenant is not in Default (as defined in Section 21), District shall not interfere with Tenant's quiet enjoyment of the Premises.

3.7 Method of Operations. Tenant shall conduct its operations at the Premises in a careful and skillful manner in compliance with all Laws. If Tenant subleases a portion of the Premises, Tenant shall make reasonable and diligent efforts to require the subtenant to conduct its operations at the sublease premises in a careful and skillful manner in compliance with all Laws.

3.8 Site Entitlement and CEQA Compliance. Tenant Improvements (as defined in Section 22) shall only be constructed on the Premises after Tenant has secured, and provided evidence to District, of all necessary entitlements, permits, approvals and clearances (collectively, "**Entitlements**") required for construction of any Tenant Improvements. To the extent that any Entitlements require compliance with the requirements of the California Environmental Quality Act ("**CEQA**"), Tenant shall be the lead agency and shall bear all responsibility for satisfying the requirements of CEQA. District makes no guaranty on the outcome of, and shall bear no cost nor act in any official or approval capacity for, either the Entitlement or any CEQA process. District covenants to cooperate, to the extent necessary for processing purposes, with Tenant's efforts to process the Entitlements and any CEQA clearances or approvals. Tenant shall indemnify, defend, and hold harmless District, its directors, officers, agents, representatives, and employees, from all claims, demands, actions, costs, liabilities, losses, damages, including reasonable attorney's fees, penalties, fines, administrative civil liabilities and remediation costs relating to any Entitlements or CEQA challenges or any related legal proceedings involving any Tenant Improvements, Entitlements or CEQA clearances related to construction on and use of the Premises.

4. Term.

4.1 Initial Term. The term of this Lease commences on the Effective Date ("**Commencement Date**") and expire thirty (30) years thereafter; subject to (i) extension by Tenant pursuant to Section 4.2 below, or (ii) early termination by District pursuant to Sections 4.3 and 24 ("**Term**").

4.2 Options to Extend.

4.2.1 Extension Options. Tenant has two (2) successive options to extend the Term each for a period of ten (10) years (each, an "**Extension Option**") with the extension period commencing upon the expiration of the existing Term. Each Extension Option will be for the entire Premises and upon the same terms and conditions in this Lease except that the Base Rent will be adjusted pursuant to Section 5.3.

4.2.2 Exercise of Extension Option. Provided Tenant is not in Default (as defined in Section 24), Tenant may exercise an Extension Option by delivering written notice to District of its exercise not later than six (6) months prior to the expiration of the existing Term. If Tenant fails to exercise an Extension Option in strict accordance with the provisions of this Section 4.2, the Extension Option and all subsequent Extension Options (if any) will automatically terminate, without notice and be of no further force or effect. After exercise of an Extension Option, the Parties shall execute and acknowledge a document regarding the new date of the end of the Term and record same to be recorded in the Official Records of Los Angeles County.

4.3 District's Right to Terminate. If, at any time after twenty seven (27) years from the Commencement Date, District determines, in its sole and absolute discretion, that it needs to use the Premises (or any part thereof) for new or ancillary facilities in support of JWPCP operations, District may terminate this Lease, in its sole discretion, by providing thirty-six (36) months' prior written notice to Tenant ("**Termination Notice**"). At the end of the thirty-six (36) month period ("**Early Termination Period**"), this Lease shall immediately,

automatically, and unconditionally terminate without further notice to Tenant and all obligations shall terminate except for any obligations that accrued prior to such termination and those obligations that expressly survive the termination of this Lease. Prior to expiration of the Early Termination Period, Tenant shall remove all Tenant Improvements (except for the utilities and the Fence) from the Premises at its sole cost and expense and if Tenant fails to do so, Tenant shall pay District the sum of Two Thousand Dollars (\$2,000) per day until all Tenant Improvements are removed.

4.4 Due Diligence Period; Tenant's Right to Terminate.

4.4.1 Due Diligence Period. For a period of eighteen (18) months following the Effective Date ("**Due Diligence Period**"), Tenant shall have the right to investigate and perform testing, obtain surveys, evaluate availability of utilities, and conduct any inspections or investigations as it elects in its sole discretion and at its sole cost and expense; provided, however, if Tenant desires to perform invasive soils testing, Tenant shall obtain District's prior written approval thereof which shall not be unreasonably withheld, conditioned or delay as such work will be an important component of Tenant's due diligence. Tenant shall have one (1) option to extend the Due Diligence Period for an additional period of six (6) months provided that Tenant delivers written notice of exercise of the extension option ("**Due Diligence Extension Notice**") not less than sixty (60) days prior to the expiration of the Due Diligence Period. If Tenant does not deliver the Due Diligence Extension Notice in strict accordance with the immediately preceding sentence, then the Due Diligence Period shall not be extended. Tenant shall deliver to District any reports or studies obtained by Tenant regarding the environmental condition of the Premises.

During the Due Diligence Period, Tenant may obtain a leasehold title insurance policy at Tenant's sole cost and expense from a title insurer of its choosing. District shall reasonably cooperate with any requests by the title company for the issuance of such title policy; provided, however, District's cooperation shall be at no cost or liability to District although District shall execute the standard owner's affidavit (as modified by the District, if necessary) if required by the title company.

4.4.2 Tenant's Right to Terminate. Tenant may, in its sole discretion, elect to terminate this Lease by delivering written notice of termination to District ("**Tenant Termination Notice**") not less than ten (10) days prior to the expiration of the Due Diligence Period (as may have been extended pursuant to Section 4.4.1). If Tenant fails to deliver the Tenant Termination Notice within the period specified in this Section 4.4.2, then Tenant shall be deemed to have elected to continue this Lease, this Lease shall continue in full force and effect, and Tenant shall have no further right to terminate this Lease as provided in this Section 4.4. If Tenant approves of the Premises prior to the expiration of Due Diligence Period or commences construction at the Premises ("**Construction Commencement**"), then the Due Diligence Period shall be deemed to have expired, and Tenant shall have no right to terminate this Lease under this Section 4.4. As used herein the term "**Construction Commencement**" means the date that District reasonably determines that Tenant's contractors, assignees, or sublessees have mobilized on the Premises to commence construction but shall not include due diligence work by Tenant during the Due Diligence Period. In such case, the District will notify Tenant in writing of the Construction Commencement date. In the event that Tenant elects to terminate this Lease, Tenant shall provide such written documents as requested by District to remove this Lease from public records.

5. Rent.

5.1 Base Rent. On the date immediately following the earlier to occur of the expiration or early termination by Tenant of the Due Diligence Period or the date of Construction Commencement ("**Rental Commencement Date**") and continuing on the first (1st) day of each month thereafter, Tenant shall pay to District the sum of Five Thousand Two Hundred Fifty Dollars (\$5,250) per month subject to annual adjustments as set forth in Section 5.2 ("**Base Rent**"). Tenant shall deliver the Base Rent to District at the address provided in Section 28. All payments of Base Rent are due and payable on the 1st day of each month commencing on the Rental Commencement Date without offset, grace, notice, or deduction. All monetary obligations of Tenant under this Lease (including, without limitation, Base Rent) are deemed to be "**rent**" or "**Rent.**" Rent for any period during

the Term which is for less than one (1) full calendar month shall be prorated based upon the actual number of days of that month.

5.2 Annual Increases of Base Rent. The monthly Base Rent will be increased on each anniversary of the Rental Commencement Date (commencing on the first anniversary of the Rental Commencement Date) by an amount equal to the change in the CPI between the month of April for the year immediately preceding the year in which the Base Rent increase occurs and the month of April for the year in which the Base Rent increase occurs (“**CPI Adjustment**”). By way of example only, if the Rental Commencement Date is October 14, 2022, then the CPI Adjustment for the first anniversary of the Rental Commencement Date (which would be October 14, 2023) would be calculated by determining the change in the CPI between April 2023 and April 2022. For purposes of this Lease, “**CPI**” means the Consumer Price Index – All Items for All Urban Customers, Los Angeles-Long Beach-Anaheim area published by the United States Department of Labor, Bureau of Labor Statistics (or a reasonably equivalent index if such index is discontinued). The Base Rent increase shall not be less than the Base Rent payable in the preceding lease year nor greater than five percent (5%) each year. If the Parties inadvertently fail to apply a CPI Adjustment on an anniversary of the Commencement Date, then that failure will not be deemed a waiver by District of that particular CPI Adjustment of Base Rent, but rather, that CPI Adjustment will be added to any subsequent CPI Adjustment(s) with appropriate back charges as necessary to capture the inadvertent shortage. However, no late charges or interest shall accrue on the shortage.

5.3 Base Rent for Option Period. At least one (1) year prior to the expiration of the existing Term, District shall have the option to obtain an independent appraisal of the Premises, at District’s sole cost and expense, to determine the fair rental value of the Premises. The appraisal shall only determine the value of the Premises (i) as used by Tenant under this Lease; and (ii) as used for sanitation purposes. The appraisal shall not determine the highest and best use of the Premises. The new Base Rent for the option extension period shall be: (a) the greater of either (i) or (ii) above, but (b) in no event, shall the Base Rent increase by more than ten percent (10%) of the existing Base Rent. Not less than nine (9) months prior to the expiration of the existing Term, District shall deliver to Tenant: (x) a copy of the appraisal; and (y) a letter from District specifying the new Base Rent for the Option Period. However, if for any reason, District does not obtain the appraisal in the specified time, the Base Rent for the Option Extension period shall be the then existing Base Rent increased by the CPI increase specified in Section 5.2 and, not less than nine (9) months prior to the expiration of the existing Term, District shall provide written notice to Tenant of the new Base Rent. If Tenant exercises the Extension Option, the new Base Rent shall be payable by Tenant during the first (1st) year of the extension period and thereafter adjusted annually by CPI pursuant to Section 5.2.

5.4 Charges for Late Payment. Tenant acknowledges that the late payment of Base Rent or any other sums due under this Lease will cause District to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Costs include, but are not limited to, administrative processing of delinquency notices and increased accounting costs. Accordingly, if any payment of Base Rent, or any other sum due to District under this Lease is not paid within ten (10) business days after the due date, a late charge equal to three percent (3%) of the overdue amount shall also be due and payable with the delinquent payment. The late charge represents a fair and reasonable estimate of the costs that District will incur by reason of Tenant’s late payment. District’s acceptance of late charges or any portion of the overdue payment will not constitute a waiver of Tenant’s default with respect to the overdue payment or prevent District from exercising any of its other rights and remedies under this Lease, at law or equity.

5.5 Interest. Any amount payable to District pursuant to this Lease, other than late charges, that is not received by District within thirty (30) days following the date on which it was due will bear interest starting on the thirty-first (31st) day after it was due. The interest rate shall be the prime rate reported in the Wall Street Journal as published on the start date plus two percent (2%) (“**Interest**”), but will not exceed the maximum rate allowed by law. Interest is payable in addition to the late charge in Section 5.4 but shall not accrue on the late charge.

6. Intentionally Omitted.

7. **Use of Retained District Property and JWPCP.** District has informed Tenant that, as of the Effective Date, District operates the JWPCP, a publicly-owned wastewater treatment plant, located immediately south of the Premises. District has also informed Tenant that District may: (a) use the Retained District Property in support of activities to operate and maintain the JWPCP or the public sewerage system; and (b) lease all or any portion of the Retained District Property to any individual or entity. District is not responsible, and Tenant hereby waives any and all claims against District, for any disruption or nuisance conditions that may result from operation of the JWPCP.

8. **Possessory Interest Taxes and Assessments.** Tenant acknowledges that its leasehold interest in the Premises is a possessory interest that is subject to the imposition of real estate taxes by the Los Angeles County Assessor's Office unless Tenant otherwise qualifies for an exemption. Tenant shall be responsible for the payment of any possessory interest taxes and assessments ("**Possessory Interest Taxes**") that become due on the Premises during the Term. Tenant shall also be responsible for any taxes and assessments that become due for fixtures, equipment, or Tenant Improvements installed or constructed by Tenant on the Premises ("**Other Property Taxes**"). Tenant shall pay all Other Property Taxes promptly. District will not be obligated to pay delinquent Other Property Taxes; but, if District elects to pay delinquent Other Property Taxes, Tenant shall immediately pay District the full amount of the delinquent Other Property Taxes including any late charges, penalties, or interest. The terms of this section survive the expiration or earlier termination of this Lease.

9. **Utilities.** The Retained District Property has potable water, electrical, data and communications, and natural gas connections and all existing utility connections are reserved for the Retained District Property. Tenant shall, at Tenant's sole cost and expense, be responsible for establishing, furnishing and maintaining new utility connections and services to the Premises directly from Sepulveda Boulevard, Moneta Avenue, and/or the Park Property.

10. **Access Restriction; Address; Boundary Fence.**

10.1 **Access Restriction.** Tenant shall not be permitted to access the Premises from any portion of the Retained District Property. Tenant may establish new access points to the Premises directly from Sepulveda Boulevard and/or Moneta Avenue upon the (i) prior written consent of District's Chief Engineer and General Manager, or his/her designee ("**Chief Engineer**"), which consent will not be unreasonably withheld, conditioned or delayed, and (ii) approved by any governmental agency with jurisdiction as to access.

10.2 **Premises Address.** Use of the site or mailing address of 321 W. Sepulveda Boulevard is reserved for the Retained District Property. Tenant shall not use that address for the Premises and shall be responsible to establish a new site address and mailing address for the Premises. Upon establishing a new address for the Premises, Tenant shall promptly notify District in writing.

10.3 **Eastern Boundary Fence.** Not later than one hundred twenty (120) days after the Rental Commencement Date, Tenant shall, at Tenant's sole cost and expense, remove any existing improvements straddling the eastern boundary of the Premises and install an 8-foot high minimum chain-link fence along the eastern boundary of the Premises (from Sepulveda Boulevard at the south end to the Moneta Avenue cul-de-sac at the north end) ("**Fence**") to separate it from the Retained District Property. District has staked the location of the eastern boundary of the Premises. Tenant shall also be responsible for maintaining, repairing or replacing the existing vegetation-covered chain link fence along the southern boundary of the Premises and the existing cinder block wall fence along the northern boundary of the Premises.

11. **Intentionally Omitted.**

12. **Signage.** After completion of the Tenant Improvements at the Premises, and before the Premises is opened to the public, Tenant, at Tenant's cost and expense, shall install at least one (1) and up to two (2) monument sign(s) at conspicuous location(s) on the Premises approved by District ("**Monument Sign(s)**") indicating that the Premises have been leased by the City from the Los Angeles County Sanitation Districts

("LACSD") and is the site of its future facilities to support operations at JWPCP. The Monument Sign(s) shall include the logos of the City and LACSD. Tenant shall provide design plans for the Monument Sign for District's review and approval. Tenant shall not construct, maintain, or allow any other permanent sign(s) (except signs related to safety measures, directions to the various facilities or applicable prohibitions), banners, flags or similar signage upon the Premises without District's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Any unapproved signs, banners, flags, or similar signage shall be promptly removed by Tenant upon receipt of written notice from District. Tenant shall ensure that any approved signage and the installation and maintenance thereof complies with all Laws and the Existing Conditions.

13. Maintenance; Security.

13.1 Tenant's Obligations. Tenant, at its sole cost and expense, shall, to the reasonable satisfaction of the Chief Engineer, maintain in good order, condition, and repair, and free and clear of rubbish, litter, and graffiti (a) every part of the Premises (including, without limitation, Tenant Improvements or Trade Fixtures), (b) all equipment, piping, utility lines and systems including, without limitation, the sewer laterals to their point of connection in the street, (c) Tenant Improvements, Trade Fixtures and personal property located in or on the Premises, and (d) the non-utility-owned portions of the potable water, gas, and sewer pipelines from the mains in the street to the Premises. Tenant shall repair, at its sole cost, any damage to the Premises (or any part thereof) caused in whole or in part by the negligence, act or omission of Tenant or Tenant's agents, representatives, contractors, subcontractors, employees, guests, licensees, or invitees. Tenant expressly waives and releases its right to make repairs at District's expense under Sections 1932(1) and 1942 of the California Civil Code, as amended, or under any other Laws. Further, Tenant shall be solely responsible for the management of all stormwater and runoff at or originating from the Premises or Tenant's activities conducted thereon and for any related permitting and compliance with all Laws. Tenant shall not conduct any activities on the Premises that have the potential to contribute, or that actually contribute, pollutants to the storm drain system. Tenant shall comply with all applicable Wastewater Ordinances, as amended, and obtain an Industrial Wastewater Discharge permit (or any other governmental approvals) specific to its activities at the Premises.

13.2 District's Obligations. District shall have no obligation to maintain, repair, or replace any aspect of the Premises, including, without limitation, Tenant Improvements or Trade Fixtures located thereon unless caused by the negligence or willful misconduct of District or any of its employees, contractors, tenants, officers or invitees. The Parties intend that this Lease shall govern the respective obligations of the Parties as to maintenance and repair of the Premises.

13.3 Security. District has no obligation to provide security for the Premises. Tenant shall have the right to perform or otherwise contract for security services for the Premises. District makes no representations or warranties, expressed or implied, regarding the security of the Premises, and District shall not be responsible or liable for any damages to any Tenant Improvement or Trade Fixtures at the Premises unless caused by the negligence or willful misconduct of District or any of its employees, directors, officers, invitees, contractors or agents.

14. Entry and Inspection. District and its authorized representatives may, after notice that is reasonable under the circumstances, at all reasonable times during normal business hours and at any time without notice in an urgent situation, enter upon the Premises for the purposes of (a) inspecting the same, confirming that Tenant is complying with its obligations under this Lease, and protecting the interest therein of District, (b) posting notices of non-responsibility, and (c) performing sampling and other activities with respect to stormwater and wastewater monitoring, all without abatement of rent to Tenant for any loss of occupancy or quiet enjoyment of the Premises, or damage, injury or inconvenience resulting from such actions. District may also enter on or pass through the Premises at such times as are required by circumstances of emergency. If Tenant is not personally present to open the Premises when such an emergency entry by District occurs, District may enter by means of a master key or security code, which Tenant shall provide District immediately after installation of any locked gate or door at the Premises, without liability to Tenant except for any failure to exercise reasonable due care for the Premises. District's actions authorized under this section will not constitute an actual or constructive eviction or

relieve Tenant of any obligation with respect to making any repair, replacement, or improvement or complying with all Laws. District shall promptly notify Tenant of any emergency entrance of the Premises and provide details of any actions taken by District.

15. Liens and Encumbrances. Tenant has no express or implied authority to create or place any lien or encumbrance of any kind upon, or in any manner to bind the interest of District or Tenant in, the Premises or to charge the rentals payable hereunder for any claim in favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs. District may record, at its election, notices of non-responsibility pursuant to California Civil Code Section 8444 in connection with any work performed by Tenant. Tenant covenants and agrees that it will pay or cause to be paid all sums legally due and payable by it on account of any labor performed or materials furnished in connection with any work performed on the Premises and that it will save and hold District harmless from all loss, cost or expense based on or arising out of asserted claims or liens against the leasehold estate or against the interest of District in the Premises or under this Lease. Tenant shall give District immediate written notice of the placing of any lien or encumbrance against the Premises and cause such lien or encumbrance to be discharged within thirty (30) days of the filing or recording thereof; provided, however, Tenant may contest such liens or encumbrances as long as such contest prevents foreclosure of the lien or encumbrance and Tenant causes such lien or encumbrance to be bonded or insured over in a manner satisfactory to District within the thirty (30) day period. Without limiting any other rights or remedies of District, if Tenant fails for any reason to cause a lien or encumbrance to be discharged within thirty (30) days of the filing or recording thereof, then District may take such action(s) as it deems necessary to cause the discharge of the same (including, without limitation, by paying any amount demanded by the person or entity who has filed or recorded such lien or encumbrance, regardless of whether the same is in dispute), and District shall be reimbursed by Tenant for all actual costs and expenses incurred by District in connection therewith within five (5) business days following written demand therefor.

16. Insurance. Tenant, at its sole cost and expense, shall maintain the following insurance: (1) commercial general liability insurance applicable to the Premises and its appurtenances providing a minimum combined single limit of not less than Three Million Dollars (\$3,000,000) per occurrence with an annual aggregate of not less than Three Million Dollars (\$3,000,000); (2) if Tenant stores property of others for a fee, Tenant shall maintain warehouse operator's and garage keeper's legal liability insurance for the full value of the property of such customers as determined by the warehouse and garage keeper's contracts between Tenant and its customer; (3) special form property insurance covering the full replacement cost of all Tenant Improvements, Trade Fixtures, and improvements installed or placed in the Premises by Tenant with a deductible not to exceed One Hundred Thousand Dollars (\$100,000) per occurrence (unless otherwise agreed in writing by District); (4) workers' compensation insurance as required by the State of California and employer's liability insurance including disease coverage of not less than One Million Dollars (\$1,000,000) per occurrence; and (5) business automobile liability insurance having a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence insuring Tenant against liability arising out of the ownership, maintenance or use of any owned, hired or non-owned automobiles, trucks, chassis or containers. Such policies shall remain in effect throughout the full Term of this Lease, and Tenant shall provide insurance coverage through insurers that have at least an "A" policyholders rating and an "X" financial rating in accordance with the current A.M. Best Key Rating Guide. All policies must be primary coverage without contribution of any other insurance carrier or on behalf of District and the other County Sanitation Districts of Los Angeles County (any policy issued to District providing duplicate or similar coverage shall be deemed excess over Tenant's policies). All liability insurance policies shall name Tenant as the named insured. Tenant shall ensure that District and other designees of District are named as additional insureds. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include (a) a waiver of subrogation endorsement and (b) coverage for liability assumed under this Lease as an "insured contract" for the performance of Tenant's indemnity obligations under this Lease. If the general liability insurance contains a general aggregate limit, it shall apply separately to the Premises. The limits and types of insurance maintained by Tenant shall not limit Tenant's liability under this Lease. Tenant shall provide District with true, correct, and complete copies of certificates of such insurance (including copies of all required endorsements) as required under this Lease prior to the Commencement Date, and thereafter upon renewals at least ten (10) days prior to the expiration of the insurance coverage. Acceptance by District of delivery of any

certificates of insurance does not constitute approval or agreement by District that the insurance requirements of this section have been met, and failure of District to identify a deficiency from evidence provided will not be construed as a waiver of Tenant's obligation to maintain such insurance. In the event any of the insurance policies required to be carried by Tenant under this Lease are cancelled prior to the expiration date of such policy, or if Tenant receives notice of any cancellation of such insurance policies from the insurer prior to the expiration date of such policy, Tenant shall (a) immediately deliver notice to District that such insurance has been, or is to be, cancelled, (b) shall promptly replace such insurance policy in order to assure no lapse of coverage occurs, and (c) shall deliver to District a certificate of insurance (including copies of all required endorsements) for such replacement policy. The insurance required to be maintained by Tenant hereunder are only District's minimum insurance requirements, and Tenant agrees and understands that such insurance requirements may not be sufficient to fully meet Tenant's insurance needs.

17. Indemnification. Tenant shall defend, indemnify and hold harmless District and all other County Sanitation Districts of Los Angeles County, and their respective successors assigns, partners, directors, officers, employees, agents, lenders, attorneys and affiliates (collectively, "**Indemnified Parties**" or individually "**Indemnified Party**") from and against all claims, liabilities, losses, injuries, causes of action, suits, damages, fees, costs and expenses (including reasonable attorney fees) (collectively, "**Claims**") which arise from or relate to the negligence or any act or omission of Tenant or its employees, agents, contractors, subcontractors, licensees, guests, or invitees, or a Default by Tenant under this Lease or Tenant's occupancy or use of the Premises (or any part thereof). The foregoing indemnity shall not apply in the event any Claim arises solely from District's negligence or willful misconduct. In the event any action or proceeding is brought against an Indemnified Party, by reason of any of the foregoing matters, Tenant shall, upon written notice from the Indemnified Party, defend the Indemnified Party, at Tenant's sole expense, by counsel reasonably satisfactory to the Indemnified Party. The Indemnified Party need not have first paid any such claim in order to be defended or indemnified. All indemnities in favor of District under this Lease survive the expiration or termination of the Lease.

18. Environmental.

18.1 Definitions. The following defined terms are made a part of this Lease.

(a) "**Contamination**" means all contamination of improvements, adjacent waters, soil, sediment, groundwater or air of the Premises or of adjacent property (including soil, sediment, groundwater or air of those adjacent properties) resulting from all Releases and Contamination that is considered a nuisance or unlawful under applicable laws, including Environmental Laws.

(b) "**Environmental Laws**" means any federal, state or local statute, regulation or ordinance or any judicial or administrative decree or decision, whether now existing or hereafter enacted, promulgated or issued, with respect to any Hazardous Materials, drinking water, groundwater, wetlands, landfills, open dumps, storage tanks, underground storage tanks, solid waste, waste water, storm water runoff, waste emissions or wells. Without limiting the generality of the foregoing, the term encompasses each of the following statutes, and regulations, orders, decrees, permits, licenses and deed restrictions now or hereafter promulgated thereunder, and amendments and successors to such statutes and regulations as may be enacted and promulgated from time to time: (A) the Comprehensive Environmental Response, Compensation and Liability Act (codified in scattered sections of 26 U.S.C., 33 U.S.C., 42 U.S.C. and 42 U.S.C. Section 9601 et seq.) ("**CERCLA**"); (B) the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); (C) the Hazardous Materials Transportation Act (49 U.S.C. Section 5101 et seq.); (D) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (E) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (F) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (G) the Safe Drinking Water Act (21 U.S.C. Section 349, 42 U.S.C. Section 201 and Section 300f et seq.); (H) the National Environmental Policy Act (42

U.S.C. Section 4321 et seq.); (I) the Superfund Amendments and Reauthorization Act of 1986 (codified in scattered sections of 10 U.S.C., 29 U.S.C., 33 U.S.C. and 42 U.S.C.); (J) Title III of the Superfund Amendment and Reauthorization Act (40 U.S.C. Section 11001 et seq.); (K) the Uranium Mill Tailings Radiation Control Act (42 U.S.C. Section 7901 et seq.); (L) the Occupational Safety and Health Act (29 U.S.C. Section 655 et seq.); (M) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (N) the Noise Control Act (42 U.S.C. Section 4901 et seq.); and (O) the Emergency Planning and Community Right to Know Act (42 U.S.C. Section 11001 et seq.).

(c) “Environmental Site Assessment” (“ESA”) means the process of conducting “all appropriate inquiry” into the past or present uses of a property to determine whether the property is impacted by a “recognized environmental condition.”

(d) “Governmental Authority” means the United States, the State of California and any political subdivision thereof, and any and all agencies, departments, commissions, boards, bureaus, bodies, councils, offices, authorities, or instrumentality of any of them, of any nature whatsoever for any governmental unit (federal, state, county, district, municipal, city or otherwise) whether now or hereafter in existence.

(e) “Hazardous Materials” means each and every element, compound, chemical mixture, contaminant, pollutant, material, waste or other substance which is defined, determined or identified as hazardous or toxic under any Environmental Laws. Without limiting the generality of the foregoing, the term shall mean and include:

- (i) Hazardous Substances or Hazardous Substance as defined in CERCLA, the Superfund Amendments and Reauthorization Act of 1986, or Title III of the Superfund Amendment and Reauthorization Act, each as amended, and regulations promulgated thereunder including, but not limited to, asbestos or any substance containing asbestos, polychlorinated biphenyls, any explosives, radioactive materials, chemicals known or suspected to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions, infectious wastes, any petroleum or petroleum-derived waste or product or related materials and any items defined as hazardous, special or toxic materials, substances or waste.
- (ii) Hazardous Waste as defined in the Resource Conservation and Recovery Act of 1976, as amended, and regulations promulgated thereunder.
- (iii) Materials as defined as Hazardous Materials in the Hazardous Materials Transportation Act, as amended, and regulations promulgated thereunder.
- (iv) Chemical Substance or Mixture as defined in the Toxic Substances Control Act, as amended, and regulations promulgated thereunder.

(f) “Release” or “Released” shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, storing, escaping, leaching, dumping, discarding, burying, abandoning, disposing, or any other type of release of Hazardous Materials into the environment during the term of this Lease or any holdover, whether caused by Tenant or a third-party, that contaminates or threatens to contaminate District’s improvements, adjacent waters, soil, sediment, groundwater or air of the Premises or of adjacent property (including soil, sediment, groundwater or air of those adjacent properties).

(g) “**Remediation**” or “**Remediate**” means the cleanup or removal of Hazardous Materials Released from the environment, such actions as may be necessary to take in the event of the threat of Release of Hazardous Materials into the environment, such actions as may be necessary or required by District or any Governmental Authority to monitor, assess, and evaluate the Release or threat of Release of Hazardous Materials, the disposal of removed material, or the taking of such other actions as may be necessary to prevent, minimize, or mitigate damage to the public health or welfare or to the environment, which may otherwise result from a Release or threat of Release of Hazardous Materials.

18.2 Compliance with Environmental Laws. Tenant shall comply with all Environmental Laws and shall defend, indemnify and hold harmless District and the Indemnified Parties from and against all claims, demands, liabilities, fines, penalties, damages, causes of action, suits, injuries, losses, fees, costs and expenses, including, but not limited to, costs of compliance, costs of Remediation, clean-up costs and attorneys’ fees, arising from or related to the use, storage, disposal, transport or handling, or the emission, discharge or Release into the environment of any Hazardous Material from, on or at the Premises during the Lease term as a result of any negligence, act or omission on the part of Tenant or any of Tenant’s employees, agents, representatives, contractors, guests, licensees, or invitees.

18.2.1 General; Notice. In its use and occupancy of the Premises, Tenant shall comply (and shall immediately halt and remedy any incident of non-compliance) with (a) Environmental Laws, (b) all applicable environmental policies, rules and directives, (c) the environmental mitigation measures (“**Mitigation Measures**”) and (d) Mitigation Monitoring and Reporting Program, if any. Tenant shall ensure that Tenant’s employees, agents, representatives and other individuals or entities entering upon the Premises at the request or invitation of Tenant do not bring into, maintain upon, or release or discharge in or about the Premises any Hazardous Materials. Tenant shall immediately upon receipt provide District with copies of any notices or orders or similar notifications received from any Governmental Agency regarding compliance with any Environmental Laws.

18.2.2 Authorized Hazardous Products. Tenant’s employees, agents, and other individuals or entities entering upon the Premises at the request or invitation of Tenant may bring into and maintain upon or about the Premises Hazardous Materials only in compliance with all of the following:

(a) Those specific Hazardous Materials have been approved in advance, in writing by the Chief Engineer (“**Authorized Hazardous Products**”), and

(b) The Authorized Hazardous Products are maintained only in quantities reasonably necessary for Tenant’s operations at the Premises, and

(c) The Authorized Hazardous Products and any equipment that generates the Authorized Hazardous Products are used and stored strictly in accordance with all applicable Laws (including Environmental Laws), the highest standards prevailing in the industry for those Authorized Hazardous Products and the manufacturers’ instructions, and

(d) The Authorized Hazardous Products are not disposed of in or about the Premises in a manner that would constitute a Release or discharge of those substances, and

(e) All the Authorized Hazardous Products and any equipment that generates or holds Authorized Hazardous Products are removed from the Premises by Tenant prior to the expiration or earlier termination of this Lease.

18.2.3 Notice of Compliance. District shall provide Tenant with sixty (60) days’ notice to comply with any claims, damages, fines and penalties received in regard to the Premises, or if Tenant has not complied with such claims, damages, fines and penalties, or if Tenant has not requested a meet and confer to

discuss compliance within such sixty (60) days, then District, at its sole option, may pay such claims, damages, fines and penalties resulting from Tenant's noncompliance with any of the Environmental Laws, and Tenant shall indemnify and promptly reimburse District for any such payments upon receipt of written notice reasonably detailing the amount and reason for such reimbursements..

18.3 Tenant Responsibility for Contamination.

18.3.1 Baseline Conditions, District's Baseline Report. Tenant acknowledges and agrees that it has received, reviewed, and approved District's June 2019 Phase I ESA, which constitutes the written depiction of the environmental condition of the Premises on the Effective Date ("**Baseline Condition**") and which hereinafter shall be referred to as the "**District's Baseline Report**".

18.3.2 Responsibility. Tenant shall be responsible for Contamination above the Baseline levels for those contaminants covered in District's Baseline Report, any contaminates not analyzed in District's Baseline Report, and any other Contamination resulting from any and all Releases, which may be on, below, or emanating from the Premises for such contamination which occurred after Tenant took possession of the Premises.

18.3.3 Remediation. If investigation or Remediation is required by a Governmental Authority or by Environmental Laws, Tenant shall comply with any investigation request from a Governmental Authority, or Remediate or cause the Remediation of any Releases, including any Existing Contamination that is not covered by a Baseline Report, such that the affected Premises (and/or areas adjacent to the Premises) are left: (a) in the Baseline Condition or (b) in an environmental condition that fully complies with the guidelines of, orders of, or directives of the Governmental Agency or Agencies that have assumed jurisdiction, if any, whichever of the two is stricter, and to the Chief Engineer's reasonable satisfaction, and in conformance with any and all applicable and then-existing remediation procedures, and free of encumbrances, such as deed or land use restrictions, except those that may be imposed as a result of the presence of Hazardous Materials despite Tenant's compliance with the foregoing requirement.

18.4 Tenant's Obligations in the Event of a Release.

18.4.1 Notice of Discharge. Tenant shall furnish to District, immediately after Tenant's receipt, copies of all notices and other communications received by Tenant with respect to any actual or alleged Release or discharge of any Hazardous Material in or about the Premises. Tenant shall, whether or not Tenant receives any notice or communication, notify District immediately in writing of any discharge or Release of Hazardous Material on the Premises that comes to Tenant's attention. In the event that Tenant is required to maintain any Hazardous Materials license or permit in connection with any use conducted by Tenant or any equipment operated by Tenant at the Premises, Tenant shall provide copies of each license or permit, each renewal of any license or permit, and any communication relating to suspension, renewal, or revocation of any license or permit. Copies of those documents must be furnished to District within 10 days after receipt of or submission by Tenant. Tenant's compliance with the two immediately preceding sentences will not relieve Tenant of any obligation of Tenant under this Lease. With respect to the Premises, Tenant shall diligently and promptly commence, prosecute, and complete the clean-up and removal of all Hazardous Materials introduced into or on the Premises by Tenant, or its employees, agents, representatives, guests, licensees, invitees, or contractors. Tenant at its sole expense shall perform clean-up, Remediation, and removal and shall Remediate the impacted areas to all applicable regulatory standards. Tenant shall undertake all testing and investigation required by any Governmental Authorities, promptly prepare and implement any remedial action plan required by any Governmental Authorities, and obtain all regulatory approvals for verification and closure. Tenant shall conduct all clean-up, Remediation and removal activities under this section to the satisfaction of the Chief Engineer and all applicable Governmental Authorities. Tenant shall inform District (in writing on a weekly basis) of its progress, and District may participate in all communications and meetings related to any clean-up and Remediation actions undertaken by Tenant. Tenant shall promptly provide to District copies of all studies, consultant reports, and correspondence related to any testing or clean-up actions undertaken by or on behalf of Tenant. District may enter,

inspect, and test the Premises for violations of Tenant's obligations under this section. If Tenant removes any soils from the Premises for any reason, then Tenant shall promptly fill the Premises to an at-grade level with clean fill compacted at the level of prior compaction, all to the satisfaction of District.

18.4.2 District's Right to Remediate. If Tenant fails to wholly or partially fulfill any obligation set forth in Subsection 18.4, District may (but shall not be required to) take all steps it deems necessary to fulfill such obligation. Any action taken by District shall be at Tenant's sole cost and expense and Tenant shall indemnify and pay for and/or immediately reimburse District on demand for any and all costs (including any administrative costs) District incurs as a result of any such action it takes.

18.5 Waste Disposal. In discharging its obligations under this Section 18, if Tenant disposes of any soil, material or groundwater contaminated with Hazardous Materials, within thirty (30) days of Tenant's receipt of original documents, Tenant shall provide District copies of all records, including a copy of each uniform hazardous waste manifest indicating the quantity and type of material being disposed of, the method of transportation of the material to the disposal site and the location of the disposal site. Tenant covenants that the name of the name of the City of Carson or District shall not appear on any manifest document as a generator of such material.

18.6 Laboratory Testing. In discharging its obligations under this Section 18, Tenant shall perform any tests using a State of California Department of Health Services certified testing laboratory or other similar laboratory of which District shall approve in writing. By signing this Lease, Tenant hereby irrevocably directs any such laboratory to provide District, upon written request from District, copies of all of its reports, test results, and data gathered. As used in this Section 18.6, "Tenant" includes agents, employees, contractors, subcontractors, and/or invitees of Tenant.

18.7 Survival of Obligations. Except as otherwise specifically provided in this Section 18, the obligations in this Section shall survive the expiration or earlier termination of this Lease.

19. Surrender, Restoration and Holding Over.

19.1 Surrender. Upon termination of this Lease by District pursuant to Section 4.3, Tenant shall surrender possession of the Premises to District, in good condition and repair subject to the obligations to remove the Tenant Improvements only as set forth in Section 4.3. If this Lease is terminated pursuant to Section 4.4, Tenant shall surrender the Premises in AS-IS condition but shall not remove the Fence. If this Lease expires or terminates for any other reason after the Rental Commencement Date, upon surrender of the Premises, Tenant shall remove any Tenant Improvements at its sole cost and expense prior to the expiration or termination of the Lease. Tenant, at its sole expense, shall repair any and all damage caused by the removal of Tenant Improvements and return the land to its original condition which was raw land and in a safe condition.

19.2 Holding Over. Notwithstanding anything to the contrary contained in this Lease, if Tenant continues in possession of the Premises following the expiration or termination of this Lease, the monthly Base Rent shall increase, automatically and without notice, to an amount which shall be no less than One Hundred Fifty Percent (150%) of the then Monthly Rent. The Parties agree that the foregoing amount of Base Rent payable during any hold over by Tenant is a reasonable amount. However, the foregoing rental payment shall not apply if the holdover amount specified in Section 4.3 is in effect. The foregoing is not to be construed to waive, limit or impair, in any way, any of District's rights or remedies under this Lease, at law or equity/

19.3 Indemnity. In the event of the expiration or termination of the Lease or in the event of any Default by Tenant but excluding Tenant's terminating this Lease pursuant to Section 4.4.2, Tenant shall indemnify, defend, protect and hold harmless all Indemnified Parties from and against any and all damages, losses, liabilities, causes of action, claims, injuries, lawsuits, costs and expenses whatsoever (including attorneys' fees and costs), whether direct or indirect, known or unknown, or foreseen or unforeseen, which may arise from or be related to Tenant's continued possession of the Premises following the expiration or termination of this Lease.

The foregoing is not to be construed to waive, limit or impair, in any way, any of District's rights or remedies under this Lease, at law or equity for a Default.

20. Casualty/Condemnation.

20.1 Casualty. If Tenant causes damage to or the destruction of Tenant Improvements located on the Premises, or if Tenant Improvements located on the Premises are declared unsafe or unfit for use or occupancy by a governmental entity having jurisdiction, then Tenant shall commence repair or replacement of the improvements as required or permitted under this section as soon as practical, but no later than ninety (90) days after the event that caused the damage or destruction. Tenant shall diligently perform such repairs to completion. Tenant shall repair all aspects of the Premises in accordance with the provisions of this Lease and to the reasonable satisfaction of District. If the Premises are damaged or destroyed through no negligence, act or omission of Tenant and, as a result of such damage or destruction, Tenant, in its reasonable judgment, determines that the same are not suitable for the Permitted Uses, then Tenant shall have the option to terminate this Lease by delivering written notice to District within sixty (60) days following the occurrence of such damage or destruction, in which event this Lease will terminate as of the date specified in Tenant's notice. If Tenant does not terminate this Lease as provided in the time and manner specified, this Lease will continue in full force and effect. Rent will not abate during restoration and repair of the Premises. District has no obligation to restore or repair the Premises.

20.2 Eminent Domain. If greater than fifty (50%) of the Premises is taken under power of eminent domain, this Lease will terminate as of the date of that condemnation, or as of the date possession is taken by the condemning authority, whichever first occurs. Except as specified below, no award for any taking will be apportioned, and Tenant hereby assigns to District any award made in such taking or condemnation together with all rights of Tenant in or to the same or any part of the Premises. District shall not retain any interest in or require Tenant to assign to District any award made to Tenant for the taking of the Tenant Improvements, improvements, Trade Fixtures and personal property of Tenant, the value of Tenant's leasehold estate, the goodwill of Tenant's operations, the interruption of or damage to Tenant's operations and relocation benefits. District may, without any obligation to Tenant, agree to sell or convey the Premises, or any portion of the Premises, to the condemning authority free from the Lease, and the rights of Tenant under the Lease otherwise will terminate without the institution of any action or proceeding by District. District's agreement to sell or convey any portion of the Premises will not prejudice or impair Tenant's statutory right to recover the amounts specified above.

21. Assignment and Subletting. With District's prior written consent but with prior written notice to the District, Tenant may (i) assign this Lease; (ii) sublease all or any portion of the Premises; or (iii) hire a private operator for all or portion of the Premises. District shall not unreasonably withhold, delay or condition its consent provided any such transfer of the Premises is consistent with the Surplus Land Act, if applicable, and complies with Section ___ with respect to authorized uses. In the event of any assignment or sublease, Tenant shall ensure that any assignee or subtenant agrees, in writing, to be bound by the terms and conditions of this Lease, Tenant shall remain liable for all obligations under this Lease (unless District agrees, in writing, to release Tenant) and upon such assignment or sublease, Tenant shall provide District with documentation executed by such assignee or sublessee evidencing the foregoing.

22. Tenant Improvements and Trade Fixtures.

22.1 Approval. Except as specified below, prior to making any improvements to the Premises ("Tenant Improvements"), Tenant shall provide copies of plans and specifications for its proposed Tenant Improvements for District's review and approval which shall not be unreasonable withheld, conditioned or delayed. Furthermore, District shall reasonably cooperate with Tenant with respect to the Entitlements pursuant to Section 3.8 and any approvals issued as part of that process shall be deemed District's approval under this Section. Demolition of existing improvements and construction of parking lots, lighting, restroom facilities, concession stands, sports fields, and minor improvements typical at public parks, are not subject to approval under this section nor the installation of the Fence. However, construction of a gymnasium, community center, or other such structures are examples of Tenant Improvements that are subject to District's approval as set forth above.

Tenant, at its sole cost and expense, shall have plans and specifications prepared for those Tenant Improvements specifications (“**Plans and Specifications**”) which shall be submitted to the Chief Engineer for review and approval by the Chief Engineer which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall pay District’s actual costs incurred for review of the Plans and Specifications for the proposed Tenant Improvements. Tenant shall be solely responsible for constructing any Tenant Improvements in accordance with the approved Plans and Specifications. Tenant shall not commence construction of any Tenant Improvements which require District’s approval unless District shall have approved, in writing, the Plans and Specifications for such Tenant Improvement.

22.2 Standard of Construction. All Tenant Improvements will be constructed at Tenant’s sole cost and expense, in a good and workmanlike manner that conforms to all Laws, and by licensed and bondable contractors reasonably acceptable to District. Tenant shall only use good grades of materials. District may monitor construction of the Tenant Improvements. District’s right to review Plans and Specifications and to monitor construction shall be solely for its own benefit, and District shall have no duty to see that such Plans and Specifications or construction comply with the Laws. Tenant shall obtain any and all applicable permits and governmental approvals with respect to all Tenant Improvements performed by Tenant and shall immediately provide to District copies thereof.

22.3 Tenant Obligations. Tenant shall provide District with the identities and mailing addresses of all persons, contractors, subcontractors or material suppliers performing Tenant Improvements prior to beginning such work, and District may post on and about the Premises notices of non-responsibility pursuant to applicable Law. Tenant shall provide certificates of insurance for worker’s compensation and other coverage in amounts and from an insurance company reasonably satisfactory to District protecting District against liability for personal injury or Premises damage during construction. Upon completion of any Tenant Improvements, Tenant shall deliver to District sworn statements setting forth the names of all contractors and subcontractors who did work on the Tenant Improvements, final lien waivers from all such contractors and subcontractors and a recorded Notice of Completion.

22.4 Prevailing Wages. In connection with all work on the Premises, Tenant shall comply with applicable prevailing wage laws under the California labor code.

23. Trade Fixtures. Tenant, at its own cost and expense and without District’s prior approval, may install equipment, machinery and trade fixtures (collectively “**Trade Fixtures**”) typically and customarily installed at public parks, and the construction, erection, and installation thereof complies with all Laws. District agrees that all trade fixtures, machinery, equipment, or other property of any kind and nature kept or installed upon the Premises by Tenant shall not become the property of District or a part of the realty no matter how affixed to the Premises and may be removed by Tenant at any time. Prior to the expiration or termination of this Lease, Tenant, at its sole expense, shall remove its Trade Fixtures and return the Premises to raw land.

24. Default.

24.1 Tenant Default. A “**Default**” is defined as the occurrence of one or more of the following events and the failure of Tenant to cure such Default within any applicable grace period:

24.1.1 Tenant’s failure to pay rent within ten (10) business days after notice of non-payment received from District.

24.1.2 Tenant’s failure to comply with or to perform any other term, covenant, condition or rule under this Lease within thirty (30) days following receipt of written notice from District; provided, however, that if due to the nature of such breach, cure is not reasonably possible within such thirty (30) day period, Tenant shall not be deemed in breach if cure is commenced within the initial thirty (30) day period and diligently pursued to completion provided however, in no event shall Tenant’s cure period exceed sixty (60) days.

24.1.3 In case of or in anticipation of bankruptcy, insolvency, or financial difficulties:

- (a) The making by Tenant of any general assignment for the benefit of creditors;
- (b) A case is commenced by or against Tenant under Chapter 9 of the Bankruptcy Code, Title 11 of the United States Code as now in force or hereafter amended and if so commenced against Tenant, the same is not dismissed within sixty (60) days;
- (c) The appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days; or
- (d) Tenant's convening of a meeting of its creditors or any class of its creditors for the purpose of affecting a moratorium upon or composition of its debts.

24.1.4 A material misrepresentation by Tenant under this Lease.

25. District's Remedies.

25.1 Rights and Remedies. Upon the occurrence of any Default on the part of Tenant, District shall have the following rights and remedies, in addition to those allowed by law or in equity, any one or more of which may be exercised or not exercised without precluding District from exercising any other remedy provided in this Lease or otherwise allowed by law or in equity:

25.1.1 Termination. District may terminate this Lease and all rights of Tenant under this Lease by giving written notice of termination to Tenant. In the event that District elects to terminate this Lease, District may recover from Tenant:

(a) Damages permitted by California Civil Code Sec. 1951.2(a), including the worth at the time of award of the unpaid rent which had been earned at the time of termination; the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; the worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; and any other amount necessary to compensate District for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, without limitation, the cost of recovering possession of the Premises, expenses of reletting (including necessary repair, renovation, and alteration of the Premises), brokers' fees incurred, reasonable attorneys' fees, and any other reasonable fees and costs; and

(b) At District's election, such other sums in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law. The "worth at the time of award" of the amounts due prior to and after the date of award will be computed by allowing interest at the rate of the highest rate permitted by Law from the date such amounts accrued to District. The worth at the time of award of amounts due after the date of award will be computed by discounting those amounts at 1% above the discount rate of the Federal Reserve Bank of San Francisco at the time of award.

(c) Even though Tenant has breached this Lease, this Lease shall continue in effect for so long as District does not terminate Tenant's right to possession, and, if permitted under applicable Law, District shall have all of its rights and remedies, including the right, pursuant to California Civil Code Section 1951.4, to recover all rent as it becomes due under this Lease, if Tenant has the right to sublet or assign, subject only to reasonable limitations. Acts of maintenance or preservation or efforts to relet the Premises or the appointment of a receiver upon initiative of District to protect District's interest under this Lease shall not constitute a termination of Tenant's right to possession unless written notice of termination is given by District to Tenant.

(d) Except as specifically provided in this Section, neither Tenant nor any of the Indemnified Parties shall be liable under any circumstances for Landlord's loss of profit, loss of rents or other revenues, loss, loss of good will or loss of use, or other similar forms of consequential damages, in each case however occurring.

25.1.2 Reletting. Without terminating or effecting a forfeiture of this Lease or otherwise relieving Tenant of any obligation under this Lease in the absence of express written notice of District's election to do so, District may enter and relet the Premises or any portion thereof at any time or from time to time and for such term(s) and upon such condition(s) and at such rental as District deems proper. Whether or not the Premises are relet, Tenant shall pay to District all amounts required under this Lease up to the date that District terminates Tenant's right to possession, and thereafter Tenant shall pay to District, until the end of the Term of the Lease, all rent required under the terms of this Lease. Payments by Tenant will be due at the times provided in this Lease, and District need not wait until the termination of this Lease to recover them. Re-letting of the Premises or any portion of the Premises will not relieve Tenant of any obligation under this Lease. Proceeds received by District from such reletting will be applied: first, to any indebtedness other than rent due from Tenant; second, to costs of reletting; third, to the cost of any Tenant Improvements and repairs to the Premises; fourth, to rent due and unpaid hereunder. Any residual shall be held by District and applied in payment of future rent as the same becomes due under this Lease. Should that portion of the proceeds received by District from re-letting applied to payment of rent be less than the rent payable by Tenant during any month, Tenant shall pay such deficiency to District immediately upon demand. District may execute any lease under this section in its own name, and Tenant shall not have any right to collect any proceeds received by District. District will not by any re-entry or other act be deemed to accept any surrender by Tenant of the Premises or be deemed to terminate this Lease or to relieve Tenant of any obligation under this Lease, unless District gives Tenant express written notice of District's election to do so.

25.2 Lease to Remain in Effect. Notwithstanding District's right to terminate this Lease, District may, at its option, even though Tenant has breached this Lease and abandoned the Premises, continue this Lease in full force and effect and not terminate Tenant's right to possession, and enforce all of District's rights and remedies under this Lease. District has the remedy described in California Civil Code Section 1951.4 (District may continue this Lease in effect after Tenant's breach and abandonment and recover rent as it becomes due, if Tenant has right to sublet or assign, subject only to reasonable limitations). Further, in such event District shall be entitled to recover from Tenant all costs of maintenance and preservation of the Premises, and all costs, including attorneys' fees and receivers' fees, incurred in connection with appointment of and performance by a receiver to protect the Premises and District's interest under this Lease. No re-entry or taking possession of the Premises by District shall be construed as an election to terminate this Lease unless a notice (signed by a duly authorized representative of District) of intention to terminate this Lease is given to Tenant.

25.3 All Sums Collectible as Rent. All sums due and owing to District by Tenant under this Lease shall be collectible by District as rent.

25.4 No Surrender. No act or omission by District or its agents during the Term shall be an acceptance of a surrender of the Premises, and no agreement to accept a surrender of the Premises shall be valid unless accepted in writing executed by a duly authorized representative of District.

25.5 Effect of Termination. Neither the termination of this Lease nor the exercise of any remedy under this Lease or otherwise available at law or in equity will affect District's rights of indemnification set forth in this Lease or otherwise available at law or in equity for any act or omission of Tenant, and all rights to indemnification and other obligations of Tenant intended to be performed after termination or expiration of this Lease shall survive termination or expiration of this Lease.

26. District Default and Tenant Remedies.

26.1 District Default. If District fails to perform any of its obligations under this Lease, and District does not perform such obligation within thirty (30) days after receipt of written notice from Tenant, Tenant

shall be entitled to exercise all remedies available to Tenant at law or in equity, including but not limitation mandatory injunctions. Notwithstanding the foregoing, if due to the nature of such default, cure is not reasonably possible within such thirty (30) day period, District shall not be deemed in breach if cure is promptly commenced within the thirty (30) day period and diligently pursued to completion.

26.2 Limitations. The liability of District and the Indemnified Parties to Tenant for any default or other wrongful act by District under this Lease is limited solely and exclusively to an amount which is no more than the value of the Premises. None of the Indemnified Parties will have any personal liability for any act, gross negligence or omission of District, and Tenant expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant except for malicious acts or omissions and fraud. Notwithstanding anything to the contrary in this Lease, neither District nor any of the Indemnified Parties shall be liable under any circumstances for Tenant's loss of profit, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, or other similar forms of consequential damages, in each case however occurring.

27. Premises Condition; Disclosures.

27.1 ADA Accessibility. District makes the statement below based on District's actual knowledge in order to comply with California Civil Code Section 1938. The Premises has not undergone an inspection by a Certified Access Specialist ("CASp").

"A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."

27.1.1 No Representations. Since compliance with the Americans with Disabilities Act ("ADA") is dependent upon Tenant's specific use of the Premises, District makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Tenant's use of the Premises requires modifications or additions to the Premises in order to be in ADA compliance, Tenant agrees to make any such necessary modifications and/or additions at Tenant's expense.

27.1.2 Right to CASp. A Certified Access Specialist ("CASp") can inspect the Premises and determine whether the Premises complies with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the Premises, District may not prohibit Tenant from obtaining a CASp inspection of the Premises for the occupancy or potential occupancy of Tenant, if requested by Tenant.

27.1.3 Fee for CASp. District and Tenant hereby mutually agree that notwithstanding anything to the contrary in this Lease, in the event a CASp inspection is requested by Tenant, the fee for the CASp inspection and the cost of making any repairs necessary to correct violations of construction-related accessibility standards noted in the CASp inspection shall be paid solely by Tenant.

28. Notice. Any notices or invoices relating to this Lease, and any request, demand, statement or other communication required or permitted hereunder must be in writing and delivered by overnight service (such as FedEx, UPS, etc.), hand delivery, or U.S. Mail, with a courtesy copy by email to the email address set forth below. Each of the Parties shall promptly notify each other of any change of contact information. A notice will be deemed to have been received on (a) the date of delivery, if delivered by hand during regular business hours or if

delivered overnight service; or (b) on the third business day following mailing by U.S. mail to the address set forth below.

If to District: Los Angeles County Sanitation Districts
Attn: Stan Pegadiotes, Planning and Property Management Section Head
1955 Workman Mill Road
Whittier, CA 90601
(562) 908-4288, extension 2705
spegiadiotes@lacsds.org

If to Tenant: City of Carson
Attn: Saied Naaseh, Community Development Director
701 E. Carson Street
Carson, CA 90745
(310) 952-1770
snaaseh@carson.ca.us

With copy to: City of Carson
Attn: Sunny Soltani, City Attorney
701 E. Carson Street
Carson, CA 90745
(310) 952-1770
ssoltani@awattorneys.com

29. Labor Relations. Tenant shall exercise complete and exclusive control over and responsibility for all aspects of hiring, employment, supervision, direction, hours, working conditions, compensation, discipline and discharge for all individuals engaged to carry on work arising from or relating to operations to be performed under this Lease. Tenant's obligation in this section shall be transferred to any permitted subtenant of the Premises.

30. Miscellaneous.

30.1 Invalidity. If any term or provision of this Lease or portion thereof shall be found invalid, void, illegal, or unenforceable generally or with respect to any particular Party, by a court of competent jurisdiction, it shall not affect, impair or invalidate any other terms or provisions or the remaining portion thereof, or its enforceability with respect to any other Party.

30.2 Construction. The headings used in this Lease are for convenience of reference only and shall not be considered or referred to in resolving questions of interpretation. This Lease shall be construed neither for nor against the drafting Party, but shall be given a fair and reasonable interpretation in accordance with the meaning of its terms.

30.3 No Waiver. No waiver by a Party of the breach or default of any term, covenant or condition hereof by the other Party, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent default or breach by the other Party of the same or of any other term, covenant or condition hereof. A Party's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of the Party's consent to, or approval of, any subsequent or similar act by the Party, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent. The acceptance of rent by District shall not be a waiver of any default or breach by Tenant. No provision of this Lease will be deemed waived by either Party unless expressly waived in writing by the waiving Party.

30.4 Integration; Modification. This Lease sets forth all of the agreements and understandings of the Parties with regard to its subject matter and any amendment or modification must be written and duly executed by both Parties and recorded in the Official Records of Los Angeles County.

30.5 Authorization. The individual(s) executing this Lease on behalf of a Party represent and warrant that they have authority and power to execute this Lease on behalf of the Party.

30.6 Governing Law. This Lease shall be interpreted and governed by the laws of the State of California.

30.7 Covenants and Conditions. All obligations of each Party under this Lease are covenants and conditions.

30.8 Entire Agreement; Counterparts. This Lease contains all of the agreements of the Parties hereto with respect to any matter covered or mentioned in this Lease, and all prior agreements and/or understandings, whether written or oral, are superseded hereby. This Lease may be executed in one or more counterparts, which when taken together, shall constitute one and the same original.

30.9 Delegation to District's Chief Engineer. The Chief Engineer, or his/her designee, is authorized to take all actions on behalf of District in connection with any approvals, consents, or actions required of or by District under this Lease.

30.10 Attorney's Fees. In the event any action is instituted by a Party to interpret or enforce this Lease, the prevailing Party in such action (as determined by the court, agency or other authority before which such suit or proceeding is commenced) shall be entitled to such reasonable attorneys' fees, costs and expenses as may be fixed by the decision maker.

30.11 Public Records. Each Party acknowledges that any and all written information submitted to or obtained by the other Party or any other person or entity having to do with or related to this Lease or the Premises, either pursuant to this Lease or otherwise may be treated as a public record open to inspection by the public pursuant to the California Public Records Act (California Government Code Section §§ 6250 through 6276.48) as now in force or as may be amended ("**Act**"). Each Party waives, for itself, its agents, employees, subtenants, and any person claiming by, through or under the other Party, any right or claim that any such information is not a public record or that the same is a trade secret or confidential information and hereby agrees to indemnify, defend, and hold the other Party harmless from any and all claims, demands, liabilities, or obligations arising out of or resulting from a claim by the Party that such information is a trade secret, or confidential, or is not subject to inspection by the public, including without limitation reasonable attorney's fees and costs.

30.12 Partnership. Nothing contained in this Lease shall be construed to make the Parties partners or joint venturers, or to render either Party liable for the debts or the obligations of the other.

30.13 Estoppel Certificate. Within ten (10) business days after request by a Party, the other Party shall execute, acknowledge, and deliver to the requesting Party an Estoppel Certificate confirming and certifying the accuracy of any and all statements and information as may be requested by the Party.

30.14 Time. Time is of the essence of all obligations under this Lease.

30.15 Force Majeure. A Party shall not be chargeable with, liable for or responsible to the other Party for anything or in any amount for any failure to perform or delay caused by: fire; earthquake; explosion; flood; hurricane; the elements; Acts of God or the public enemy; actions, restrictions, limitations or interference of governmental authorities or agents; war; invasion; insurrection; pandemics; rebellion; riots; strikes or lockouts; inability to obtain necessary materials, goods, equipment, services, utilities or labor; or any other cause whether similar or dissimilar to the foregoing which is beyond the reasonable control of the Party; and any such failure or delay due to said causes or any of them shall not be deemed a breach of or default in the performance of this Lease by that Party. Notwithstanding anything to the contrary in this Lease, under no circumstance will an event of Force Majeure (as described in the immediately preceding sentence) excuse Tenant from its obligation to pay rent under this Lease.

30.16 Authority. Each Party represents and warrants for the benefit and reliance of the other Party that (a) The Party has the legal power, right and authority to enter into this Lease, (b) all requisite action has been taken by the governing board of the Party in connection with entering into this Lease; (c) the Party is not acting, directly or indirectly, for, or on behalf of, any group, entity or nation named by any Executive Order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or the United States Treasury Department as a terrorist, “Specially Designated National and Blocked Person,” or other banned or blocked person, entity, or nation pursuant to any law that is enforced or administered by the Office of Foreign Assets Control and Tenant is not engaging in the transaction contemplated by this Lease (“**Transaction**”), directly or indirectly, on behalf of, or instigating or facilitating this Transaction, directly or indirectly, on behalf of, any such person, group, entity or nation; and (d) the Party is not engaging in this Transaction, directly or indirectly, in violation of any laws relating to drug trafficking, money laundering or predicate crimes to money laundering.

30.17 Representations Regarding 1999 Lease. As of the Effective Date, each Party represents and warrants for the benefit and reliance of the other Party as follows: (a) Neither Party is in default or breach under the 1999 Lease, and there exists no event which with the giving of notice or passage of time or both would constitute a default or breach on the part of Party under the 1999 Lease; (b) The Party is unaware of any claims, causes of action, offsets or defenses against the other Party in connection with the 1999 Lease or the 1999 Lease Property; and (c) Neither Party has made any agreement with the other Party or any agent, representative or employee of that Party concerning free rent, partial rent, rebate payments or any other type of rental or other economic inducement or concession with respect to the 1999 Lease. In addition, Tenant represents and warrants for the benefit and reliance of District that Tenant (i) is not presently engaged in nor does it presently permit, (ii) has not at any time in the past engaged in nor permitted, and (iii) has no knowledge that any third person or entity has engaged in or permitted any operations or activities upon, or any use or occupancy of the 1999 Lease Area, or any portion thereof, involving, in any way, the handling, manufacturing, treatment, storage, use, transportation, release, spillage, leakage, dumping, discharge or disposal (whether legal or illegal, accidental or intentional) of Hazardous Materials.

30.18 Commission. Each Party represents and warrants to the other Party that it has not dealt with any person, firm, broker or finder in connection with the negotiation of this Lease, and that no broker or other person, firm or entity is entitled to any commission or finder’s fee in connection with this Lease due to its actions. Each Party agrees to indemnify, protect, defend and hold the other Party harmless from and against liability for compensation or charges which may be claimed by any broker, finder or other person by reason of any dealing or actions of the indemnifying Party, including any costs, expenses, including attorneys’ fees, reasonably incurred with respect thereto.

30.19 Consultation. The Parties hereto hereby represent and warrant to one another that each of them has had the full opportunity of consulting counsel of their own choosing in connection with the preparation of this Lease, that each of them has read and understood the provisions of this Lease and is fully aware of the contents and legal effect thereof.

30.20 Days. Unless otherwise specifically indicated to the contrary, the word “days” as used in this Lease means and refers to calendar days. Business days shall mean normal business days but shall not include Fridays as Tenant is closed on all Fridays.

30.21 Zoning of District Property. Tenant shall, in good faith, make all reasonable efforts to accommodate District’s request, detailed in District’s letter to Tenant dated June 15, 2020 (a copy of which is attached hereto as Exhibit B), to change the zoning of Master District Property to “ML – Manufacturing, Light” to accommodate District’s planned future uses in support of JWPCP operations. However, District understands that Tenant, as a governmental agency, cannot provide any assurances as to the ultimate determination which will be made by the City Council at a public meeting in accordance with California law. This Lease shall not be affected by the failure of the zoning change to be granted.

30.22 Attachments to Lease. This Lease includes the following exhibits, which are attached to this Lease and made a part of this Lease:

Exhibit A – Legal Description of Premises

Exhibit A-1 – Depiction of Master District Property, 1999 Lease Property, and Premises

Exhibit B – District’s Letter to Tenant Regarding Zoning for Master District Property

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Lease as of the dates specified below.

DISTRICT:

**COUNTY SANITATION DISTRICT NO. 8
OF LOS ANGELES COUNTY**

By: 
Chairperson, Board of Directors


Dated: OCT 14, 2020

ATTEST:


Secretary to the Board

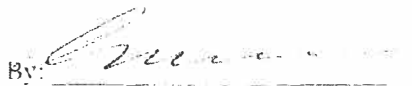
APPROVED AS TO FORM:

LEWIS BRISBOIS BISGAARD & SMITH, LLP

By: 
District Counsel

APPROVED BY:

**COUNTY SANITATION DISTRICT NO. 2
OF LOS ANGELES COUNTY**

By: 
Chairperson, Board of Directors


Dated: OCT 14, 2020

ATTEST:


Secretary to the Board

APPROVED AS TO FORM:

LEWIS BRISBOIS BISGAARD & SMITH, LLP

By: 
District Counsel

TENANT:

CITY OF CARSON, a charter city

By: _____
Albert Robles, Mayor

Dated: _____, 2020

ATTEST:

Donesia Gause-Aldana, MMC, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Sunny Soltani,
City Attorney


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

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

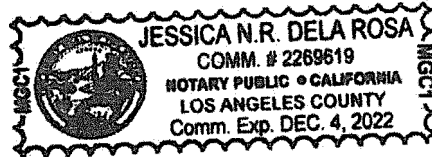
On OCT. 22, _____, 2020 before me, JESSICA N. R. DELA ROSA, a notary public, personally appeared DELOUIS ANDREWS who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same 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.



Notary Public



SEAL:

IN WITNESS WHEREOF, the Parties have executed this Lease as of the dates specified below.

DISTRICT:

**COUNTY SANITATION DISTRICT NO. 8
OF LOS ANGELES COUNTY**

TENANT:

CITY OF CARSON, a charter city

By: _____
Chairperson, Board of Directors

By: _____
Albert Robles, Mayor

Dated: _____, 2020

Dated: _____, 2020

ATTEST:

ATTEST:

Secretary to the Board

Donesia Gause-Aldana, MMC, City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

LEWIS BRISBOIS BISGAARD & SMITH, LLP

ALESHIRE & WYNDER, LLP

By: 
District Counsel

By: _____
Sunny Soltani,
City Attorney

APPROVED BY:

**COUNTY SANITATION DISTRICT NO. 2
OF LOS ANGELES COUNTY**

By: 
Chairperson, Board of Directors


Dated: **OCT 14**, 2020

ATTEST:


Secretary to the Board

APPROVED AS TO FORM:

LEWIS BRISBOIS BISGAARD & SMITH, LLP

By: 
District Counsel

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF Los Angeles)

On October 14, 2020 before me, K.S. Christensen, a notary public, personally appeared Catherine Dunn Warner 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.

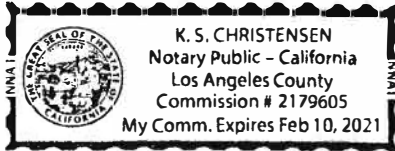
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

K.S. Christensen

Notary Public

SEAL:



IN WITNESS WHEREOF, the Parties have executed this Lease as of the dates specified below.

DISTRICT:

**COUNTY SANITATION DISTRICT NO. 8
OF LOS ANGELES COUNTY**

By: _____
Chairperson, Board of Directors

Dated: _____, 2020

ATTEST:

Secretary to the Board

APPROVED AS TO FORM:

LEWIS BRISBOIS BISGAARD & SMITH, LLP

By: _____
District Counsel

APPROVED BY:

**COUNTY SANITATION DISTRICT NO. 2
OF LOS ANGELES COUNTY**

By: _____
Chairperson, Board of Directors

Dated: _____, 2020

ATTEST:

Secretary to the Board

APPROVED AS TO FORM:

LEWIS BRISBOIS BISGAARD & SMITH, LLP

By: _____
District Counsel

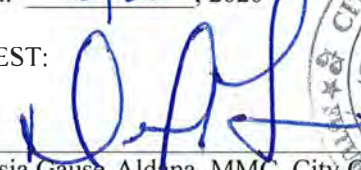
TENANT:


CITY OF CARSON, a charter city

By: 
Albert Robles, Mayor

Dated: 10/20, 2020


ATTEST:


Donesia Gause-Aldana, MMC, City Clerk



APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: 
Sunny Soltani,
City Attorney

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF Los Angeles)

On November 10, 2020 before me, Joy Simarago, a notary public, personally appeared Albert Robles 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.

Joy Simarago
Notary Public

SEAL:

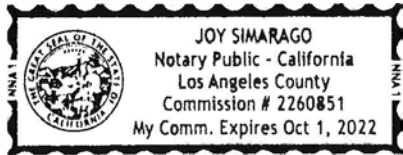


Exhibit A

Legal Description of Premises

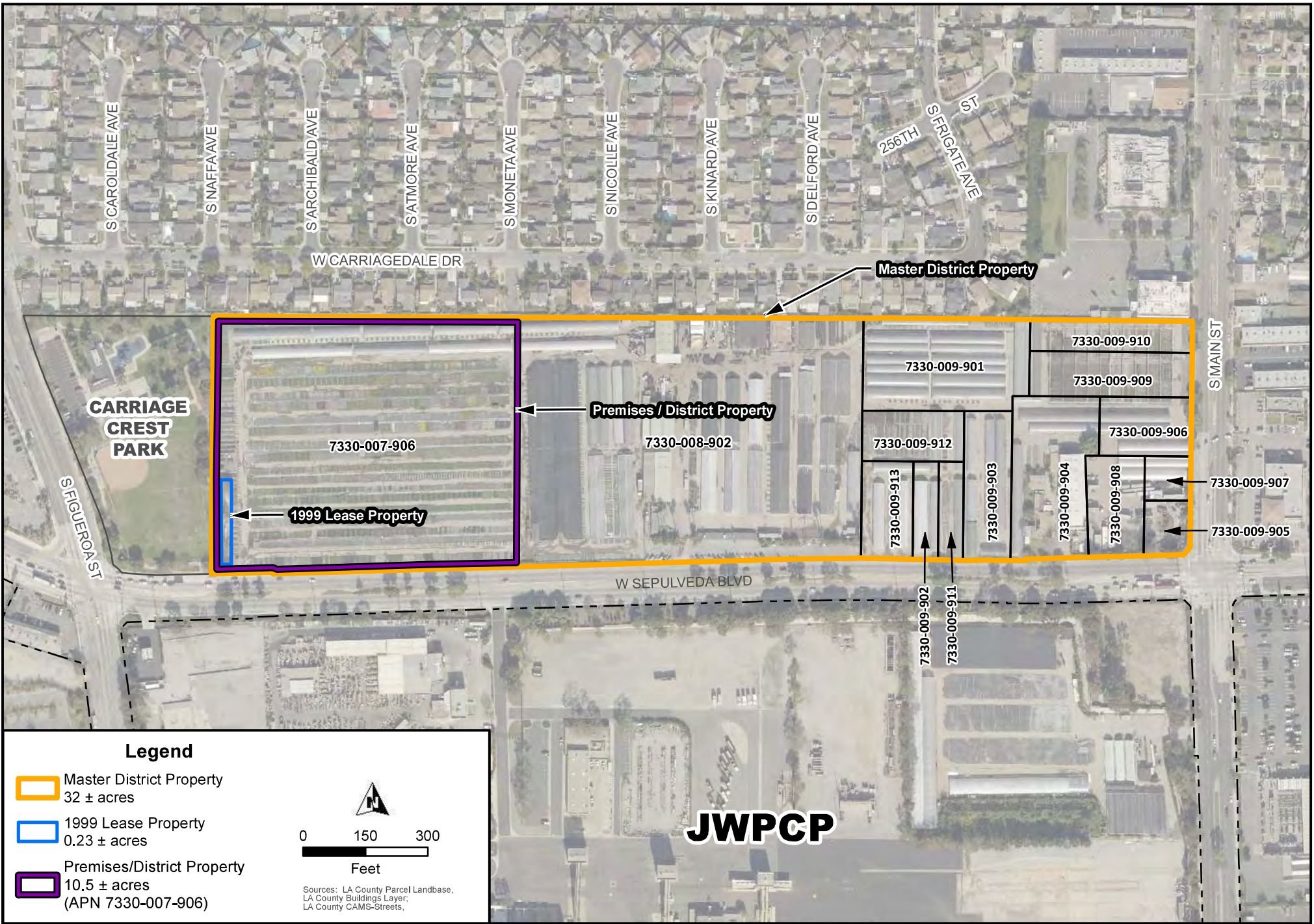
That certain real property in the City of Carson, County of Los Angeles, State of California legally described as follows:

THAT PORTION OF LOT 14 OF THE E. N. MCDONALD'S SUBDIVISION OF LOT 8 OF THE 750 ACRES MARIA MACHADO DE ROCHA TRACT, IN THE RANCHO SAN PEDRO, IN THE CITY OF CARSON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN [BOOK 52 PAGE 3](#) OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND THAT PORTION OF THAT CERTAIN UNNAMED ROAD, 12.00 FOOT WIDE STREET, VACATED BY ORDER OF THE BOARD OF SUPERVISORS OF SAID COUNTY, A CERTIFIED COPY OF WHICH WAS RECORDED ON AUGUST 4, 1950 AS DOCUMENT NO. [2654](#) IN [BOOK 33896 PAGE 181](#), OFFICIAL RECORDS, LYING EASTERLY OF AND ADJACENT TO THE EASTERLY LINE OF SAID LOT 14, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE EASTERLY TERMINUS OF THAT CERTAIN COURSE SHOWN AS HAVING A BEARING AND LENGTH OF NORTH 89° 53' 23" WEST 2021.50 FEET IN THE SOUTHERLY BOUNDARY LINE OF TRACT NO. 29434, AS SHOWN ON MAP RECORDER IN [BOOK 734 PAGES 82 AND 88](#) INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF LOS ANGELES; THENCE NORTH 89° 53' 23" WEST ALONG SAID SOUTHERLY LINE TO A POINT THAT IS DISTANT SOUTH 89° 53' 23" EAST 13.60 FEET FROM THE SOUTHERLY CORNER OF LOT 237 OF SAID TRACT; THENCE SOUTH 0° 22' 58" WEST 420.61 FEET; THENCE SOUTH 0° 02' 19" WEST 202.97 FEET, MORE OR LESS, TO THE NORTHERLY LINE OF SEPULVEDA BOULEVARD, AS SAME EXISTED ON SEPTEMBER 22, 1972 THENCE EASTERLY ALONG SAID NORTHERLY LINE AND FOLLOWING THE SAME IN ALL ITS VARIOUS COURSES AND CURVES TO A LINE THAT BEARS SOUTH 0° 29' 00" WEST FROM THE POINT OF BEGINNING; THENCE NORTH 0° 29' 00" EAST TO THE POINT OF BEGINNING.

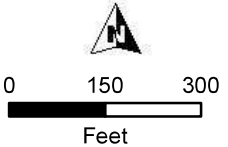
EXCEPT THEREFROM THAT PORTION OF SAID LAND WHICH LIES WITHIN SEPULVEDA BOULEVARD.

APN: 7330-007-906



Legend

- Master District Property
32 ± acres
- 1999 Lease Property
0.23 ± acres
- Premises/District Property
10.5 ± acres
(APN 7330-007-906)



Sources: LA County Parcel Landbase,
LA County Buildings Layer,
LA County CAMS-Streets,

EXHIBIT A-1

Exhibit B

District's Letter to Tenant Regarding Zoning for Master District Property



**LOS ANGELES COUNTY
SANITATION DISTRICTS**
Converting Waste Into Resources

Robert C. Ferrante

Chief Engineer and General Manager

1955 Workman Mill Road, Whittier, CA 90601-1400
Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998
(562) 699-7411 • www.lacsd.org

June 15, 2020

VIA EMAIL ONLY: snaaseh@carson.ca.us

Mr. Saied Naaseh
Director of Community Development
City of Carson
701 E. Carson Street
Carson, CA 90745

Dear Mr. Naaseh:

**Request for Zoning Change as Part of
Carson 2040 General Plan Update for Property at 321 W. Sepulveda Blvd.**

This letter is in follow up to our telephone conversation on June 10, 2020, regarding the zoning designation for the approximately 32-acre property (the Property) owned by the Los Angeles County Sanitation Districts (Sanitation Districts) at 321 W. Sepulveda Boulevard in the City of Carson (City). The Property is comprised of 15 contiguous parcels, as shown on the attached exhibit.

The Property, which the Sanitation Districts purchased between 1950 and 1989, is located immediately north of our Joint Water Pollution Control Plant (JWPCP) and is currently zoned "RA – Residential, Agricultural". Consistent with this zoning designation, the Sanitation Districts has leased the Property to various commercial plant nursery firms for over 40 years. Most recently, Color Spot Nurseries, Inc. operated at the Property until December 2018. The Property has been vacant since that time. As you are aware, the Sanitation Districts is currently working with the City on a lease agreement for the westerly 10.5-acre parcel (APN-7330-007-906) of the Property next to Carriage Crest Park so the City can construct public recreational amenities.

The Sanitation Districts regularly conduct long term capital planning for the JWPCP, including possible expansion or modification to respond to new regulatory requirements or to increase water recycling. As part of this planning effort, the Sanitation Districts have identified this Property as the possible site for support facilities for the JWPCP such as offices, laboratories, warehouses, parking areas, storage areas and related facilities. No wastewater treatment-related facilities are planned to be constructed on the Property. These potential future uses would not be permitted under the Property's current "RA" zoning.

As we discussed on June 10, the Sanitation Districts respectfully request that as part of its current Carson 2040 General Plan update process, the City consider changing the zoning of the Property to "ML-Manufacturing, Light" to accommodate our planned future uses in support of JWPCP operations.

We appreciate the City's consideration regarding this matter. If you have any questions or need additional information, please contact me at (562) 908-4288, extension 2720 or amalik@lacsd.org.

Very truly yours,

Ajay Malik
Ajay M. Malik
Assistant Department Head
Facilities Planning

AMM:SP:pb

DOC 5756080



R:\Planning\PropertyManagement\Projects\WRF\WFCPLetter_to_CityofCarson.mxd d | Doc.# 5758544

EXHIBIT A
 321 West Sepulveda Boulevard, Carson, CA 90745

June 15, 2020