

APPROVED

~~NOV 16 2017~~ **NOVEMBER 15, 2017**

J.P.

BOARD REPORT

**BOARD OF RECREATION
AND PARK COMMISSIONERS**

NO. 17-245

DATE November 15, 2017

C.D. 7

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: DISCOVERY CUBE LOS ANGELES – MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF RECREATION AND PARKS AND THE DISCOVERY SCIENCE CENTER OF LOS ANGELES REGARDING PROPOSITION K MAINTENANCE FUNDS FOR THE DISCOVERY CUBE LOS ANGELES

AP Diaz	_____	V. Israel	_____
<i>for</i> * R. Barajas	<u><i>ESD</i></u>	S. Pinacortez	_____
H. Fujita	_____	N. Williams	_____

Paul Williams
General Manager

Approved x Disapproved _____ Withdrawn _____

RECOMMENDATIONS

1. Approve the proposed Memorandum of Understanding (MOU), substantially in the form on file in the Board Office, between the Department of Recreation and Parks (RAP) and the Discovery Science Center of Los Angeles (DSCLA) for Proposition K Maintenance Funds for the Discovery Cube Los Angeles, subject to the approval of the Mayor and the City Council, and the City Attorney as to form;
2. Direct the Board Secretary to transmit the proposed MOU, concurrently, to the Mayor in accordance with Executive Directive No. 3 (Villaraigosa Series), and to the City Attorney for approval as to form;
3. Authorize the Board President and Secretary to execute the MOU upon receipt of the necessary approvals;
4. Find, pursuant to State California Environmental Quality Act (CEQA) Guidelines, in consideration of the whole of the administrative record, that the environmental effects of the proposed project have been adequately assessed in the previously certified Mitigated Negative Declaration (MND) and, no subsequent MND, negative declaration, addendum or other CEQA analysis is required for approval of the project; and,
5. Authorize RAP General Manager or their designee and the City Attorney to make technical corrections or changes to the MOU as necessary to carry out the intent of this Report.

BOARD REPORT

PG. 2 NO. 17-245

SUMMARY

The Discovery Cube Los Angeles is an approximately 57,000 square foot museum and science center located at 11800 Foothill Boulevard, in the Lake View Terrace area of the City. The Discovery Cube is located on a 2.5 acre site within the 1,450 acre Hansen Dam Recreation Area.

LEASE AGREEMENT

On December 10, 2012, the Board of Recreation and Park Commissioners (Board) approved a Lease Agreement between the Discovery Science Center of Los Angeles, a non-profit organization based in the City of Santa Ana in Orange County, and the City of Los Angeles, acting by and through the Board, for the use, operation, and maintenance of a children's museum and environmental awareness learning center at Hansen Dam Park, proposed to be called the Discovery Science Center of Los Angeles (Attachment 1 - Board Report No. 12-327); (Attachment 2 - Lease Agreement No. C-121656 of City Contracts). The Discovery Science Center of Los Angeles is name of the legal entity that is the lessee/operator under the Lease Agreement and the facility is now known as the Discovery Cube Los Angeles (referred to in the Lease Agreement as "the Center"). The Center opened to the public on November 13, 2014.

The Lease Agreement was executed on January 4, 2013, and has a term of thirty (30) years with an option to extend for one twenty (20) year term. The Lease Agreement obligates DSCLA to operate and maintain a children's museum and environmental awareness learning center at Hansen Dam Park, at the facility formerly known as the Children's Museum of Los Angeles. The Lease Agreement requires DSCLA, working in cooperation with the City, to raise and make available the funds necessary to make improvements to the existing building and to design, fabricate and install the Center's exhibit program. DSCLA is also responsible for any costs associated with the long-term operation and maintenance of the Center, including all security, maintenance, and custodial services costs. The City may, but has no obligation to, assist DSCLA in identifying and securing funding for the operation and maintenance of the facility. The City has no obligation to perform any maintenance or to make any repairs to the facility at any time during the term of this Lease

PROPOSITION K MAINTENANCE FUNDING

The Proposition K Ballot Measure designated that a portion of the annual assessment be used for maintenance of completed projects that had been funded under the Proposition K Program. However, only a limited amount of maintenance funds are available on an annual basis. Proposition K maintenance funds are only available to completed projects and Proposition K grantees must apply each year for funding. The Office of the City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) review the maintenance applications and recommend funding amounts to the L.A. for Kids Steering Committee. The maintenance awards are then submitted to the City Council for approval.

BOARD REPORT

PG. 3 NO. 17-245

A portion of the funding utilized for the design and construction of the Center building, and for the design, fabrication and installation of the Center's exhibit program, were provided by the Proposition K Specified Grant Program (Contracts No. C-98362 and No. C-109472) and the Proposition K Competitive Grant Program (Contract No. C-100050).

RAP, as the grantee for the Proposition K Specified Grant Program funds and the Proposition K Competitive Grant Program funds that were utilized for the Center project, is the agency eligible to request and receive Proposition K maintenance funds for the maintenance of the Center and permanent exhibits. Accordingly, for the past two fiscal years, RAP has requested, and was awarded, a total of \$158,122.00 in Proposition K maintenance funds for the Center -- \$73,545.00 for FY 2015-2016 and \$84,577.00 for FY 2016-2017. It should be noted that these Proposition K maintenance funds were awarded and appropriated to RAP but that RAP has not received nor expended them.

MEMORANDUM OF UNDERSTANDING

Article 3.2 of the Lease Agreement states, in part, that "...the CITY may, at its sole and absolute discretion, assist DCLA in identifying and securing funding for the operation and maintenance of the Center but has no obligation to do so." For the past several years RAP has applied for Proposition K maintenance funds with the intent to transfer any awarded funds to DSCLA, as all maintenance at the Center is done by DSCLA staff and/or contractors. It was originally anticipated that the Lease Agreement with DSCLA would provide the City with sufficient authority to transfer the appropriated Proposition K maintenance funds to DSCLA. However, it was ultimately determined that a separate mechanism would be needed in order to specifically authorize the transfer of Proposition K maintenance funds to DSCLA.

RAP is recommending the Board approve a Memorandum of Understanding (MOU) with DSCLA in order to facilitate the transfer of any Proposition K maintenance funds awarded for the maintenance of the Center and permanent exhibits directly to DSCLA, and to provide that in the future, DSCLA may itself apply for Proposition K maintenance funding without having RAP be the pass-through entity for the application and the maintenance funds.

As detailed in the proposed MOU, the City would delegate, on a non-exclusive basis, authority to DSCLA to apply for Proposition K maintenance funds for the Center and permanent exhibits on behalf of RAP. The MOU requires DSCLA to provide any Proposition K maintenance application it prepares to RAP, for its review and approval, prior to its submittal to the Proposition K Program. Additionally, under the MOU any Proposition K maintenance awarded to the DSCLA project would be paid directly to the entity (RAP or DCLA) that prepared and submitted the Proposition K maintenance application for that given year. Finally, the MOU would authorize the City to transfer to DCLA any Proposition K maintenance funds previously awarded to RAP for the DSCLA project.

Upon execution of the MOU, RAP staff will coordinate as necessary with the CAO and the Department of Public Works, Office of Accounting, to ensure that any Proposition K maintenance funds awarded for maintenance of the DSCLA project are expeditiously paid or transferred directly to DSCLA.

BOARD REPORT

PG. 4 NO. 17-245

ENVIRONMENTAL IMPACT STATEMENT

RAP Staff has determined that the project has been previously evaluated for environmental impacts in compliance with City California Environmental Quality Act (CEQA) Guidelines, and the proposed MOU will not cause any additional adverse environmental impacts. A Mitigated Negative Declaration (MND) was adopted by the Los Angeles City Council on May 24, 2000 in connection with the Children's Museum of Los Angeles project, including the operations of the facility. A Notice of Determination was filed with the Los Angeles City and County Clerks on June 20, 2000. The proposed MOU will not substantially change the scope of the original operational plan of the Children's Museum of Los Angeles project, nor require any additional mitigation measures. Therefore, the previously adopted MND is still valid for this MOU, and no additional CEQA documentation is required for Board approval.

FISCAL IMPACT STATEMENT

The approval and execution of the MOU will have no fiscal impact on the RAP's General Fund.

This Report was prepared by Darryl Ford, Senior Management Analyst I, Planning, Maintenance and Construction Branch.

LIST OF ATTACHMENTS

1. Board Report No. 12-327
2. Lease Agreement No. C-121656 of City Contracts
3. Proposed Memorandum of Understanding Regarding Proposition K Maintenance Funds for the Discovery Cube Los Angeles

APPROVED

REPORT OF GENERAL MANAGER

NO. 12-327

DATE December 10, 2012

DEC 10 2012

C.D. 7

BOARD OF RECREATION
& PARK COMMISSIONERS

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: HANSEN DAM PARK - DISCOVERY SCIENCE CENTER OF LOS ANGELES - RESCISSION OF PREVIOUSLY APPROVED LEASE AGREEMENT WITH THE DISCOVERY SCIENCE CENTER FOR THE USE, OPERATION, AND MAINTENANCE OF DISCOVERY SCIENCE CENTER OF LOS ANGELES; REVISED LEASE AGREEMENTS; CONSENT TO LEASEHOLD DEED OF TRUST

R. Adams _____
H. Fujita _____
V. Israel _____

K. Regan _____
M. Shull MS
N. Williams _____

[Signature]
General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Rescind approval of Board Report No. 12-308, approved by the Board at its meeting of November 7, 2012, which approved a Lease Agreement, substantially in the form on file in the Board Office, between the Department of Recreation and Parks (RAP) and the Discovery Science Center of Los Angeles (DSCLA), for the use, operation, and maintenance of a museum and environmental learning center at Hansen Dam Park, proposed to be called the Discovery Science Center of Los Angeles;
2. Approve a proposed Lease Agreement, substantially in the form on file in the Board Office, between RAP and Discovery Science Center Leverage Lender, LLC (DSC, LLC) for the use, operation, and maintenance of a museum and environmental learning center at Hansen Dam Park, proposed to be called the Discovery Science Center of Los Angeles, subject to the approval of the Mayor, the City Council, the U.S. Army Corps of Engineers (USACE) and the City Attorney as to form;
3. Approve a proposed Lease Agreement, substantially in the form on file in the Board Office, between RAP and the Discovery Science Center of Los Angeles (DSCLA) for the use, operation, and maintenance of a museum and environmental learning center at

REPORT OF GENERAL MANAGER

PG. 2

NO. 12-327

Hansen Dam Park, proposed to be called the Discovery Science Center of Los Angeles, subject to the approval of the Mayor, the City Council, the U.S. Army Corps of Engineers (USACE) and the City Attorney as to form;

4. Approve a proposed Consent to Leasehold Deed of Trust and Modification of Lease, substantially in the form on file in the Board Office, between DSCLA, RAP, and the Lenders to effectuate the New Market Tax Credit (NMTC) financing for DSCLA to develop the Center's improvements and exhibit program, subject to the approval of the Mayor, the City Council, and the City Attorney as to form;
5. Authorize the General Manager to execute any documents between DSC, LLC, DSCLA, and RAP, that may be necessary to effectuate Recommendation No. 4 for DSCLA to obtain New Market Tax Credit financing under Internal Revenue Code Section 45 for the Center's improvements and exhibit program, subject to approval of the City Attorney as to form;
6. Request that the City Council consent to DSC, LLC, DSCLA, and RAP entering into any agreements, that may be necessary for DSCLA to obtain New Market Tax Credit financing under Internal Revenue Code Section 45 for the Center's improvements and exhibit program;
7. Direct the Board Secretary to transmit the proposed Agreements and the Consent to Leasehold Deed of Trust concurrently to the Mayor in accordance with Executive Directive No. 3, and to the City Attorney for review and approval as to form; and,
8. Authorize the Board President and Secretary to execute the Agreements and the Consent to Leasehold Deed of Trust upon receipt of the necessary approvals.

SUMMARY:

In Board Report No. 12-308, approved by the Board of Recreation and Park Commissioners (Board) at its meeting of November 7, 2012, a Lease Agreement, between the Discovery Science Center of Los Angeles (DSCLA), a non-profit organization formed by the Discovery Science Center based in the City of Santa Ana in Orange County (DSC-OC), and the City of Los Angeles, acting by and through the Board was approved, for the use, operation, and maintenance of a museum and environmental learning center at Hansen Dam Park, proposed to be called the Discovery Science Center of Los Angeles.

Subsequent to the November 7, 2012 meeting of the Board, it was determined that various modifications are needed to the Lease Agreement to comply with New Markets Tax Credits (NMTC) funding requirements and to maximize the amount of funds the project is eligible to

REPORT OF GENERAL MANAGER

PG. 3

NO. 12-327

receive. The Discovery Science Center in Orange County (DSC-OC) created a new legal entity, the DSC Leverage Lender, LLC (DSC LLC), to serve as a conduit for leveraging additional equity to maximize the amount of New Market Tax Credit (NMTC) financing that DSCLA would be eligible to receive for the Center's improvements and exhibit program.

In order to effectuate the necessary NMTC transactions, a lease agreement with the City must be initially executed with the DSC, LLC, instead of the Discovery Science Center of Los Angeles (DSCLA) as was approved by the Board at its meeting of November 7, 2012. Once the NMTC financing deal closes, the DSC, LLC will assign its lease to DSCLA, at which time the successor lease between RAP and DSCLA will become effective, and the lease between RAP and the DSC, LLC will terminate. The NMTC financing is provided to DSCLA by the lender in the form of a loan that DSCLA essentially repays by creating jobs and providing services in a low income community. This concept is discussed in more detail below. The loan is secured by a Leasehold Deed of Trust on the leasehold interests of the DSCLA. In the event of a default on the loan by DSCLA, the NMTC structure allows the lender to select a replacement operator that would be required to operate the Center within the terms of the lease between RAP and DSCLA. The proposed Consent to Leasehold Deed of Trust and Modification of Lease effectuates the lender securing the loan with DSCLA's leasehold interests and provides remedies to the lender in the event DSCLA defaults on the loan. Alternatively, in the event DSCLA defaults on the loan, RAP would have the right to terminate the Lease with DSCLA and operate the center itself or secure another operator. Neither the City nor RAP would have any liability for DSCLA's obligations under the NMTC financing. The City Attorney has reviewed the related transactional documentation and has opined that they are in order.

Lease Agreements

As discussed above, staff is recommending that the Board approve two separate lease agreements for the Center – the initial lease with DSC, LLC, which will terminate upon the successor lease with DSCLA becoming effective. The terms and conditions of the two lease agreements are substantially the same.

A summary of the major provisions of the lease agreements is provided below:

- Term - Thirty (30) years with an option to extend by one twenty (20) year term subject to successful negotiation of a new lease between the City and USACE to extend the terms of the City's lease of the Hansen Flood Control Basin.
- Center Opening Date - On or before March 31, 2015.
- Center Hours of Operation - Typical Hours of Operation will be from 10:00 a.m. to 5:00 p.m. seven (7) days a week, and an estimate two hundred seventeen (217) hours per

REPORT OF GENERAL MANAGER

PG. 4 NO. 12-327

month. Additionally, DSCLA may sponsor up to thirty (30) evening events annually at the Center, with the prior written approval of the General Manager.

- Admission Fees - DSCLA may charge a reasonable admission fee subject to the written approval of the General Manager. The standard used to approve admission fees shall be that the proposed fee is comparable to that of unsubsidized science centers in the United States of America.
- Parking - City will make available the non-exclusive use of not less than 250 surface parking spaces located within 750 feet of the Center.
- Financing - DSCLA shall be responsible for any costs associated with the long-term operation and maintenance of the Center. The City may, but has no obligation to, assist DSCLA in identifying and securing funding for the operation and maintenance of the Center.
- Ownership of Center and Improvements - All improvements located on the site, including the building and tenant improvements constructed by the City or by DSCLA at the Center at any time during the Term of the lease, would be owned by DSCLA during the Term. At the end of the Term of the lease, the Ownership of the building and tenant improvements revert to the City upon termination of the Lease Agreement.
- Improvements and Exhibit Agreement - The "Improvements and Exhibits Agreement", which is Exhibit E of the lease agreements, governs (a) the design and modification of the existing building on site, (b) the design, construction and installation of the Center's improvements and exhibit program, and (c) the financing and disbursement of payments for the Center improvements and exhibits.
- Quarterly Reports - DSC and City representatives shall confer on a quarterly basis to evaluate (a) the adequacy of the functional and operational responsibilities of each party, (b) the adequacy of the maintenance levels at the Center, and (c) compliance with any funding or grant agreements reporting obligations.
- Termination - Lease agreements provide for early termination if (a) by September 30, 2013, DSC and City fail to raise and make available the funds necessary to make improvements to the existing building and needed to proceed with design, fabrication and installation of the Center's exhibits, (b) sufficient funding commitments have not been secured to open and operate the Center by the March 31, 2015 deadline, and (c) DSC fails to open the Center on or before March 31, 2015.

REPORT OF GENERAL MANAGER

PG. 5 NO. 12-327

Again, it should be noted that the DSC, LLC lease will terminate once NMTC funds are issued, and upon termination of that lease the lease with DSCLA would become effective.

U.S. Army Corps of Engineers

A portion of the land proposed to be leased to DSC, LLC and then to DSCLA for the Center is City-owned land and a portion of the land is Federally-owned land managed by the U.S. Army Corps of Engineers (USACE). The Federally-owned land is leased to City for recreational purposes pursuant to Department of the Army Lease No. DACW09-1-69-45 between USACE and the City for property located within the Hansen Flood Control Basin.

Pursuant to the terms of Department of the Army Lease No. DACW09-1-69-45, the lease agreements are subject to the approval of USACE, as any subletting of land leased to the City within Hansen Flood Control Basin requires the approval of USACE.

Additionally, it should be noted that, for example, admission fees charged by DSC for entry to the Center, food and/or beverages concession operations at the Center, and the planning and permitting of improvements to the Center by DSC, may also be subject to approval of USACE.

New Market Tax Credits

It is the intention of DSCLA to pursue NMTC financing to help fund improvements to the Center's improvements and exhibit program. DSC anticipates it will be able to secure up to \$3.2 million in NMTC allocations for the project.

New Market Tax Credits are funded from the Community Development Financial Institutions (CDFI) Fund of the U.S. Department of the Treasury. The NMTC Program was established by Congress in 2000 to facilitate economic development in low income communities. The NMTC Program allows individual and corporate investors to receive a tax credit in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs). The credit totals 39 percent of the original investment amount and is claimed over a period of seven (7) years. In the recent past, the CDFI Fund has released Notices of Funding Availability to allow CDEs to apply (on a competitive basis) for a new allocation of NMTC each Fiscal Year.

To allow a project to receive the NMTC funds, it is necessary that a single-asset entity be formed to be the borrower and sign the lease and operate the project. This entity is known as a Qualified Active Low-Income Community Business (QALICB).

REPORT OF GENERAL MANAGER

PG. 6

NO. 12-327

The proposed lease agreements with DSC, LLC and DSCLA would allow for DSCLA to pursue NMTC funds for the Center's exhibit program. In order to effectuate the necessary NMTC transactions and maximize the amount of funds the project is eligible to receive, the lease with the City must be initially executed with the DSC, LLC. Then DSCLA essentially purchases the building and lease from DSC, LLC, and the value of the building and lease increase the borrower's (DSCLA) equity, thereby maximizing the NMTC funds that DSCLA is eligible to receive for the Center. Once the NMTC funds are issued to DSCLA, the successor lease between the City and DSCLA will become effective, and the lease with DSC, LLC will terminate.

Pursuant to Article 17.1 of the lease agreements, DSC, LLC and DSCLA are not permitted to sublet, transfer, or assign the Center or Center Improvements without the consent of the Board and the City Council. Therefore, in order to permit DSCLA to pursue NMTC to help fund improvements to the Center and the Center exhibit's program, it is also necessary for the Board to approve the proposed Consent to Leasehold Deed of Trust and Modification of Lease and to authorize the General Manager to entering into any collateral agreements that may be necessary for DSCLA to obtain NMTC financing for the Center, subject to approval by the City Attorney as to form.

Improvements and Exhibit Program

At this time, the detailed final plan for the exhibit program for the Center is not complete. Pursuant to the terms of the "Improvements and Exhibit Agreement" (which is an exhibit to each of the lease agreements), the plans and design for the Center's exhibit program, when completed, will be submitted to staff for review, and presented to the Board for approval, prior to any construction taking place at the site. The deadline for DSCLA to start fabrication of the Center's exhibits is September 30, 2013. The budget for exhibit program is currently estimated at \$21.3 million. City and DSC have identified sufficient capital funds, including the \$3.2 million in NMTC funds discussed above, needed in order to fully fund the proposed exhibit program.

Environmental Review

Staff has determined that the project has been previously evaluated for environmental impacts in compliance with City California Environmental Quality Act (CEQA) Guidelines, and the proposed Lease Agreements will not cause any additional adverse environmental impacts. A Mitigated Negative Declaration (MND) was adopted by the Los Angeles City Council on May 24, 2000 in connection with the Children's Museum of Los Angeles project, including the operations of the facility. A Notice of Determination was filed with the Los Angeles City and County Clerks on June 20, 2000. The proposed operation of the Center, under the terms of the Lease Agreements, will not substantially change the scope of the original operational plan of the Children's Museum of Los Angeles project, nor require any additional mitigation measures.

REPORT OF GENERAL MANAGER

PG. 7 NO. 12-327

Therefore, the previously adopted MND is still valid for these Lease Agreements, and no additional CEQA documentation is required for Board approval.

FISCAL IMPACT STATEMENT:

The approval and execution of the proposed lease agreements and Consent to Leasehold Deed of Trust and Modification of Lease will have no significant impact on the Department's General Fund.

The costs for the design, development, and construction of building improvements and tenant improvements that may be developed at the Center through the implementation of the Lease Agreements are anticipated to be funded by funding sources other than the Department's General Fund. The costs associated with the long-term operation and maintenance of the Center will be the responsibility of DSCLA.

Implementation of these lease agreements may result in an increase the overall level of daily maintenance required at Hansen Dam Park as it is anticipated that the opening of the Center will result in a net increase in daily visitors to the park.

This report was prepared by Darryl Ford, Management Analyst II, Planning, Construction Division, and Maintenance.

LEASE AGREEMENT
 BETWEEN CITY OF LOS ANGELES AND
 DISCOVERY SCIENCE CENTER OF LOS ANGELES
 FOR THE USE, OPERATION, AND MAINTENANCE OF
 DISCOVERY SCIENCE CENTER OF LOS ANGELES

ARTICLE 1. BASIC LEASE PROVISIONS

1.1. Parties. This Lease Agreement ("Lease") is entered into this 31st day of December 2012, by and between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners, as Landlord ("CITY"), and the DISCOVERY SCIENCE CENTER OF LOS ANGELES, a nonprofit public benefit corporation ("DSCLA"), with a mailing address of 2500 North Main Street, Santa Ana, California, 92705 as Tenant.

1.2. Recitals.

1.2.1. CITY owns and/or controls certain lands known as Hansen Dam Recreation Area under the management and control of the Board of Recreation and Park Commissioners ("BOARD"). A portion of the subject lands are owned by CITY and a portion of the subject lands are owned by the U.S. Army Corps of Engineers ("USACE") and are leased to CITY for recreational purposes pursuant to Department of the Army Lease No. DACW09-1-69-45 between USACE and the CITY for property located within the Hansen Flood Control Basin. The land at the corner of Osborne Street and Foothill Boulevard located at 11800 Foothill Boulevard, Los Angeles, California, is improved with a 57,000 square foot building which was designed and constructed with funding from the following public sources: Proposition 40 Specified Grant Program (Contract No. C0231250), Proposition 40 Roberti-Z'Berg-Harris Grant Program (Contract No. C0231244), Proposition 40 Per Capita Grant Program (Contract No. C0231134), Proposition K Specified Grant Program (Contracts No. C-98362 and No. C-109472), Proposition K Competitive Grant Program (Contract No. C-100050), and private donations to the Children's Museum of Los Angeles, the former entity that oversaw partial construction of the subject facility.

1.2.2. CITY and the DSCLA desire to enter into a successor lease, following the assignment by the Discover Science Center Leverage Lender, LLC (DSC, LLC) of Lease No. 121637 Dated December 20, 2012 between DSC, LLC and City which lease now terminates and this successor lease between the City and the DSCLA becomes operative.

1.2.3. CITY and DSCLA desire to enter into a Lease for the use of the improved land and building within the Hansen Dam Recreation Area described in Section 1.2.1 above (as shown in included in Exhibit A "Map and Legal Description" attached hereto and incorporated herein by reference), which Lease shall set forth the duties, obligations, responsibilities, aims, and goals of the parties, for the specific purpose of providing a Children's Museum and an Environmental Learning Center, together known as a science center (the "Center") within the existing building which emphasizes recreation and environmental awareness through focused learning about the natural environment using interactive exhibits that will provide both recreational and educational opportunities, that will increase the public's understanding and recognition of the need to sustain the environment for future generations.

1.2.4. CITY does not have personnel available in its employ with sufficient and appropriate expertise to develop the exhibits and operate and maintain the Center and CITY, due to current budgetary constraints, has frozen hiring and is unable to obtain the appropriate personnel to perform these specialized tasks.

1.2.5. DSCLA is a non-profit corporation formed for the purpose of providing recreational activities for youth and their families in the area as well as educating young minds, assisting teachers and increasing public understanding of the environment, science, math and technology, with a particular emphasis on environmental issues, through interactive exhibits and programs.

1.2.6. DSCLA has special abilities in the areas of presentation, fundraising, recreation, education, community support and operations with respect to the Center.

1.2.7. DSCLA has the staff and experience to operate and manage the Center, provide unique and highly specialized educational programs, and oversee the design, fabrication and installation, or acquisition of a state-of-the-art interactive exhibits that can be refreshed and rotated over time.

1.3. Definitions in Lease. When used in this Lease, or in any Exhibits or Attachments to this Lease, except where a different definition is clearly and expressly given, the following words or phrases, capitalized as shown, shall mean:

1.3.1. BOARD. "BOARD" shall mean the Board of Recreation and Park Commissioners of the City of Los Angeles.

1.3.2. Center. "Center" shall mean the Premises and the improvements thereon as of the Effective Date of this Lease and any improvements, Center Exhibits and facilities constructed on the Premises by DSCLA or CITY at any time and from time to time during the Term for purposes of this Lease as set forth in Article 5.

1.3.3. Center Exhibits. "Center Exhibits" shall mean the exhibits and displays constructed and installed inside the Center and on the Premises.

1.3.4. CITY. "CITY" shall mean the City of Los Angeles, a municipal corporation acting by and through its Board of Recreation and Park Commissioners. Except where clearly and expressly provided otherwise in this Lease, any action to be taken by the CITY may be taken for the CITY by the General Manager as defined in Paragraph 1.3.8. Except where clearly and expressly provided otherwise in this Lease, the capacity of the CITY in this Lease shall be as Landlord, and any benefits, obligations, or restrictions conferred or imposed by this Lease on the CITY shall be limited to that capacity and shall not relate to or otherwise affect any activity of the City of Los Angeles in its governmental capacity including, but not limited to: enacting laws; inspecting structures; reviewing and issuing permits; and all other legislative, administrative, or enforcement functions of the City of Los Angeles pursuant to federal, state, or local law.

1.3.5. DEPARTMENT. "DEPARTMENT" shall mean the Department of Recreation and Parks of the City of Los Angeles.

1.3.6 DSCLA. "DSCLA" shall mean the Discovery Science Center of Los Angeles, a California non-profit 501(c)(3) public charity

1.3.7. DSC, LLC. "DSC, LLC" shall mean Discovery Science Center Leverage Lender, LLC, a limited liability company DSC, LLC is wholly owned by a California nonprofit public benefit corporation.

1.3.8. Effective Date. "Effective Date" shall mean the date the Office of the City Clerk of Los Angeles attests this Lease.

1.3.9. General Manager. "General Manager" shall mean the General Manager of the Department of Recreation and Parks of the City of Los Angeles. General Manager shall also include any person designated in writing by the BOARD to act on behalf of the General Manager.

1.3.10. Improvements and Exhibits Agreement. "Improvements and Exhibits Agreement" shall mean the agreement entered into by CITY and DSCLA governing the design and modification of the existing building or facility and the design, construction and installation of the Center Exhibits.

1.3.11. Lender. "Lender" shall mean any lender or lenders advancing funds to DSCLA to assist DSCLA in the construction, operation and/or maintenance of the Center and Center Exhibits.

1.3.12. Opening Date. "Opening Date" shall be the date that DSCLA first opens the Center to members of the general public pursuant to the terms of use in Article 5 of this Lease.

1.3.13. Premises. "Premises" shall collectively refer to the land, building, and improvements located at 11800 Foothill Boulevard, Los Angeles, California, and as depicted in Exhibit A "Map and Legal Description".

1.3.14. USACE. "USACE" shall mean the United States Army Corps of Engineers.

ARTICLE 2. TERM

2.1. Term. The term of this Lease shall be for thirty (30) years, beginning on the Effective Date of this Lease. This lease expires at midnight of the day immediately prior to the thirtieth (30th) anniversary of the Effective Date ("Term"), with an option to extend by one twenty (20) year term subject to successful negotiation of a new lease between the City and USACE, unless previously terminated in accordance with other provisions of this Lease.

ARTICLE 3. CONSIDERATION AND FINANCING

3.1. Consideration. The consideration for this Lease shall be the operation of a Center as set forth in Article 5 of this Lease at the Premises, together with the attendant benefits to the people of the City of Los Angeles, plus the annual payment during the Term of this Lease of one dollar (\$1.00) by DSCLA.

3.2. Financing. DSCLA shall be responsible for any costs associated with the long-term operation and maintenance of the Center and the Center Exhibits for the uses set forth in Article 5 of this Lease at the Premises. CITY may, at its sole and absolute discretion, assist DSCLA in identifying and securing funding for the operation and maintenance of the Center but has no obligation to do so. If by September 30, 2013, neither CITY nor DSCLA have obtained and

made available the funds necessary to make improvements to the Building on the Premises, as defined in Exhibit B and as needed to proceed with design, fabrication and installation of the exhibit program to be used in the Science Center, with those monies deposited in the manner defined under Sections 9.2 and 9.3 of Exhibit E to this agreement, or if sufficient funding commitments have not been secured to open and operate the Science Center by the March 31, 2015 deadline, subject to the Lender(s) consent, DSCLA or CITY shall have the right to terminate this lease with 30 days written notice to the other Party and with no penalty or recourse to DSCLA. The City would request that any unspent project funds under the control of DSCLA would be transferred to the City for use to complete the project, subject to the approval of the grantor(s).

3.3 DSCLA's Right to Encumber. Provided DSCLA is not in default under this Lease, DSCLA may, at any time and from time to time during the term hereof, encumber to any Lender by deed of trust or mortgage or other security instrument ("**Leasehold Mortgage**"), all of the DSCLA's interest under this Lease and the leasehold estate hereby created in DSCLA or any of the Improvements or personal property of DSCLA on the Center ("**Personal Property**") for any purpose or purposes without the consent of the CITY. The Leasehold Mortgage and all rights acquired under it, shall be subject to each and all of the provisions, covenants, conditions and restrictions stated in this Lease and to all rights and interest of the CITY except as otherwise specifically provided in this lease. DSCLA's right to enter into a Leasehold Mortgage transaction shall be at DSCLA's sole cost and expense.

ARTICLE 4. PREMISES

4.1. Premises. DSCLA leases from CITY the land and has acquired from the City the improvements located at 11800 Foothill Boulevard in the City of Los Angeles, County of Los Angeles, State of California, described in Section 1.2.1 above and as depicted in Exhibit A "Map and Legal Description" located within the Hansen Dam Recreation Area, Los Angeles, California. The portion of the Premises that is located on land owned by USACE and leased to CITY is subject to all existing easements, other restrictions of record, and Department of the Army Lease No. DACW09-1-69-45 between USACE and the CITY for property located within the Hansen Flood Control Basin.

4.2. Acceptance of Premises. DSCLA accepts the Premises on an "as is" basis as of the Effective Date of this Lease, except for the list of improvements that will be completed by the CITY prior to Opening Date, as described in Exhibit B "Premises Improvements to be Completed by City", attached hereto and incorporated herein by reference.

4.3. Reservation of Mineral Rights and Air Rights. CITY hereby reserves all rights, title, and interest in any and all gas, oil, minerals, and water beneath the Premises, below a plane five hundred feet below the surface of the Premises, but without the right to use the surface of the Premises, or any area above a plane five hundred feet below the surface of the Premises, for the extraction of such gas, oil, minerals, and water. CITY also reserves all rights, title, and interest in any and all air rights above the Premises; provided, however, that any use of air rights by CITY shall not interfere with the public's and DSCLA's ingress and egress to or DSCLA's operation of the Center on the Premises.

4.4. Communications Sites. The BOARD retains the exclusive right without compensation to DSCLA to place, or to grant a license for others to place, one or more cellular or other communications equipment systems anywhere upon the Premises. The BOARD shall consult with DSCLA with respect to the location and appearance of such equipment, but the final

determination shall be made by the BOARD in its sole and absolute discretion; provided that any equipment shall not unreasonably interfere with the public's and DSCLA'S ingress and egress to the Premises, or DSCLA'S operation of the Center. Nothing in this Section shall be construed to limit or prohibit DSCLA'S use of the Premises for the Center's communications equipment for DSCLA'S authorized use, and the BOARD shall require that any subsequently installed cellular or other communications equipment systems be installed and operated in a manner which does not unreasonably interfere with the Center's equipment. All such equipment shall be installed and operated in compliance with all applicable laws and regulations. The BOARD shall have the sole and exclusive right to collect and use any revenue or fees generated from the placement of such equipment by CITY or CITY's licensee. All costs related to the installation, maintenance, or operation of such equipment by CITY or CITY's licensee shall be the responsibility of CITY or CITY's licensee, including without limitation electrical power and other necessary utilities and related service meters. CITY or CITY's licensee shall be financially responsible for and shall immediately commence and diligently pursue to completion any repair of damage to the Premises or the areas adjoining the Premises, or any contents thereof, caused by the installation, maintenance, or operation of such equipment. CITY or CITY's licensee shall have access to the Premises upon twenty-four hours notice to DSCLA for installation or maintenance purposes.

4.5. Parking Spaces. CITY shall make available to DSCLA and its visitors, guests, agents, and employees, the non-exclusive use of not less than 250 off-site surface parking spaces located within 750 feet of Premises. Use of said Parking Spaces is subject to existing easements as defined in Exhibit A, other restrictions of record, and Department of the Army Lease No. DACW09-1-69-45 between USACE and CITY for property located within the Hansen Flood Control Basin.

ARTICLE 5. USE OF PREMISES FOR THE CENTER

5.1. Use of Premises. The Premises shall be used for the purpose of a Center, to serve youth and their families, with an emphasis on recreation and environmental science, on a non-profit basis and operations and/or functions related to or incidental to such Center, including offices and storage. Any and all concession operations, including the sale of food and/or beverages, gifts, materials and supplies, shall be subject to prior approval by the General Manager or BOARD, when applicable.

5.2. Operation. As partial consideration for the use of City-owned and leased property, the Center shall be operated as a first-class Center for youth and their families, with an emphasis on recreation and environmental science, conducted on a nonprofit basis. The exhibits of the Science Center at the Premises shall be open to the general public on a year-round basis at least two hundred fifty (250) days per year (January 1 through December 31) and will serve the public with the overall operation schedule to be developed by mutual agreement of the General Manager and DSCLA (see Section 12.2, regarding obligations after damage or destruction). DSCLA shall operate the Center, develop recreational and environmental awareness educational programming, volunteer training, seminars, workshops, special programs, literacy gallery, community outreach programs, special exhibition displays, and similar programs and events for the benefit of the general public, all to the extent that DSCLA's fundraising and staffing commitments shall allow (nothing in this sentence shall be construed to modify DSCLA'S obligation to operate a first-class Center with a major focus on providing youth and their families with environmental awareness educational programs within a recreational atmosphere for a specified minimum number of hours per month, or the right of CITY to terminate this Lease for DSCLA'S failure to so operate).

5.2.1. Hours of Operation. Use of the Center is restricted to the hours of 7:00 a.m. to 11:00 p.m., with exception for 30 evenings annually for events at the Center sponsored by DSCLA and in keeping with the permissible uses of the Center under this lease ("Special Events"). Hours of Operation shall reflect normal park operating hours, except under such circumstances and conditions as may be approved in writing in advance by the General Manager. At a minimum, the Center shall be open to the general public from 10:00 a.m to 5:00 p.m, seven days a week, and for no less than two hundred fifty (217) hours per month. DSCLA shall post its operating schedule in a conspicuous place near the entrance to the Center and shall adhere to the posted hours of operation. Any changes in said operating schedule shall be posted for a reasonable period in advance of the date on which such changes are to take effect.

5.2.2. Special Events. DSCLA may conduct Special Events at the Center with the prior written approval of the General Manager, which shall not be unreasonably withheld or delayed, and in compliance with all policies and procedures heretofore and hereafter adopted by the CITY. DSCLA shall provide for and assume all costs and expenses for additional personnel and/or facilities that the General Manager deems necessary to accommodate said special event. The approval of Special Events located on land owned by USACE and leased to the CITY may be subject to approval of USACE pursuant to the terms of Department of the Army Lease No. DACW09-1-69-45 between USACE and CITY

5.3. Security. DSCLA shall, at its sole cost and expense, provide for reasonable precautions to protect the security and safety of the Premises, contents contained therein, and all those who lawfully enter the Premises. In the event of an injury to a person lawfully or unlawfully on said Premises or emergency situation, DSCLA shall make reasonable efforts to ensure that the injured person or emergency receives prompt and qualified attention. CITY is not obligated under this Lease to provide any security for the Premises, contents contained therein, or persons who lawfully or unlawfully enter the Premises. No person may live on the Premises (i.e. use of facility as a home or living quarters) except during declared emergencies.

5.4. Alcoholic Beverages. The dispensing of beer, wine, or other intoxicating liquors shall not be permitted, except under such circumstances and conditions as may be approved in writing in advance by the General Manager.

5.5. On Premises Signs and Advertising. Signage on the Premises and advertising shall be governed as follows:

5.5.1. Signs. All signage shall comply with all Los Angeles Municipal Code sign regulations and relevant DEPARTMENT policies. In addition, all signage must be approved in advance, in writing, by the General Manager and such consent may not be unreasonably withheld or delayed.

5.5.2. City Acknowledgements. The cooperation between DSCLA and CITY shall be recognized in a mutually agreed to manner consistent with the sign regulations of the Los Angeles Municipal Code and DEPARTMENT policies.

5.5.3. Donor Acknowledgements. The CITY acknowledges that DSCLA will undertake a fundraising effort to support the maintenance and operation of the Center and that it may be necessary, in appropriate instances, to recognize donors by installing plaques or other appropriate signage or naming facilities, or parts of facilities, as provided in the conditions accompanying the gifts. Accordingly, DSCLA shall have the right to recognize gifts in that

manner during the term of the Lease; provided however that all signage shall be consistent with the sign regulations of the Los Angeles Municipal Code and relevant DEPARTMENT policies, and that any agreement to install such signs, plaques or similar acknowledgements on the Premises for any period of time shall not extend beyond the term of the Lease and shall be subject to the prior written approval of the BOARD.

5.6. Admission Fees. DSCLA may charge a reasonable admission fee subject to the written approval of the General Manager. The standard used to approve admission fees shall be comparable to unsubsidized science centers in the United States. For the initial schedule of fees and any subsequent adjustments that may be desired periodically, DSCLA shall submit to the General Manager a list of all proposed admission fees. DSCLA will be notified in writing within thirty (30) days of the General Manager's approval or disapproval of any or all of the proposed admission fees. In the event of disapproval of any such admission fees, the General Manager shall specify the reasons therefore, along with the amount or range of admission fees which would be approved. CITY through the General Manager reserves the right to disapprove proposed admission fees when it appears that proposed admission fees are above the prevailing standard set forth above. The approval of Admission Fees for improvements located on land owned by USACE and leased to the CITY may be subject to approval of USACE pursuant to the terms of the Department of the Army Lease No. DACW09-1-69-45 between USACE and CITY.

5.6.1. Free Annual Memberships. DSCLA shall provide a program for some free individual admissions slots provided on an annual basis as defined in the City approved Pro Forma then in effect, which shall be subject to approval by the General Manager or BOARD, as applicable, in accordance with the terms defined in Section 8.1 of this agreement.

5.7. Ancillary Income. During the Term, in the event DSCLA obtains income from uses of the Premises which are ancillary to and consistent with or related to the uses permitted under this Lease (e.g., use of Premises in the filming of a motion picture), DSCLA shall use such income only for such purposes as are consistent with the permitted uses of the Lease. Any receipt and use of such income shall be reported to CITY in the reports required pursuant to Section 8. Nothing in this Section shall be construed to permit uses of the Premises not otherwise allowed under the provisions of this Lease, nor shall anything in this Section be construed to negate or modify any requirement for prior approval of activities.

ARTICLE 6. SECURITY, MAINTENANCE, CUSTODIAL SERVICES AND REPAIR OF THE CENTER

6.1 DSCLA'S Responsibilities. DSCLA shall keep and maintain, at DSCLA'S sole cost and expense, the Premises and all improvements on the Premises, including Center Exhibits, in good condition and repair during the entire Term of this Lease. DSCLA shall be responsible for providing all security, maintenance, and custodial services as are required for the Premises. DSCLA shall pay the cost of all such services. The condition and state of repair covering the entire Premises including all improvements thereto, the buildings or other structures on the Premises, interior, exterior, and all access areas thereto, shall at all times, include but not be limited to the following: Safe and free from hazard; free of rodents, insects and other pests; free from unsightly signs, displays, markings, and graffiti; free from litter and debris; all plumbing, electrical, heating cooling and other systems in good operating condition and free from hazard of obstruction of any kind; sidewalks, fencing, landscaping, and play and parking areas in neat and safe condition; all areas adequately illuminated; and all areas in such condition as not to detract from the surrounding neighborhood and be in compliance with all building and fire codes

and public health regulations. CITY shall have the right to inspect the Premises for compliance under this Section pursuant to Section 9.3.

6.2 CITY is Not Obligated to Repair. Except as provided expressly in this Lease, in no event shall CITY be required or obligated to perform any maintenance or to make any repairs, changes, alterations, additions, modifications or replacements of any nature whatsoever, on the Premises, or any part thereof, at any time during the Term of this Lease.

6.3. Refuse and Trash. DSCLA shall keep the Premises clean and sanitary at all times. No refuse matter, nor any substance constituting an unnecessary, unreasonable or unlawful fire hazard, or material detrimental to the public health, shall be permitted or allowed to remain thereon, and DSCLA shall take all reasonable precautions to prevent any such matter or material from being or accumulating upon the Premises. DSCLA shall, solely at its expense, provide for the collection and removal of all garbage and/or refuse from the Premises as often as is necessary. DSCLA shall furnish all equipment and materials therefore, including trash receptacles of a size, type and number approved by CITY for use by the public. Such approval shall not be unreasonably withheld. DSCLA shall provide an enclosed area concealing trash storage from public view. DSCLA shall, during the Term of this Lease and at DSCLA's sole expense, conduct a recycling program on the Premises in conjunction with the Facilities Recycling Program of the City of Los Angeles, or any similar program subsequently implemented. Such program will include all materials which may be reasonably recycled (e.g., white paper, mixed paper, newspaper, aluminum cans, and plastic and glass containers).

6.4. Safety Deficiencies. DSCLA shall promptly correct all safety deficiencies and violations of safety practices of which it has knowledge and shall cooperate fully with CITY in the investigation of accidents occurring on the Premises. In the event of injury to a patron or customer, DSCLA shall use its best efforts to provide prompt and qualified medical attention to the injured person; provided, however, that nothing in this Section is intended to confer any third-party beneficiary status on any person not a party to this Lease. As soon as possible after an event of injury, DSCLA shall submit to CITY a City Form General No. 87 ("Non-Employee Accident or Illness Report") or make such other report as CITY may reasonably require.

6.5. Failure to Perform Maintenance. In the event DSCLA does not perform maintenance or repairs such that the improvements on the Premises, or any portion thereof, are no longer suitable for use by the public or other occupancy, as determined by either CITY or DSCLA, or that the improvements on the Premises, or any portion thereof, are not in compliance with applicable federal, state, or local laws on or after the date provided for such compliance, in each case beyond applicable notice and cure periods, CITY, at its sole discretion, may:

6.5.1. Perform or have performed the necessary remedial work at DSCLA'S expense and DSCLA shall immediately reimburse CITY for any expenses incurred in performing or having the remedial work performed;

6.5.2. Terminate this Lease in accordance with Paragraph 15.2.1.; or

6.5.3. Require the immediate vacation of all of the improvements on the Premises or, at the sole discretion of CITY, a portion of the improvements on the Premises until such time as such maintenance or repairs are complete or such time as the improvements on the Premises are in compliance with such laws, as the case may be. The remedy provided in this Paragraph 6.5.3 may be used independently or in conjunction with the remedies provided in either Paragraph 6.5.1 or Paragraph 6.5.2.

6.6. Effect of Inspections or Approvals. Wherever in this Lease inspections or approvals are required from CITY in its role as Landlord under this Lease, including from the General Manager, such inspections or approvals are additional to, and are not in lieu of, any inspections or approvals otherwise required under any applicable ordinance, regulation, or statute. Such inspections or approvals by CITY are discretionary acts and shall not impose any liability on CITY to third persons nor to DSCLA and, in addition, shall not obligate CITY for any costs or expenses related to the construction, improvement, or maintenance of any building or other structure at the Premises.

ARTICLE 7. UTILITIES, SEWERS AND STORM DRAINS

7.1. Utilities. DSCLA shall install and pay all charges associated with the installation of electricity, natural gas, sewer, water and telephone services, as well as all periodic fees and permits for said services. DSCLA shall, at its sole cost and expense, provide any additional above-ground and underground utility lines, and related improvements, required for the successful operation of the Center and Center exhibits. CITY shall assist DSCLA in obtaining such utility easements and connections as may be necessary to provide any utility service, provided that the obtaining of said easements and connections shall be at no cost to the CITY.

7.2. Sewers and Storm Drains. Sewage lines and storm drainage lines which were constructed in connection with the improvements on the Premises are the responsibility of DSCLA, which shall maintain and repair such sewage lines and storm drainage lines at DSCLA'S sole cost and expense. CITY is not responsible for payment of any fees nor for delays in permit processing or approvals. To the extent that there are sewage lines and storm drainage lines within the boundaries of the Premises which predate this Lease or which were installed by CITY (other than for exclusive use of the Center): (i) CITY retains an easement across the Premises for such sewage lines and storm drainage lines, including the right to access such lines for the purpose of inspection, repair, and relocation, and DSCLA shall not construct any improvements over such sewage lines or storm drainage lines without the prior written consent of the General Manager, which shall be at the General Manager's sole discretion, and (ii) CITY shall maintain and repair such sewage lines and storm drainage lines. In the event that sewer and/or drainage lines (if any) within the boundaries of the Premises are replaced, repaired or relocated as an element of a CITY project not related to the Center, CITY agrees to restore, at its sole expense, any landscaping and ground conditions existing prior to such activity.

ARTICLE 8. REPORTS AND AUDITS

8.1. Reports to CITY. DSCLA shall provide information to the General Manager relative to its management, operation, and maintenance of the Premises, including, but not limited to the following:

8.1.1. Quarterly Reports. On a quarterly basis, or as deemed necessary by either DSCLA or CITY, representatives of the parties shall confer to evaluate the following:

8.1.1.1 Functions and Operations. Representatives of the parties will confer to evaluate the adequacy of the functional and operational responsibilities of each party, as stipulated in this Lease. This shall include, but not be limited to: (i) the number of visitors, and youth, serviced by the Center, (ii) the number of hours the Center was open to the public, and (iii) status of any major or minor changes to Center Exhibits and/or programs. The Parties may

make such adjustments as they deem necessary provided that any substantive or material adjustments shall require the written approval of the BOARD and amendment of this lease if applicable.

8.1.1.2 Review of Maintenance Levels. Representatives of the parties will confer to evaluate adequacy of the maintenance levels of DSCLA for the Center, as stipulated in this Lease. This shall include, but not be limited to: (i) the status of any safety or security issues, (ii) the status of any fire, building and safety, or health code violation, and (iii) the status of any minor or major repairs. The Parties may make such adjustments as they deem necessary provided that any substantive or material adjustments shall require the written approval of the BOARD and amendment of this lease if applicable.

8.1.1.3. Grant Agreement Obligations. Representatives of the parties will confer to evaluate compliance with any reporting obligations imposed under the terms of any grant agreement entered into by CITY or DSCLA for the development or operation of the Premises, the Center, or the Center Exhibits. CITY agrees to assist DSCLA in obtaining any information or records necessary for the preparation of these reports.

8.1.2. Annual Report. Not later than twelve months following the Effective Date, and thereafter annually, DSCLA shall provide a copy of its annual report, which includes the financial, organizational, and programmatic activities of the Center to the General Manager.

8.1.3. Five Year Strategic Plan. Not later than four years following the Center's Opening Date, and on every fifth anniversary thereafter, DSCLA shall provide to the General Manager a report on proposed financial, organizational, and programmatic activities of the Center for the next five years. This report shall include a comprehensive outlook of anticipated Center attendance, pricing, revenues, and expenses, as well as plans for future exhibits, attractions, and programs.

8.2. Business Records. CITY maintains an interest in assuring that the facilities it provides at no or minimal rents are operated in a manner consistent with the CITY's intent. Accordingly, DSCLA shall maintain a method of accounting of all the receipts and disbursements received or made in connection with the Premises which shall correctly and accurately reflect the gross receipts and disbursements received or made by DSCLA from the operation of the Center and other activities on the Premises). These records shall be prepared by DSCLA's auditors or certified accountants and be consistent with recognized accounting principles.

8.3. Inspection and Audit of Records by CITY. All documents, books and accounting records required to be maintained or retained under this Article shall be open for inspection and re-inspection by CITY with reasonable prior notice during regular operating hours during the Term of this Lease and for a period of seven years thereafter. In addition, CITY may from time to time consistent with recognized accounting principles conduct, at CITY'S sole cost and expense, an audit or re-audit of the books and business conducted by DSCLA with respect to DSCLA'S operations of the Premises and the Center and observe the operation of business so that accuracy of the above records can be confirmed.

ARTICLE 9. COMPLIANCE WITH ALL LAWS AND REGULATIONS

9.1. Federal, State and Local Laws. DSCLA agrees that in achieving its goals as set forth in this Lease, it will comply with all applicable laws, ordinances, rules and regulations enacted or promulgated or which are enacted or promulgated in the future by the City of Los Angeles, the County of Los Angeles, the State of California, and the Federal Government. DSCLA shall also

adhere to all rules and regulations that have been adopted or that may be adopted by the BOARD or any successor Department, Board or Commission having jurisdiction over the Premises.

9.2. Compliance with Americans with Disabilities Act. DSCLA agrees that as between DSCLA and CITY, DSCLA shall be responsible for compliance, including all costs of compliance, with the Americans With Disabilities Act of 1990 (42 U.S.C. § 12101, *et seq.*) and any and all other federal, state, and local laws related to the accessibility of the Premises to persons with disabilities.

9.3. Right of Entry. CITY and the General Manager, their authorized representatives, agents and employees shall have the right to enter upon the Premises at any and all reasonable times within operating hours for the purposes of inspection and observation of DSCLA'S operations. CITY shall endeavor to conduct such inspections and observations in a manner calculated to minimize disruption to the use and enjoyment of the Premises by DSCLA, its employees, and patrons. Said inspections may be made by persons identified to DSCLA as CITY employees or by independent contractors engaged by CITY. Inspections of areas not open to the general public shall be made with reasonable prior notice (except in the case of emergency, where no notice is required).

9.4. Operating Permits and Licenses. DSCLA shall obtain, at its sole expense, any and all permits or licenses that may be required in connection with its operations including, but not limited to, tax permits, business licenses, and health permits. CITY is not responsible for payment of any fees nor for delays in permit processing or approvals.

ARTICLE 10. INSURANCE

10.1. Insurance. Prior to the occupancy of the Premises, under the provisions and conditions of this Lease, DSCLA shall furnish CITY with evidence of insurance from insurers (i) reasonably acceptable to CITY, and (ii) authorized to do business in the State of California, on a form reasonably acceptable to the CITY, Office of the City Administrative Officer (CAO), Risk Management for the following coverages and minimum limits of insurance specified on the Form Gen. 146R Forms attached hereto and incorporated herein by reference as Exhibit C "Form Gen. 146R Insurance Form". The following coverages shall be maintained by DSCLA at its sole cost and expense throughout the Term of this Lease. Evidence of such coverage shall be provided to CITY by DSCLA in accordance with the Instructions and Information on Complying with City Insurance Requirements attached hereto and incorporated herein by reference as Exhibit D "Instructions and Information on Complying with City Insurance Requirements", which includes the following:

10.1.1. General Liability Insurance. DSCLA shall obtain Commercial General Liability insurance with coverage for Premises and Operations, Products and Completed Operations, Blanket Contractual Liability, Broad Form Property Damage, and Personal Injury coverages included and shall provide for total limits of not less than \$5,000,000 Combined Single Limit, per occurrence, for bodily injury and property damage (during any construction phase at the Center, Umbrella or Excess Liability coverages may be used to supplement primary coverages to meet required limits). Evidence of such coverage shall provide for the following:

10.1.1.1. Include CITY, its boards, officers, agencies, and employees as additional insureds with DSCLA for the development and operation of the Center at the Premises and all DSCLA'S activities and insured risks related thereto.

10.1.1.2. That the insurance is primary and not contributing with any other insurance maintained by the City of Los Angeles.

10.1.1.3. With respect to the interests of CITY, if an insurance company elects to cancel insurance before the stated expiration date, or declines to renew in the case of a continuous policy, or materially reduces the coverage period by changing the retroactive date (if any), or the extended discovery period (if any), or reduces the stated limits other than by impairment of an aggregate limit, or materially reduces the scope of coverage which affects CITY's interest, the company will provide CITY at least thirty days' prior written notice of such election (ten days for non-payment of premium). Notice will be addressed as follows: City of Los Angeles, CAO, Risk Management, 200 North Main Street, 12th Floor, Los Angeles, California 90012, or at such address as CITY may, from time to time, specify by written notice.

10.1.2. Property Coverage. At all times during the Term of the Lease with respect to any improvements on the Premises including, without limitation, the building containing the Center and Center Exhibits, DSCLA shall, at its sole cost and expense, cause to be provided and kept in force and effect insurance policies, protecting CITY and DSCLA as their interests may appear, against loss or damage to the improvements on the Premises, in an amount consistent with what a prudent operator of a comparable building would carry providing replacement cost coverage for perils typically insured against in a California standard all risk property insurance policy. The replacement cost of the improvements shall be determined in accordance with the standard practices of the insurance industry and evidenced by the certificate of the insurance company or companies issuing such insurance at the time the policy or policies are obtained. DSCLA further covenants and agrees, at its sole cost and expense, to provide and keep in full force and effect Boiler and Machinery insurance on all air conditioning equipment, boilers, and other pressure vessels and systems, whether fired or unfired, serving the improvements on the Premises.

10.1.3. Builder's Risk Insurance. Prior to the commencement of any construction at, or expansion of, the Center, or major internal or external improvements to the Center's structure, DSCLA shall, at its sole cost and expense, cause to be provided and kept in full force and effect "All Risks Builder's Risk" insurance, including vandalism and malicious mischief, covering improvements in place, and all materials and equipment at the job site. Said insurance shall remain in full force and effect until the improvements shall have been completed and fully insured as provided in this Article.

10.1.4. Insurance on DSCLA Personal Property. DSCLA may obtain other insurance covering its equipment, exhibits, artifacts, memorabilia, and other personal property at its sole discretion. CITY, as Landlord, shall have no right to require such insurance nor shall CITY be deemed a beneficiary thereof. No claims will be made to CITY by DSCLA for losses sustained by DSCLA. Nothing in this Paragraph, however, shall be construed to restrict the right of the City of Los Angeles, or any of its Departments, Boards, Commissions, or officers, or any other person or organization, to require DSCLA to obtain insurance on any equipment, artifacts or other property loaned or otherwise provided to the Center or DSCLA by the City of Los Angeles for exhibits, display, or other purposes.

10.1.5 Workers' Compensation. DSCLA shall comply with the provisions of section 3700, *et seq.*, of the California Labor Code and shall be insured (and shall require that each of its contractors and subcontractors comply with such Code and be insured) against liability for workers' compensation and employers' risk in accordance with the provisions of such Code before commencing the performance of any work on or about the Premises or otherwise in relation to this Lease. A Waiver of Subrogation in favor of CITY is required.

10.1.6. Adjustment of Insurance Levels. CITY reserves the right at any time during the Term of this Lease, applying generally accepted Risk Management principles, to change the amounts and types of insurance required hereunder effective at the renewal date of insurance then in effect (in no case more than one year from the written notice) by giving DSCLA ninety days' written notice provided that such amounts and/or types shall be reasonably available to DSCLA at commercially reasonable premiums.

10.1.7. Reduction of Insurance Protection. If any of the required insurance coverages contain aggregate limits, or apply to other operations or tenancies of DSCLA outside of this Lease, DSCLA shall give CITY prompt, written notice of any incident, occurrence, claim, settlement, or judgment against such insurance which in DSCLA'S best judgment may diminish the protection such insurance affords CITY. DSCLA shall further take immediate steps to restore such aggregate limits or shall provide other insurance protection for such aggregate limits.

10.2. Self-Insurance Programs. Self-insurance programs and self-insured retention in insurance policies are subject to separate approval by CITY upon review of evidence of financial capacity to respond. Additionally, such programs or retention must provide CITY with at least the same protection from liability and defense of suits as would be afforded by first-dollar insurance.

10.3. Failure to Maintain Insurance. DSCLA'S failure to procure or maintain required insurance shall constitute a material breach of this Lease under which CITY may immediately terminate this Lease, or, at its discretion, procure or renew such insurance to protect CITY'S interest and pay any and all premiums in connection therewith, and recover all monies so paid from DSCLA. If CITY elects to terminate this Lease, DSCLA agrees to immediately cease all operations and activities under this Lease and to peacefully surrender the Premises.

10.4. Indemnification/Hold Harmless. Except for the active negligence or willful misconduct of CITY, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, DSCLA undertakes and agrees to defend, indemnify and hold harmless CITY and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including DSCLA'S employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Lease by DSCLA or its subcontractors of any tier. The provisions of this paragraph survive expiration or termination of this Lease.

ARTICLE 11. OWNERSHIP OF IMPROVEMENTS

11.1. Improvements. All improvements located on the Premises, including the building and tenant improvements constructed by the City or by DSCLA as of the Effective Date of this Lease, and all Tenant improvements constructed on the Premises by DSCLA at any time and from time to time during the Term, shall be owned by DSCLA during the Term. Except as hereinafter provided, all improvements on the Premises at the end of the Term shall, without any obligation on the part of CITY to compensate DSCLA therefore, become and remain CITY's property free and clear of all claims to or against such tenant improvements by DSCLA or any third party. CITY shall have the right to require DSCLA to demolish and remove all or any portion of the tenant improvements on the Premises. DSCLA shall take reasonable steps to remove all such claims of third parties existing at that time. Notwithstanding the foregoing, all bronze and other decorative metal, stain glass windows, historic buildings and similar items or structures which DSCLA deems to be part of its collection shall be removable at the end of the Term, whether or not such items are tenant improvements or fixtures.

ARTICLE 12. DAMAGE AND RESTORATION

12.1. Damage. Except as otherwise provided in this Lease, if any improvements located on the Premises are damaged and such damage was caused by fire or other peril covered by DSCLA'S insurance, DSCLA agrees to repair such damage to the extent set forth in this Section, and this Lease shall continue in full force and effect. If such improvements are damaged as the result of any cause other than perils covered by DSCLA'S insurance then DSCLA may, at DSCLA'S option, either (i) repair such damage as soon as reasonably practicable at DSCLA'S sole cost and expense, in which event this Lease shall continue in full force and effect, or (ii) give written notice to CITY within ninety (90) days after the date of occurrence of such damage of DSCLA'S intention to cancel and terminate this Lease of the date of the occurrence of such damage. Upon such termination, DSCLA shall, if requested by CITY, complete demolition of the damaged Center or other damaged improvement and restoration of the Premises to the condition it was in prior to construction of the improvements at DSCLA'S sole cost and expense and shall transfer any proceeds received from DSCLA'S insurance that are attributable to damage to the real property underlying the Premises, if any, to CITY.

12.2. Obligation to Restore. If this Lease is not terminated pursuant to any of the provisions of this Article 12, DSCLA shall, to the extent of available insurance proceeds plus any deductible DSCLA elects to carry, promptly and diligently restore and repair the improvements to substantially the same condition, to the extent possible, they were in immediately prior to the occurrence of the damage, except for modifications required by building codes and other laws and except for any other modifications to the improvements considered desirable by DSCLA and approved by the General Manager. DSCLA'S obligation to restore is subject to reasonable delays for insurance adjustment and other matters beyond DSCLA'S reasonable control. During any period of restoration pursuant to this Section, the Center shall not be required to be open for operation (except where such restoration is minimal or reasonably would not affect partial operation of the Center).

ARTICLE 13. DESIGN AND CONSTRUCTION OF IMPROVEMENTS AND EXHIBITS

13.1 Design and Construction of Tenant Improvements and Exhibits by Tenant. DSCLA shall design the layout of the Center, design and construct improvements, and design and construct or have constructed the Center Exhibits pursuant to and in with conformance with the terms and conditions of the Improvements and Exhibit Agreement attached hereto by this reference and incorporated herein as Exhibit E "Improvements and Exhibit Agreement". DSCLA shall also design the Center and construct the improvements and Center Exhibits in conformance with all the applicable federal, state, county, and city laws in force at the time of design.

13.2 Design and Construction of Improvements by CITY. CITY shall prior to the Center's Opening Date design and construct the improvements specified in Exhibit B "Premises Improvements to be Completed by City".

ARTICLE 14. HAZARDOUS MATERIALS

14.1. Hazardous Materials. CITY and DSCLA agree as follows with respect to the existence or use of Hazardous Materials (as defined in Paragraph 14.1.3. below) on the Premises:

14.1.1. Prohibition. DSCLA shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises by DSCLA, its agents, employees, contractors or invitees in violation of law or in quantities which would require reporting to a governmental entity, without the prior written consent of the General Manager, which consent shall not be unreasonably withheld. If DSCLA breaches the obligations stated in the preceding sentence, or if the presence of Hazardous Material on the Premises caused or permitted by DSCLA results in contamination of the Premises, or if contamination of the Premises by Hazardous Material otherwise occurs for which DSCLA is legally liable to CITY for damage resulting there from, then DSCLA shall indemnify, hold CITY harmless, and defend CITY (with counsel reasonably acceptable to CITY) from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space on the Premises, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of such contamination. This indemnification of CITY by DSCLA includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by DSCLA results in any contamination of the Premises, DSCLA shall promptly take all actions at its sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material to the Premises; provided that CITY's approval of such actions shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises. However, the foregoing provisions shall not prohibit DSCLA from transportation to and from, and the use, storage, maintenance, and handling within the Premises of substances customarily used in connection with normal office or Center use provided: a) such substances shall be used and maintained only in such quantities as are reasonably necessary for the permitted use of the Premises set forth in Section 5.1. of this Lease, strictly in accordance with applicable laws and the manufacturers' instructions therefore;

b) such substances shall not be disposed of, released, or discharged at the Premises, and shall be transported to and from the Premises in compliance with all applicable laws, and as CITY shall reasonably require; c) if any applicable law or the trash removal contractor requires that any such substances be disposed of separately from ordinary trash, DSCLA shall make arrangements at DSCLA'S expense for such disposal directly with a qualified and licensed disposal company at a lawful disposal site, and shall ensure that disposal occurs frequently enough to prevent unnecessary storage of such substances on or around the Premises; and d) any remaining such substances shall be completely, properly, and lawfully removed from the Premises upon expiration or earlier termination of this Lease.

14.1.2. Compliance Costs. CITY and DSCLA acknowledge that CITY may become legally liable for the costs of complying with laws relating to Hazardous Material which are not the responsibility of DSCLA pursuant to Paragraph 14.1.1., including the following: (1) Hazardous Material present in the soil or ground water; (2) a change in Laws which relate to Hazardous Material which make such Hazardous Material which is present on the Premises as of the Effective Date, whether known or unknown to CITY, a violation of such new laws; (3) Hazardous Material that migrates, flows, percolates, diffuses or in any way moves on to or under the land; (4) Hazardous Material present on or under the land as a result of any discharge, dumping or spilling (whether accidental or otherwise) on the land by other owners of the Premises or their agents, employees, contractors or invitees, or by others. Accordingly, CITY and DSCLA agree that the cost of complying with laws relating to Hazardous Material on the Premises for which CITY may be legally liable shall be borne by CITY unless the cost of such compliance, as between CITY and DSCLA, is made the responsibility of DSCLA pursuant to this Lease.

14.1.3. "Hazardous Material" - Definition. As used herein, the defined term "Hazardous Material" means any chemical, substance, material, or waste or component thereof the presence of which requires investigation or remediation under any federal, state, or local statute, regulation, ordinance, order, action, policy, or common law, or which is now or hereafter listed, defined, or regulated as a flammable explosive, radioactive material, hazardous or toxic chemical, substance, material or waste or component thereof (whether injurious by themselves or in conjunction with other materials) by any federal, state, or local governing or regulatory body having jurisdiction, or which would trigger any employee or community "right-to-know" requirements adopted by such body, or for which any such body has adopted any requirements for the preparation or distribution of a material safety data sheet. "Hazardous Material" includes, without limitation, any material or substance which is: a) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); b) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code Section 25300, *et seq.*); c) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory, California Health and Safety Code Section 25500, *et seq.*); d) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances, California Health and Safety Code Section 25280, *et seq.*); e) petroleum; f) asbestos; g) defined as a "hazardous constituent," "hazardous material," "hazardous waste," or "toxic waste" under Article 2 of Chapter 10 (Section 66260.10) or defined as a "hazardous waste" under Article 1 of Chapter 11 (Section 66261.3) of Title 22 of the California Code of Regulations, Division 4.5 (Environmental Health Standards for the

Management of Hazardous Waste, 22 C.C.R. Section 66001, *et seq.*); h) designated as a "hazardous substance" pursuant to Section 311 (33 U.S.C. § 1321) of the Clean Water Act of 1977, as amended (Federal Water Pollution Control Act, 33 U.S.C. § 1251, *et seq.*); i) defined as a "hazardous waste" pursuant to Section 1004 (42 U.S.C. § 6903) of the Federal Resource Conservation and Recovery Act of 1976, as amended (RCRA, 42 U.S.C. § 6901, *et seq.*); j) defined as a "hazardous substance" pursuant to Section 101 (42 U.S.C. § 9601) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA, 42 U.S.C. § 9601, *et seq.*); or k) defined as "hazardous material" under Section 103 (49 U.S.C. § 1802) of the Hazardous Materials Transportation Act (49 U.S.C. § 1801, *et seq.*), as such laws may be amended from time to time, and the regulations adopted and publications promulgated pursuant to such laws.

14.1.4. Disposal of Hazardous Material. If DSCLA disposes of any soil, material or groundwater contaminated with hazardous material, DSCLA shall provide CITY 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. Except where presence of Hazardous Material predated this Lease, CITY shall not appear on any manifest document as a generator of such material disposed of by DSCLA.

14.1.5. Hazardous Material Tests. Any tests required of DSCLA by this Article shall be performed by a State of California Department of Health Services certified testing laboratory satisfactory to CITY. By signing this Lease, DSCLA hereby irrevocably directs any such laboratory to provide CITY, upon written request from CITY, copies of all of its reports, test results, and data gathered. As used in this Article, the term "DSCLA" includes agents, employees, contractors, subcontractors, and/or invitees of DSCLA.

14.1.6. Notice of Hazardous Substances. California Health and Safety Code section 25359.7(a) requires any owner of nonresidential real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property to, prior to the lease or rental of that real property or when the presence of such release is actually known, give written notice of that condition to the lessee or renter. California Health and Safety Code section 25359.7(b) requires any tenant of real property who knows, or has reasonable cause to believe, that any release of a hazardous substance has come to be located on or beneath that real property to give written notice of such condition to the owners. DSCLA and CITY shall comply with the requirements of section 25359.7 and any successor statute thereto and with all other statutes, laws, ordinances, rules, regulations and orders of governmental authorities with respect to hazardous substances.

ARTICLE 15. DEFAULT AND TERMINATION

15.1. Events of Default. The following occurrences are "Events of Default":

15.1.1. Breach of Lease. DSCLA or CITY materially breaches or fails in the performance of any of the provisions or conditions of this Lease; or

15.1.2. Failure to Conform to Laws. DSCLA fails to conform to applicable federal, state, county or local laws, rules, regulations or policies; or

15.1.3. Incapacity to Perform. DSCLA ceases to operate, exist or maintain its nonprofit corporate status (temporary suspension of status for a period not exceeding six (6) months shall not be considered a failure to maintain status) or becomes unable through corporate or personal incapacity to fulfill its obligations under this Lease; or

15.1.4. Lack of Funds. If DSCLA is no longer able to carry out the purposes of the Lease because of a lack of funds or funding; or

15.1.5. Non-conforming Use. DSCLA ceases to use the Premises for the purpose of a recreation and environmental awareness center as set forth in Article 5; or

15.1.6. Failure to Commence Construction Of The Center Exhibits. DSCLA fails to commence construction of the Center Exhibits on or before September 30, 2013, either CITY or DSCLA may terminate this Lease. DSCLA may request a change in this date, for which the City will not unreasonably withhold its consent if the requested deadline extension does not significantly impact the City's ability to meet the March 2015 opening deadline. Construction of the Center Exhibits shall be deemed to have commenced on the date DSCLA or its subcontractors starts physical fabrication on the Center Exhibits through the execution of a contractual agreement(s); or

15.1.7. Breach of the Improvements and Exhibits Agreement. DSCLA materially breaches or fails in the performance of any of the provisions or conditions of the Exhibit E "Improvements and Exhibits Agreement"; or

15.1.8. Failure to Commence Center Operations. If DSCLA fails to open the Center on or before March 31, 2015, CITY may terminate this Lease at any time on or after March 31, 2015.

15.2. Default - CITY's Remedies. If any one or more of the "Events of Default" set forth in Section 15.1. above occurs, then CITY may, at its election, without any further notice to or authorization from DSCLA, and without waiving any of City's rights at any time to select any other remedy provided in this Section, or elsewhere in this Lease, if applicable, or under law, do any one or more of the following:

15.2.1. Termination of Lease. CITY may give DSCLA written notice of such "Event of Default." If DSCLA does not cure said default within thirty (30) days after notice (and forthwith for a default involving health, sanitary or safety conditions or pertaining to the maintenance of insurance required under this Lease) or such longer period as is reasonably necessary to remedy such default, as determined by either CITY, provided that DSCLA shall continuously and diligently pursue such remedy at all times until such default is cured, CITY may, by delivering written notice to DSCLA, terminate this Lease and DSCLA shall vacate the Premises and comply with Section 16.1.; and/or

15.2.2. Recovery at Law. CITY may recover at law any and all claims which may be due CITY; and/or

15.2.3. Self-help. In the event that neither the City nor DSCLA terminates the term of this lease agreement under the conditions herein defined, the CITY may, but is not obligated to, perform such work as it deems necessary to cure any "Event of Default" and charge DSCLA for the cost of labor and materials expended. The General Manager may exercise this option immediately in an "Event of Default" involving health, sanitary or safety

considerations. Otherwise, the General Manager may exercise this option within sixty (60) days after giving DSCLA written notice of a default involving Premises' maintenance if DSCLA does not commence to cure. CITY shall provide DSCLA with reasonably detailed invoice for the labor and materials expended and DSCLA shall pay the full sum of the invoice within sixty (60) days of DSCLA'S receipt of the invoice, using as a first priority any monies remaining from the project escrow account as defined in section 9.2 of Exhibit E to this agreement. In the event DSCLA disputes any of the charges on the invoice or DSCLA'S obligation to pay for any or all of the items, DSCLA shall pay the full sum of the invoice within the sixty (60) day period, subject to prompt reimbursement from CITY to the extent DSCLA prevails on any items in dispute.

The specified remedies to which CITY may resort under the provisions of this Lease are cumulative and not intended to be exclusive of any other remedies afforded by law or equity.

15.3. No Waiver. The conduct of either party or the acceptance of all or part of any payment by CITY after an "Event of Default" for any period after an "Event of Default" shall not be deemed a waiver of any rights and remedies, nor a waiver of the default of the same or any other provision, covenant or condition. Waiver by either CITY or DSCLA of any breach by the other of any covenant, condition or obligation herein contained or failure by either CITY or DSCLA to exercise any right or remedy in respect of any such breach shall not constitute a waiver or relinquishment for the failure of any such covenant, condition or obligation or of any subsequent breach of any such covenant, condition or obligation nor bar any right or remedy of CITY or DSCLA in respect of any such subsequent breach.

15.4. Default by CITY. In the event CITY defaults in the performance of any of the provisions or conditions of this Lease, and if a written notice of such default is issued to CITY by DSCLA, and if CITY does not commence to cure said default within sixty (60) days of receipt of said notice, DSCLA may immediately terminate this Lease and/or obtain specific performance.

ARTICLE 16. SURRENDER OF PREMISES

16.1. Surrender of Premises. Upon termination of this Lease, DSCLA shall quit and surrender possession of the Premises to CITY in good and usable condition, subject to normal wear and tear, provided, however, that the BOARD, at the BOARD'S sole discretion, may require DSCLA to demolish and remove all or any portion of the improvements on the Premises and restore the demolished portion of the Premises to its original condition as of the effective date of the lease or to a reasonably acceptable condition as approved by the BOARD. Except as provided in Section 11.1, any improvements and Center Exhibits which have been constructed or erected on the Premises shall, upon termination of this Lease, become the property of CITY. DSCLA'S collections and all personal property and fixtures related thereto, and all property described in Section 11.1, shall remain the property of DSCLA or its assigns and may be removed by DSCLA from the Premises upon termination of this Lease. Should DSCLA fail to remove such property, improvements, or fixtures after the termination of this Lease, CITY may, at CITY'S option: (1) retain all or any of such property, and title thereto shall thereupon vest in CITY; or (2) remove the same, in which event DSCLA shall pay to CITY upon demand the reasonable costs of such removal plus the cost to restore the Premises to an acceptable condition as approved by the BOARD.

16.2. No Implied Surrender. DSCLA agrees on the last day of the Term, or on the earlier termination of this Lease, to surrender the Premises, including all then existing improvements other than the items identified in Section 11.1, which are to be removed. No act or thing done by CITY during the Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless in writing and signed by CITY.

16.3. Failure to Surrender. If DSCLA fails to surrender the Premises, together with the improvements thereon, upon the termination of this Lease, DSCLA agrees to indemnify and hold harmless CITY from and against any loss or liability, including costs and reasonable attorney's fees, resulting from such failure to surrender, including, but not limited to, any claims made by any succeeding tenant based on or resulting from such failure to surrender. Nothing herein contained shall be construed as consent to any occupancy or possession of any portion of the Premises and the improvements thereon by DSCLA beyond the expiration of the Term or the earlier termination of this Lease.

ARTICLE 17. ASSIGNMENT AND BANKRUPTCY

17.1. Assignment and Subletting. DSCLA shall not under-let or sublet the Premises or any part thereof or allow the same to be used or occupied by any other person, group or organization for any other use than that herein specified, nor assign this Lease, nor transfer, assign or in any manner convey any of the rights or privileges herein granted without the consent of the BOARD and the City Council, which may give or deny consent at their sole discretion provided that DSCLA shall have the right to sublease or contract for the operation of a food service enterprise, gift shop, or other related undertaking with the prior written consent of the General Manager, which consent shall not be unreasonably withheld or delayed). In addition, the General Manager, or the BOARD, may give written consent for subleases of not more than five days in duration involving uses of portions of the Premises consistent with the provisions of this Lease. Short term and occasional use of the Premises for other activities such as location filming, special events, and projects with artists or other non-profit or governmental agencies shall not be considered as assignments or subletting and DSCLA may allow such use with the prior consent of CITY (however, net income, if any, from such activities is subject to the provisions of Section 5.7.). DSCLA shall not rent, lease, or offer any space for storing any article or articles unrelated to the permissible uses of the Center within or on the Premises. Any attempt to sublease, assign, or transfer without the consent required by this Section shall be void.

17.2. Bankruptcy. To the extent permitted by law, neither this Lease nor the rights herein granted shall be assignable or transferable by any process or proceedings in any court, or by attachment, execution, proceedings in insolvency or bankruptcy either voluntary or involuntary, or receivership proceedings. To the extent the previous sentence is not permitted by law, in the event that DSCLA shall be adjudicated a bankrupt, or become involved in any proceedings under the bankruptcy laws of the United States or the receivership laws of the State of California, or if the leasehold interest created by this Lease or any improvements constructed pursuant to this Lease are transferred due to operations of law, including, without limitation, the enforcement of a judgment, the trustee in bankruptcy, the receiver, the assignee, or the judgment purchaser shall be bound by all provisions of this Lease, including, without limitation, the requirement that the Premises be operated as a Center (Section 5.1.).

ARTICLE 18. CONDEMNATION

18.1. Condemnation. Should any or all of the Premises be acquired for public use under the power of eminent domain or by purchase in lieu thereof, CITY shall be entitled to all compensation and severance damages attributable to the land and buildings. DSCLA shall receive any compensation and severance damages which may be paid for damage or loss of the leasehold interest only.

ARTICLE 19. NOTICES

19.1. Notices. All notices and demands which may or are to be required or permitted to be given by either party to the other hereunder shall be in writing. All notices and demands shall be personally delivered (including by means of professional messenger service), sent by United States mail, postage prepaid, return receipt requested, or transmitted by telecopier (e.g., Fax) or electronic mail (upon mutual agreement of participating parties), in which case the receiving party shall immediately confirm receipt of such telecopied or e-mailed notice. All notices are effective upon receipt. For the purposes of such notices, the addresses for the parties are set forth in Section 19.2 below. In the event CITY is unable to give notice to DSCLA at the address(es) provided to CITY by DSCLA, notice shall be deemed effective when addressed to DSCLA at the Premises. Either party may from time to time designate another person or place in a notice.

19.2. Notices - Where Sent. All notices given under this Lease which are mailed or telecopied shall be addressed (unless redesignated as provided above) to the respective parties as follows:

To CITY or General Manager:

City of Los Angeles
Board of Recreation and Park Commissioners
221 North Figueroa Street, Suite 1510
Los Angeles, California 90012

Telecopier: (213) 202-2612

with a copy of any notice to
General Manager, Department of Recreation and Parks
221 North Figueroa Street, Suite 1550
Los Angeles, California 90012

Telecopier: (213) 202-2614

with a copy of any notice to
Office of the City Attorney,
Real Property/Environment Division
200 North Main Street, Suite 700
Los Angeles, California 90012-4130

Telecopier: (213) 978-8090

with a copy of any notice to
Program Manager
Bureau of Engineering, Recreational and Cultural Facilities Program
1149 South Broadway, 8th Floor
Los Angeles, California 90015

Telecopier: (213) 847-1926

To DSCLA:
Chairman of the Board
Discovery Science Center of Los Angeles
2500 North Main Street, Santa Ana, CA 92705.

Telecopier: (714) 263-3838

ARTICLE 20. STANDARD PROVISIONS FOR CITY CONTRACTS

20.1 Standard Provisions for City Contracts. This Lease is subject to CITY's Standard Provisions for City Contracts, attached hereto and incorporated herein by reference as Exhibit F "Standard Provisions for City Contracts".

ARTICLE 21. ORDINANCE MANDATED PROVISIONS

21.1 Child Support Assignment Orders. This Lease is subject to Section 10.10, Article 1, Chapter 1, Division 10 of the Los Angeles Administrative Code related to Child Support Assignment Orders. Pursuant to this Section, DSCLA (and any subcontractor of DSCLA providing services to City under this Lease) shall (1) fully comply with all State and Federal employment reporting requirements for DSCLA'S or DSCLA'S subcontractor's employees applicable to Child Support Assignment Orders; (2) certify that the principal owner(s) of DSCLA and applicable subcontractors are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code section 5230, *et seq.*; and (4) maintain such compliance throughout the Term of this Lease. Pursuant to Section 10.10.b of the Los Angeles Administrative Code, failure of DSCLA or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of DSCLA or applicable subcontractors to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default of this Lease subjecting this Lease to termination where such failure shall continue for more than ninety days after notice of such failure to DSCLA by CITY (in lieu of any time for cure provided in Article 15).

21.2. Service Contract Worker Retention Ordinance. This Lease is subject to the Service Contract Worker Retention Ordinance ("SCWRO") (Section 10.36, *et seq.*, of the Los Angeles Administrative Code. The SCWRO requires that, unless specific exemptions apply, all employers (as defined) under contracts that are primarily for the furnishing of services to or for the City of Los Angeles and that involve an expenditure or receipt in excess of \$25,000 and a contract term of at least three months shall provide retention by a successor contractor for a ninety-day transition period of the employees who have been employed for the preceding twelve months or more by the terminated contractor or subcontractor, if any, as provided for in the

SCWRO. Under the provisions of Section 10.36.3(c) of the Los Angeles Administrative Code, CITY has the authority, under appropriate circumstances, to terminate this Lease and otherwise pursue legal remedies that may be available if CITY determines that the subject contractor violated the provisions of the SCWRO.

21.3. Living Wage Ordinance.

21.3.1. General Provisions: Living Wage Policy. This Lease is subject to the Living Wage Ordinance ("LWO") (Section 10.37, *et seq.*, of the Los Angeles Administrative Code. The LWO requires that, unless specific exemptions apply, any employees of tenants or licensees of CITY property who render services on the leased or licensed premises are covered by the LWO if any of the following applies: (1) the services are rendered on premises at least a portion of which are visited by substantial numbers of the public on a frequent basis, (2) any of the services could feasibly be performed by CITY employees if the awarding authority had the requisite financial and staffing resources, or (3) the designated administrative agency of the City of Los Angeles has determined in writing that coverage would further the proprietary interests of the City of Los Angeles. Employees covered by the LWO are required to be paid not less than a minimum initial wage rate, as adjusted each year (July 1, 2006, levels: \$9.39 per hour with health benefits of at least \$1.25 per hour or otherwise \$10.64 per hour). The LWO also requires that employees be provided with at least twelve compensated days off per year for sick leave, vacation, or personal necessity at the employee's request, and at least ten additional days per year of uncompensated time pursuant to Section 10.37.2(b). The LWO requires employers to inform employees making less than twelve dollars (\$12.00) per hour of their possible right to the federal Earned Income Tax Credit ("EITC") and to make available the forms required to secure advance EITC payments from the employer pursuant to Section 10.37.4. DSCLA shall permit access to work sites for authorized CITY representatives to review the operation, payroll, and related documents, and to provide certified copies of the relevant records upon request by CITY. Whether or not subject to the LWO, DSCLA shall not retaliate against any employee claiming non-compliance with the provisions of the LWO, and, in addition, pursuant to Section 10.37.6(c), DSCLA agrees to comply with federal law prohibiting retaliation for union organizing.

21.3.2. Living Wage Coverage Determination. DEPARTMENT has made the initial determination that this Lease, as a public lease or a public license, is subject to the LWO. DSCLA, although subject to the LWO, may be exempt from most of the requirements of the LWO if DSCLA qualifies for such exemption under the provisions of the LWO. Determinations as to whether an employer or employee is exempt from coverage under the LWO are not final, but are subject to review and revision as additional facts are examined and/or other interpretations of the law are considered. Applications for exemption must be renewed every two years. To the extent DSCLA claims non-coverage or exemption from the provisions of the LWO, the burden shall be on DSCLA to prove such non-coverage or exemption and, where applicable, renew such exemption.

21.3.3. Compliance; Termination Provisions and Other Remedies: Living Wage Policy. If DSCLA is not initially exempt from the LWO, DSCLA shall comply with all of the provisions of the LWO, including payment to employees at the minimum wage rates, effective on the Execution Date of this Lease, and shall execute a Declaration of Compliance Form contemporaneously with the execution of this Lease. If DSCLA is initially exempt from the LWO, but later no longer qualifies for any exemption, DSCLA shall, at such time as DSCLA is no longer exempt, comply with the provisions of the LWO and execute the then-currently used Declaration of Compliance Form, or such form as the LWO requires. Under the provisions of Section 10.37.6(c) of the Los Angeles Administrative Code, violation of the LWO shall constitute

a material breach of this Lease and CITY shall be entitled to terminate this Lease and otherwise pursue legal remedies that may be available, including those set forth in the LWO, if CITY determines that DSCLA violated the provisions of the LWO. The procedures and time periods provided in the LWO are in lieu of the procedures and time periods provided in Article 15 of this Lease. Nothing in this Lease shall be construed to extend the time periods or limit the remedies provided in the LWO.

21.4. Non-Discrimination.

21.4.1. Non-Discrimination in Use of Premises. There shall be no discrimination against or segregation of any person, or group of persons, on account of race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition in the lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Premises or any part of the Premises or any operations or activities conducted on the Premises or any part of the Premises, nor shall DSCLA or any person working under or through DSCLA establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use of occupancy of tenants, subtenants, or vendees of the Premises. Any sublease or assignment which may be permitted under this Lease shall also be subject to the non-discrimination clauses contained in this Section 21.4.

21.4.2. Non-Discrimination in Employment. DSCLA agrees and obligates itself in the performance of this Lease not to discriminate against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition.

21.4.3. Equal Employment Practices. This Lease is a contract with or on behalf of the City of Los Angeles for which the consideration is one thousand dollars (\$1,000) or more. Accordingly, during the performance of this Lease, DSCLA further agrees to comply with Section 10.8.3 of the Los Angeles Administrative Code ("Equal Employment Practices"). By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Los Angeles Administrative Code, the failure of DSCLA to comply with the Equal Employment Practices provisions of this Lease may be deemed to be a material breach of this Lease. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard have been given to DSCLA. Upon a finding duly made that DSCLA has failed to comply with the Equal Employment Practices provisions of this Lease, this Lease may be forthwith terminated.

21.4.4. Equal Benefits Provisions. This Lease is subject to Section 10.8.2.1, Article 1, Chapter 1, Division 10 of the Los Angeles Administrative Code ("Equal Benefits Provisions") related to equal benefits to employees. DSCLA agrees to comply with the provisions of Section 10.8.2.1. By way of specification but not limitation, pursuant to Section 10.8.2.1.c of the Los Angeles Administrative Code, the failure of DSCLA to comply with the Equal Employment Practices provisions of this Lease may be deemed to be a material breach of this Lease. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard have been given to DSCLA. Upon a finding duly made that DSCLA has failed to comply with the Equal Employment Practices provisions of this Lease, this Lease may be forthwith terminated.

21.5. Contractor Responsibility Ordinance.

21.5.1. General Provisions; Contractor Responsibility Policy. This Lease is subject to the Contractor Responsibility Ordinance ("CRO") (Section 10.40, *et seq.*, of the Los Angeles Administrative Code) and the rules and regulations promulgated pursuant thereto as they may be updated. The CRO requires that, unless specific exemptions apply as specified in Section 10.40.4(a), lessees or licensees of City property who render services on the leased or licensed premises are covered by the CRO if any of the following applies: (1) the services are rendered on premises at least a portion of which are visited by substantial numbers of the public on a frequent basis, (2) any of the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources, or (3) designated administrative agency of the City has determined in writing that coverage would further the proprietary interests of the City. Lessees or licensees of City property who are not exempt pursuant to Section 10.40.4 (a) or (b), unless subject to the CRO solely due to an amendment to an existing lease or license, are required to have completed a questionnaire ("Questionnaire") signed under penalty of perjury designed to assist the City in determining that the lessee or licensee is one that has the necessary quality, fitness and capacity to perform the work set forth in the contract. All lessees or licensees of City property who are covered by the CRO, including those subject to the CRO due to an amendment, are required to complete the following Pledge of Compliance ("POC"):

(1) comply with all applicable federal state, and local laws and regulations in the performance of the contract including, but not limited to, laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees;

(2) notify the awarding authority within thirty calendar days after receiving notification that any government agency has initiated an investigation that may result in a finding that the lessee or licensee did not comply with Subsection (1) above in the performance of the lease or license;

(3) notify the awarding authority within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the lessee or licensee has violated Subsection (1) above in the performance of the lease or license;

(4) ensure within thirty days (or such shorter time as may be required by the awarding authority) that subcontractors working on the lease or license submit a POC to the awarding authority signed under penalty of perjury; and

(5) ensure that subcontractors working on the lease or license abide by the requirements of the POC and the requirement to notify the awarding authority within thirty calendar days that any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Subsection (1) above in the performance of the lease or license.

DSCLA shall ensure that their subcontractors meet the criteria for responsibility set forth in the CRO and any rules and regulations promulgated thereto. DSCLA may not use any subcontractor that has been determined or found to be a non-responsible contractor by CITY. The listing of non-responsible contractors may be accessed on the internet at: <http://www.lacity.org/bidresp>. Subject to approval by the awarding authority, DSCLA may substitute a non-responsible subcontractor with another subcontractor with no change in the consideration for this Lease. DSCLA shall submit to CITY a POC for each subcontractor listed

by the DSCLA in its Questionnaire, as performing work on this Lease within thirty calendar days of execution of this Lease, unless the Department of General Services requires in its discretion the submission of a POC within a shorter time period. The signature of DSCLA on this Lease shall constitute a declaration under penalty of perjury that DSCLA shall comply with the POC.

21.5.2. Update of Information. DSCLA shall:

(1) notify the awarding authority within thirty calendar days after receiving notification that any governmental agency has initiated an investigation that may result in a finding that DSCLA did not comply with any applicable federal, state, or local law in the performance of this Lease including, but not limited to, laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees;

(2) notify the awarding authority within thirty calendar days of receiving notice of any findings by a government agency or court of competent jurisdiction that DSCLA violated any applicable federal, state, or local law in the performance of this Lease including, but not limited to, laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees; and

(3) notify the awarding authority within thirty calendar days of becoming aware of any information regarding its subcontractors and investigations or findings regarding the subcontractor's violations of any applicable federal, state, or local law in the performance of this Lease including, but not limited to, laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

Updates of information contained in DSCLA'S responses to the Questionnaire must be submitted to the awarding authority within thirty days of any changes to the responses if the change would affect DSCLA'S fitness and ability to continue performing this Lease. Notwithstanding the above, DSCLA shall not be required to provide updates to the Questionnaire if DSCLA became subject to the CRO solely because of an amendment to the original lease or license. DSCLA shall cooperate in any investigation pursuant to CRO by providing such information as shall be requested by City. DSCLA agrees that City may keep the identity of any complainant confidential. DSCLA shall ensure that subcontractors who perform work on this Lease abide by these same updating requirements including the requirement to:

(1) Notify the awarding authority within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the subcontractor did not comply with any applicable federal, state, or local law in the performance of this Lease including, but not limited to, laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees; and

(2) Notify the awarding authority within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the subcontractor violated any applicable federal, state, or local law in the performance of this Lease including, but not limited to, laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

The requirement that DSCLA provide Questionnaires and updates to Questionnaire responses does not apply to subcontractors.

21.5.3. Compliance; Termination Provisions and Other Remedies. If DSCLA is not exempt from the CRO, DSCLA shall comply with all of the provisions of the CRO and this Lease. Failure to comply with the provisions of the CRO, including without limitation the requirements that all responses to the Questionnaire are complete and accurate, to provide updates as provided therein and to correct any deficiencies within ten (10) days of notice by CITY, or failure to comply with the provisions of this Lease shall constitute a material breach of this Lease and CITY shall be entitled to terminate this Lease and otherwise pursue any legal remedies that may be available, including those set forth in the CRO. Nothing in this Lease shall be construed to extend the time periods or limit the remedies provided in the CRO.

21.6. Business Tax Registration Certificates and Tax Payments. This Section is applicable where DSCLA is engaged in business within the City of Los Angeles and DSCLA is required to obtain a Business Tax Registration Certificate ("BTRC") pursuant to one or more of the following articles (collectively "Tax Ordinances") of Chapter II of the Los Angeles Municipal Code: Article 1 (Business Tax Ordinance) [section 21.00, *et seq.*], Article 1.3 (Commercial DSCLA'S Occupancy Tax) [section 21.3.1, *et seq.*], Article 1.7 (Transient Occupancy Tax) [section 21.7.1, *et seq.*], Article 1.11 (Payroll Expense Tax) [section 21.11.1, *et seq.*], or Article 1.15 (Parking Occupancy Tax) [section 21.15.1, *et seq.*]. Prior to the execution of this Lease, or the effective date of any extension of the Term or renewal of this Lease, DSCLA shall provide to DEPARTMENT proof satisfactory to the General Manager that DSCLA has the required BTRCs and that DSCLA is not then currently delinquent in any tax payment required under the Tax Ordinances. CITY may terminate this Lease upon thirty days' prior written notice to DSCLA if CITY determines that DSCLA failed to have the required BTRCs or was delinquent in any tax payments required under the Tax Ordinances at the time of entering into, extending the Term of, or renewing this Lease. CITY may also terminate this Lease upon ninety days' prior written notice to DSCLA at any time during the Term of this Lease if DSCLA fails to maintain required BTRCs or becomes delinquent in tax payments required under the Tax Ordinances and DSCLA fails to cure such deficiencies within the ninety day period (in lieu of any time for cure provided in Article 15).

21.7. Slavery Disclosure Ordinance. This Lease is subject to the applicable provisions of the Slavery Disclosure Ordinance ("SDO") (Section 10.41, *et seq.* of the Los Angeles Administrative Code). Unless otherwise exempt in accordance with the provision of this Ordinance, DSCLA certifies that it has complied with the applicable provisions of the Ordinance. Under the provisions of Section 10.41.2(b) of the Los Angeles Administrative Code, CITY has the authority, under appropriate circumstances, to terminate this Lease and otherwise pursue legal remedies that may be available to CITY if CITY determines that the DSCLA failed to fully and accurately complete the SDO affidavit or otherwise violated any provision of the SDO.

ARTICLE 22. MISCELLANEOUS PROVISIONS

22.1. Amendment of Lease. No amendment, modification, supplement or mutual termination of any provision of this Lease shall in any event be effective unless the same shall be approved by the BOARD and City Council and in writing and signed by CITY and DSCLA.

22.2. Binding Effect. Subject to the provisions of this Lease relative to assignment (Section 17.1), this Lease shall be binding upon and inure to the benefit of the heirs, executors, administrators, transferees, successors and assigns of the respective parties hereto.

22.3. Captions, Table of Contents, and Index. The captions and table of contents of this Lease are inserted only as a matter of convenience and reference, and they in no way define, limit, or describe the scope of any provisions of this Lease, or the intent of any provision of this Lease, and shall not be used with respect to the interpretation of any provision of this Lease.

22.4. Conflict of Laws and Venue. This Lease shall be governed by and construed under the laws of the State of California. Venue on any action arising out of this Lease will be proper only in the County of Los Angeles, State of California.

22.5. Corporate Resolution. DSCLA shall provide to CITY a current copy of its Corporate Resolution depicting the names and legal signatures of the officers of the corporation authorized to execute legal documents, including this Lease, on behalf of DSCLA. Within thirty (30) days of any change in such names, DSCLA shall provide to CITY the updated Corporate Resolution.

22.6. Counterparts. This Lease may be executed in one or more counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument.

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

22.8. Force Majeure. Whenever either party hereto shall be required by the provisions of this Lease or by law to perform any contract, act, work, construction, labor or services (excepting only the obligation to pay rent due hereunder), or to discharge any lien against the Premises, or to perform and comply with any laws, rules, orders, ordinances, regulations or zoning regulations, said party shall not be deemed to be in default herein and the other party shall not enforce or exercise any of its right under this Lease, if and so long as nonperformance or default herein shall be directly caused by strikes, nonavailability of materials, war or national defense preemptions, governmental restrictions, acts of God or other similar causes beyond the reasonable control of the nonperforming party provided; however, that notwithstanding any of the provisions of the foregoing, the nonperforming party shall commence such performance and continue the same with diligence and continuity immediately after the removal of any of the causes hereinabove specified.

22.9. Gender. As used herein, the neuter gender includes the feminine and masculine, the masculine includes the feminine and the neuter, and feminine includes the masculine and the neuter, and each includes corporations, limited liability companies, partnerships or other legal entities when the context so requires.

22.10. Memorandum of Lease. A Memorandum of Lease, substantially in the form as that attached to this Lease as Exhibit G "Memorandum of Lease", shall be completed and executed by both parties concurrently with the execution of this Lease. CITY may record such Memorandum of Lease.

22.11. No Prior Agreements. This Lease contains all of the agreements of the parties hereto with respect to the matters covered hereby, and no prior agreements, oral or written, or understandings or representations of any nature whatsoever pertaining to any such matters shall be effective for any purpose unless expressly incorporated in the provisions of this Lease.

22.12. No Relocation Assistance. DSCLA acknowledges that it is not entitled to relocation assistance or any other benefits under the California Relocation Assistance Act (Government Code section 7260, *et seq.*), the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C.A. § 4601, *et seq.*), or any other provisions of law upon termination of this Lease.

22.13. Quiet Enjoyment. If DSCLA is not in default as provided herein, DSCLA shall and may peaceably and quietly have, hold, and enjoy the Premises with necessary ingress and egress in accordance with the provisions hereof.

22.14. Severability. If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

22.15. Sole Discretion. In those instances in this Lease where it is provided that CITY or the General Manager or other City of Los Angeles agency may approve a request in the exercise of "sole discretion" or words of like import, the parties expressly agree that CITY or the General Manager or other City of Los Angeles agency, as the case may be, has the absolute unfettered discretion to grant or withhold approval, either arbitrarily or otherwise, and with or without reason, and neither DSCLA nor any other party or tribunal shall have any right or power to inquire into or review the granting or withholding of such approval or the reasons or lack of reasons therefore.

22.16. Time. Time is of the essence with respect to the performance or observance of each of the obligations, covenants and agreements under this Lease. Except where expressly stated to be "business days" or "working days," the word "days" shall mean "calendar days."

Signature page to follow

IN WITNESS WHEREOF, the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners, Landlord herein, and DISCOVERY SCIENCE CENTER OF LOS ANGELES, a nonprofit public benefit corporation, Tenant herein, have caused this Lease to be executed as of the date of the attestation by the City Clerk.

Executed this 19th day
of December, 2012

CITY:

THE CITY OF LOS ANGELES, a municipal corporation, acting by and through its BOARD OF RECREATION AND PARK COMMISSIONERS

By [Signature]
PRESIDENT
By [Signature]
SECRETARY

Executed this 19th day
of December, 2012

TENANT:

DISCOVERY SCIENCE CENTER OF LOS ANGELES, a California non-profit public benefit corporation

By [Signature]
JOE ADAMS, Chairman of the Board

Approved as to Form:

Date: December 20, 2012
CARMEN A. TRUTANICH,
City Attorney

By [Signature]
DEPUTY CITY ATTORNEY

ATTEST:
Date: Veronica Wilmes
JUNE LAGMAY, City Clerk



By 1/4/13
DEPUTY CITY CLERK

Council File Number: 10-1658-S2 Date of Approval: December 14, 2012
Said Agreement is Number C-121656 of City Contracts

EXHIBIT A
MAP AND LEGAL DESCRIPTION

To be included in final lease agreement

**EXHIBIT A
MAP AND LEGAL DESCRIPTION**



LEGAL DESCRIPTION: Pending completion of survey of area outlined in red above

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Los Angeles, County of Los Angeles, State of California, described as follows:

PARCEL 1:

LOT 1, TRACT NO. 15781, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 349, PAGE 39 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPTING ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS IN, UNDER AND RECOVERABLE FROM THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT THE RIGHT TO ENTER, DRILL OR PENETRATE IN OR UPON THE SURFACE OF SAID REAL PROPERTY OR WITHIN 500 FEET BELOW THE SURFACE THEREOF FOR THE PURPOSES OF REMOVING SAID CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS, AS EXCEPTED AND RESERVED BY HAYDEN D. HAMILTON AND PATTY M. HAMILTON, CO-TRUSTEES OF THE HAMILTON FAMILY TRUST DATED NOVEMBER 29, 1988, IN A DEED RECORDED APRIL 6, 1990 AS INSTRUMENT NO. 90-656691 OFFICIAL RECORDS.

APN: 2528-002-901 AND 2528-002-902

PARCEL 2A:

THAT PORTION OF BLOCK 60 OF THE MACLAY RANCHO EX MISSION DE SAN FERNANDO, IN THE CITY OF LOS ANGELES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 37, PAGE 5 ET SEQ. OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY LINE OF SAID BLOCK WITH THE NORTHEASTERLY LINE OF THE LAND DESCRIBED IN PARCEL NO. 250 IN NOTICE OF ACTION, SUPERIOR COURT CASE NO. 446404, RECORDED IN BOOK 17037 PAGE 173, OFFICIAL RECORDS OF SAID COUNTY, SAID POINT BEING DISTANT NORTHEASTERLY ALONG SAID NORTHWEST LINE, 376.90 FEET, MORE OR LESS, FROM THE MOST WESTERLY CORNER OF SAID BLOCK; THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE 178.35 FEET, MORE OR LESS, TO THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED IN DEED TO THE SOUTHERN CALIFORNIA EDISON COMPANY, RECORDED IN BOOK 3911 PAGE 243, OFFICIAL RECORDS; THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE 345.49 FEET, MORE OR LESS, TO THE SOUTHEASTERLY LINE OF THE LAND DESCRIBED IN DEED TO CHARLOTTE EMMA EVELINE SWIFT, RECORDED IN BOOK 754 PAGE 323, OFFICIAL RECORDS; THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY LINE, 178.35 FEET, MORE OR LESS, TO THE NORTHEASTERLY LINE OF THE LAND DESCRIBED IN SAID NOTICE OF ACTION; THENCE NORTHWESTERLY ALONG SAID NORTHEASTERLY LINE 345.49 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ANY PORTION LYING WITHIN FOOTHILL BOULEVARD.

APN: A PORTION OF 2528-002-900

PARCEL 2B:

THAT PORTION OF THAT CERTAIN PARCEL OF LAND IN BLOCK 59 OF THE MACLAY RANCHO EX MISSION OF SAN FERNANDO, AS SHOWN ON A MAP RECORDED IN BOOK 37, PAGE 5 TO 16

INCLUSIVE OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, LYING SOUTHERLY OF THE FOLLOWING DESCRIBED LINE;

BEGINNING AT A POINT IN THE CENTERLINE OF FOOTHILL BOULEVARD, 60 FEET WIDE, SHOWN AS STREET ON SAID MAP, DISTANT NORTH 41° 15' 28" WEST THEREON, 331.03 FEET FROM THE CENTERLINE OF KAGEL CANYON STREET 60 FEET WIDE, FORMERLY TEJUNGA

AVENUE, AS SHOWN ON SAID MAP; THENCE NORTH 67° 36' 34" EAST 31.70 FEET; THENCE SOUTH 88° 00' 10" EAST 144.17 FEET; THENCE NORTH 66° 47' 55" EAST, 153.62 FEET TO A POINT IN A CURVE IN THE SOUTHERLY LINE OF THAT CERTAIN EASEMENT IN FAVOR OF THE CITY OF LOS ANGELES FOR FOOTHILL BOULEVARD, AS BEING CONDEMNED IN AN ACTION IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF LOS ANGELES, ENTITLED "THE CITY OF LOS ANGELES VS. HOWARD BURBANK, ET AL.," CASE NO. 413,262 SAID CURVE BEING CONCAVE TO THE NORTH AND HAVING A RADIUS OF 1650 FEET, A RADIAL LINE THRU SAID POINT ON CURVE BEARS NORTH 11° 44' 55" EAST, THENCE EASTERLY ALONG SAID CURVE, AND ITS EASTERLY PROLONGATION, 234.82 FEET TO A POINT IN SAID CENTERLINE OF KAGEL CANYON STREET, DISTANT NORTH 48° 44' 55" EAST THEREON 436.29 FEET FROM SAID CENTERLINE OF FOOTHILL BOULEVARD, A RADIAL LINE THRU SAID LAST MENTIONED POINT ON CURVE BEARS NORTH 3° 35' 40" EAST. EXCEPT THE WATERS OF THE LOS ANGELES RIVER AND ITS BRANCHES OWNED BY THE CITY OF LOS ANGELES.
APN: A PORTION OF 2528-002-900

PARCEL 2C:

ALL THAT CERTAIN REAL PROPERTY SITUS TO, LYING AND BEING IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT: THAT PORTION OF THAT CERTAIN PARCEL OF LAND IN BLOCK 60, OF THE MACLAY RANCHO EX MISSION OF SAN FERNANDO, AS SHOWN ON A MAP RECORDED IN BOOK 37, PAGES 5 TO 16 INCLUSIVE OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, DESCRIBED IN A DEED TO CHARLOTTE EMMA EVELINE SWIFT, RECORDED IN BOOK 784, PAGE 323 OF OFFICIAL RECORDS OF SAID COUNTY, LYING SOUTHWESTERLY OF THE FOLLOWING DESCRIBED LINE; BEGINNING AT A POINT IN THE CENTER LINE OF KAGEL CANYON STREET, 60 FEET WIDE, FORMERLY TEJUNGA AVENUE, AS SHOWN ON SAID MAP, DISTANT N. 48° 44' 55" E. THEREON 405.90 FEET FROM THE CENTERLINE OF FOOTHILL BOULEVARD, 60 FEET WIDE, SHOWN AS STREET ON SAID MAP; THENCE S. 41° 15' 28" E. PARALLEL WITH SAID CENTERLINE OF FOOTHILL BOULEVARD, TO THE SOUTHEASTERLY LINE OF SAID CERTAIN PARCEL OF LAND. EXCEPT THE WATERS OF THE LOS ANGELES RIVER AND ITS BRANCHES OWNED BY THE CITY OF LOS ANGELES.

APN: A PORTION OF 2528-002-900

PARCEL 2D:

THE WESTERLY 10 ACRES OF BLOCK 60 IN THE MACLAY RANCHO EX MISSION OF SAN FERNANDO, AS SHOWN ON A MAP RECORDED IN BOOK 37, PAGES 5 TO 16, INCLUSIVE, OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY. EXCEPTING THEREFROM THOSE PORTIONS THEREOF WITHIN THOSE CERTAIN PARCELS OF LAND DESCRIBED IN A DEED TO CHARLOTTE EMMA EVELIN SWIFT RECORDED IN BOOK 754, PAGE 323, OF OFFICIAL RECORDS OF SAID COUNTY AND IN A DEED TO SOUTHERN CALIFORNIA EDISON COMPANY, RECORDED IN BOOK 4432 PAGE 33, OF OFFICIAL RECORDS OF SAID COUNTY. EXCEPT THE WATERS OF THE LOS ANGELES RIVER AND ITS BRANCHES OWNED BY THE CITY OF LOS ANGELES.

APN: 2528-002-900

PARCEL 2E:

TOGETHER WITH THOSE PORTIONS OF STONEHURST AVENUE, GLADSTONE AVENUE AND KAGEL CANYON STREET AS VACATED BY RESOLUTION OF THE BOARD OF SUPERVISORS OF THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DATED OCTOBER 4, 1944, ADJOINING SAID PROPERTY, WHICH WOULD PASS BY OPERATION OF LAW WITH A CONVEYANCE OF SAID PROPERTY, A CERTIFIED COPY OF SAID RESOLUTION RECORDED NOVEMBER 30, 1944 AS INSTRUMENT NO. 1387 IN BOOK 21415 PAGE 388 OF OFFICIAL RECORDS.

APN: A PORTION OF 2528-002-900

PARCEL 2F:

THAT PORTION OF THE NORTHERLY 10 ACRES OF BLOCK 60 IN THE MACLAY RANCHO EX MISSION OF SAN FERNANDO, AS SHOWN ON A MAP RECORDED IN BOOK 37, PAGES 5 TO 16, INCLUSIVE, OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, LYING SOUTHEASTERLY OF THE FOLLOWING DESCRIBED LINE: BEGINNING AT A POINT IN THE CENTERLINE OF GLADSTONE AVENUE, 60 FEET WIDE, FORMERLY TENTH STREET, AS SHOWN ON SAID MAP, DISTANT S. $41^{\circ} 21' 55''$ E. THEREON 232.51 FEET FROM THE CENTERLINE OF KAGEL CANYON STREET, 60 FEET WIDE, FORMERLY TEJUNGA AVENUE, AS SHOWN ON SAID MAP; THENCE S. $0^{\circ} 59' 03''$ W. 107.10 FEET; THENCE S. $28^{\circ} 30' 25''$ W. 60.70 FEET; THENCE S. $48^{\circ} 46' 55''$ W. 348.00 FEET; THENCE SOUTHWESTERLY IN A DIRECT LINE TO THE MOST SOUTHERLY CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN A DEED TO SOUTHERN CALIFORNIA EDISON COMPANY, RECORDED IN BOOK 3911, PAGE 243, OF OFFICIAL RECORDS OF SAID COUNTY. EXCEPTING THEREFROM THAT PORTION THEREOF WITHIN THE SOUTHWESTERLY, 75 FEET OF SAID NORTHERLY 10 ACRES OF BLOCK 60. EXCEPT THE WATERS OF THE LOS ANGELES RIVER AND ITS BRANCHES OWNED BY THE CITY OF LOS ANGELES. EXCEPTING THEREFROM ANY PORTION LYING WITHIN FOOTHILL BOULEVARD.
APN: A PORTION 2528-002-900

PARCEL 2G:

THOSE PORTIONS OF THOSE CERTAIN PARCELS OF LAND IN BLOCK 60 OF THE MACLAY RANCHO EX MISSION OF SAN FERNANDO, AS SHOWN ON A MAP RECORDED IN BOOK 37, PAGES 5 TO 16, INCLUSIVE, OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, DESCRIBED IN DEEDS TO SOUTHERN CALIFORNIA EDISON COMPANY, RECORDED IN BOOK 3911, PAGE 243, AND IN BOOK 4432, PAGE 33, BOTH OF OFFICIAL RECORDS OF SAID COUNTY, LYING SOUTHEASTERLY OF THE FOLLOWING DESCRIBED LINE AND THE SOUTHWESTERLY PROLONGATION THEREOF:
BEGINNING AT A POINT IN THE CENTER LINE OF GLADSTONE AVENUE, 60 FEET WIDE, FORMERLY TENTH STREET, AS SHOWN ON SAID MAP, DISTANT S. $41^{\circ} 21' 55''$ E. THEREON 232.51 FEET FROM THE CENTER LINE OF KAGEL CANYON STREET, 60 FEET WIDE; FORMERLY TEJUNGA AVENUE, AS SHOWN ON SAID MAP; THENCE S. $6^{\circ} 55' 03''$ W. 107.19 FEET; THENCE S. $28^{\circ} 30' 26''$ W. 60.70 FEET; THENCE S. $48^{\circ} 44' 55''$ W. 348.00 FEET; THENCE SOUTHWESTERLY IN A DIRECT LINE TO THE MOST SOUTHERLY CORNER OF SAID CERTAIN PARCEL OF LAND DESCRIBED IN BOOK 3911, PAGE 243, OF OFFICIAL RECORDS.
EXCEPT THE WATERS OF THE LOS ANGELES RIVER AND ITS BRANCHES OWNED BY THE CITY OF LOS ANGELES.

EXHIBIT B
PREMISES IMPROVEMENTS TO BE COMPLETED BY CITY

Building Improvement	Estimated Cost
Parking lot exterior lighting	\$ 80,000
Rollup doors	100,000
Freight elevator	400,000
Building security system modifications	20,000
Exhibit maintenance shop buildout	300,000
Ticket booth buildout	150,000
Theater buildout	200,000
Loading dock & area fencing	<u>300,000</u>
Total:	<u>\$1,550,000</u>

EXHIBIT C
146R INSURANCE FORM

To be included in final lease agreement

Required Insurance and Minimum Limits

Name: Discovery Science Center

Date: 07/18/2012

Agreement/Reference: Lease Agreement for the Use, Operation and Maintenance of the Discovery Science Center of Los Angeles - Exhibit B
 Evidence of coverages checked below, with the specified minimum limits, must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSLs"). For Automobile Liability, split limits may be substituted for a CSL if the total per occurrence equals or exceeds the CSL amount.

Limits

Workers' Compensation - Workers' Compensation (WC) and Employer's Liability (EL)

WC Statutory
 EL \$1,000,000

Waiver of Subrogation in favor of City

Longshore & Harbor Workers
 Jones Act

General Liability

\$5,000,000

Products/Completed Operations

Sexual Misconduct \$1,000,000

Fire Legal Liability

Automobile Liability (for any and all vehicles used for this contract, other than commuting to/from work)

Professional Liability (Errors and Omissions)

Discovery Period _____

Property Insurance (to cover replacement cost of building - as determined by insurance company)

All Risk Coverage

Boiler and Machinery

Flood

Builder's Risk

Earthquake

*See additional requirements below

Pollution Liability

Surety Bonds - Performance and Payment (Labor and Materials) Bonds

100% of the contract price

Crime Insurance

Other: *Property insurance limits equal to the replacement cost of the Science Center. Builder's Risk Insurance is required during construction or expansion of the Science Center with limits equal to value of construction/material on hand. The City of Los Angeles is to be included as a named insured and a loss payee as its interests may appear on all property and builder's risk insurance policies.

EXHIBIT D
INSTRUCTIONS ON COMPLYING WITH CITY INSURANCE REQUIREMENTS

To be included in final lease agreement

CITY OF LOS ANGELES

INSTRUCTIONS AND INFORMATION
ON COMPLYING WITH CITY INSURANCE REQUIREMENTS

(Share this information with your insurance agent or broker)

1. **Agreement/Reference** All evidence of insurance must identify the nature of your business with the CITY. Clearly show any assigned number of a bid, contract, lease, permit, etc. or give the project name and the job site or street address to ensure that your submission will be properly credited. Provide the **types of coverage and minimum dollar amounts** specified on the Required Insurance and Minimum Limits sheet (Form Gen. 148) included in your CITY documents.

2. **When to submit** Normally, no work may begin until a CITY insurance certificate approval number ("CA number") has been obtained, so insurance documents should be submitted as early as practicable. For **As-needed Contracts**, insurance need not be submitted until a specific job has been awarded. **Design Professionals** coverage for new construction work may be submitted simultaneously with final plans and drawings, but before construction commences.

3. **Acceptable Evidence and Approval** Electronic submission is the best method of submitting your documents. **Track4LA**[®] is the CITY's online insurance compliance system and is designed to make the experience of submitting and retrieving insurance information quick and easy. The system is designed to be used by insurance brokers and agents as they submit client insurance certificates directly to the City. It uses the standard insurance industry form known as the **ACORD 25 Certificate of Liability Insurance** in electronic format – the CITY is a licensed redistributor of ACORD forms. **Track4LA**[®] advantages include standardized, universally accepted forms, paperless approval transactions (24 hours, 7 days per week), and security checks and balances. The easiest and quickest way to obtain approval of your insurance is to have your insurance broker or agent access **Track4LA**[®] at <http://track4la.lacity.org> and follow the instructions to register and submit the appropriate proof of insurance on your behalf.

Insurance industry certificates other than the ACORD 25 that have been approved by the State of California may be accepted, however **submissions other than through Track4LA[®] will significantly delay the insurance approval process as documents will have to be manually processed.** All Certificates must provide a thirty (30) days' cancellation notice provision (ten (10) days for non-payment of premium) AND an Additional Insured Endorsement naming the CITY an additional insured completed by your insurance company or its designee. If the policy includes an automatic or blanket additional insured endorsement, the Certificate must state the CITY is an automatic or blanket additional insured. An endorsement naming the CITY an Additional Named Insured and Loss Payee as Its Interests May Appear is required on property policies. All evidence of insurance must be authorized by a person with authority to bind coverage, whether that is the authorized agent/broker or insurance underwriter. Completed **Insurance Industry Certificates other than ACORD 25 Certificates** are sent electronically to CAO.insurance.bonds@lacity.org.

Additional Insured Endorsements DO NOT apply to the following:

- Indication of compliance with statute, such as Workers' Compensation Law.
- Professional Liability insurance.

Verification of approved insurance and bonds may be obtained by checking **Track4LA**[®], the CITY's online insurance compliance system, at <http://track4la.lacity.org>.

4. **Renewal** When an existing policy is renewed, have your insurance broker or agent submit a new Acord 25 Certificate or edit the existing Acord 25 Certificate through **Track4LA**[®] at <http://track4la.lacity.org>.

5. **Alternative Programs/Self-Insurance** Risk financing mechanisms such as Risk Retention Groups, Risk Purchasing Groups, off-shore carriers, captive insurance programs and self-insurance programs are subject to separate approval after the CITY has reviewed the relevant audited financial statements. To initiate a review of your program, you should complete the Applicant's Declaration of Self Insurance form (<http://cao.lacity.org/risk/InsuranceForms.htm>) to the Office of the City Administrative Officer, Risk Management for consideration.

6. **General Liability** insurance covering your operations (and products, where applicable) is required whenever the CITY is at risk of third-party claims which may arise out of your work or your presence or special event on City premises. **Sexual Misconduct** coverage is a required coverage when the work performed involves minors. **Fire Legal Liability** is required for persons occupying a portion of CITY premises. Information on two CITY insurance programs, the SPARTA program, an optional source of low-cost insurance which meets the most minimum requirements, and the Special Events Liability Insurance Program, which provides liability coverage for short-term special events on CITY premises or streets, is available at (www.2sparta.com), or by calling (800) 420-0555.

7. **Automobile Liability** insurance is required only when vehicles are used in performing the work of your Contract or when they are driven off-road on CITY premises; it is not required for simple commuting unless CITY is paying mileage. However, compliance with California law requiring auto liability insurance is a contractual requirement.

8. **Errors and Omissions** coverage will be specified on a project-by-project basis if you are working as a licensed or other professional. The length of the claims discovery period required will vary with the circumstances of the individual job.

9. **Workers' Compensation and Employer's Liability** insurance are not required for single-person contractors. However, under state law these coverages (or a copy of the state's Consent To Self Insure) must be provided if you have any employees at any time during the period of this contract. Contractors with no employees must complete a Request for Waiver of Workers' Compensation Insurance Requirement (<http://cao.lacity.org/risk/InsuranceForms.htm>). A **Waiver of Subrogation** on the coverage is required only for jobs where your employees are working on CITY premises under hazardous conditions, e.g., uneven terrain, scaffolding, caustic chemicals, toxic materials, power tools, etc. The Waiver of Subrogation waives the insurer's right to recover (from the CITY) any workers' compensation paid to an injured employee of the contractor.

10. **Property Insurance** is required for persons having exclusive use of premises or equipment owned or controlled by the CITY. **Bulldozer's Risk/Course of Construction** is required during construction projects and should include building materials in transit and stored at the project site.

11. **Surety** coverage may be required to guarantee performance of work and payment to vendors and suppliers. A **Crime Policy** may be required to handle CITY funds or securities, and under certain other conditions. **Specialty coverages** may be needed for certain operations. For assistance in obtaining the CITY required bid, performance and payment surety bonds, please see the City of Los Angeles Bond Assistance Program website address at <http://cao.lacity.org/risk/BondAssistanceProgram.pdf> or call (213) 258-3000 for more information.

**EXHIBIT E
IMPROVEMENTS AND EXHIBITS AGREEMENT**

BETWEEN CITY OF LOS ANGELES AND THE
DISCOVERY SCIENCE CENTER OF LOS ANGELES
FOR THE DESIGN AND MODIFICATION OF AN EXISTING FACILITY
AND THE DESIGN, CONSTRUCTION, AND INSTALLATION OF EXHIBITS FOR THE
CENTER

ARTICLE 1. BASIC AGREEMENT PROVISIONS

1.1. Parties. This Improvements and Exhibits Agreement ("Agreement") is entered into this 31st day of ~~December~~ 20 ~~12~~, by and between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners, as Landlord ("CITY"), and DISCOVERY SCIENCE CENTER OF LOS ANGELES, a California non-profit corporation ("DSCLA"), with a principal mailing address of 2500 North Main Street, Santa Ana, California, 92705, as Tenant.

1.2. Recitals.

1.2.1. CITY owns and/or controls certain lands known as Hansen Dam Recreation Area under the management and control of the Board of Recreation and Park Commissioners ("BOARD"). A portion of the subject lands are owned by CITY and a portion of the subject lands are owned by the U.S. Army Corps of Engineers ("USACE") and are leased to CITY for recreational purposes pursuant to Department of the Army Lease No. DACW09-1-69-45 between USACE and the CITY for property located within the Hansen Flood Control Basin. The land at the corner of Osborne Street and Foothill Boulevard located at 11800 Foothill Boulevard, Los Angeles, California, is improved with a 57,000 square foot building which was designed and constructed with funding from the following public sources: Proposition 40 Specified Grant Program (Contract No. C0231250), Proposition 40 Roberti-Z'Berg-Harris Grant Program (Contract No. C0231244), Proposition 40 Per Capita Grant Program (Contract No. C0231134), Proposition K Specified Grant Program (Contracts No. C-98362 and No. C-109472), Proposition K Competitive Grant Program (Contract No. C-100050), and private donations to the Children's Museum of Los Angeles, the former entity that oversaw partial construction of the subject facility.

1.2.2. CITY and DSCLA have entered into a Lease for the use of the improved land and building within the Hansen Dam Recreation Area described in Section 1.2.1 above (as shown in included in Exhibit A "Map and Legal Description" of Lease), which Lease shall set forth the duties, obligations, responsibilities, aims, and goals of the parties, for the specific purpose of providing a Children's Museum and an Environmental Learning Center, together known as a science center (the "Center") within the existing building which emphasizes recreation and environmental awareness through focused learning about the natural environment using interactive exhibits that

will provide both recreational and educational opportunities, that will increase the public's understanding and recognition of the need to sustain the environment for future generations.

1.2.3. CITY does not have personnel available in its employ with sufficient and appropriate expertise to develop the exhibits and operate and maintain the Center and CITY, due to current budgetary constraints, has frozen hiring and is unable to obtain the appropriate personnel to perform these specialized tasks.

1.2.4. DSCLA is a non-profit corporation formed for the purpose of providing recreational activities for youth and their families in the area as well as educating young minds, assisting teachers and increasing public understanding of the environment, science, math and technology, with a particular emphasis on environmental issues, through interactive exhibits and programs.

1.2.5. DSCLA has special abilities in the areas of presentation, fundraising, recreation, education, community support and operations with respect to the Center.

1.2.6. DSCLA has the staff and experience to operate and manage the Center, provide unique and highly specialized educational programs, and oversee the design, fabrication and installation, or acquisition of a state-of-the-art interactive exhibits that can be refreshed and rotated over time.

1.2.7. CITY and DSCLA desire to enter into an Agreement governing the design and layout and modification of the Center and the design and construction of the Center exhibits and displays to be installed inside the Center on the premises.

1.2.8 CITY and DSCLA desire to establish an accounting structure and disbursement procedure in order to assure the efficient and orderly payment of all costs associated with the design and construction of the Center improvements and Center Exhibits. In accordance with the terms of this Agreement, DSCLA shall deposit construction funds in a construction escrow or other designated account ("CENTER Funds Account") and CITY shall maintain construction funds in separate construction escrow or other accounts ("City Funds Accounts") as further provided in this Agreement.

1.3. Definitions in Lease. When used in this Agreement, or in any Exhibits or Attachments to this Agreement, except where a different definition is clearly and expressly given, the following words or phrases, capitalized as shown, shall mean:

1.3.1. BOARD. "BOARD" shall mean the Board of Recreation and Park Commissioners of the City of Los Angeles.

1.3.2. Center. "Center" shall mean the premises and the improvements thereon as of the Effective Date of this Agreement and any improvements, Center exhibits and facilities constructed on the premises by DSCLA or CITY at any time and from time to time during the Term for purposes of this Lease as set forth in Article 5.

1.3.3. Center Exhibits. "Center Exhibits" shall mean the exhibits and displays constructed and installed inside the Center and on the Premises.

1.3.4. CITY. "CITY" shall mean the City of Los Angeles, a municipal corporation acting by and through its Board of Recreation and Park Commissioners. Except where clearly and expressly provided otherwise in this Agreement, any action to be taken by the CITY may be taken for the CITY by the General Manager as defined in Paragraph 1.3.8. Except where clearly and expressly provided otherwise in this Lease, the capacity of the CITY in this Agreement shall be as Landlord, and any benefits, obligations, or restrictions conferred or imposed by this Agreement on the CITY shall be limited to that capacity and shall not relate to or otherwise affect any activity of the City of Los Angeles in its governmental capacity including, but not limited to: enacting laws; inspecting structures; reviewing and issuing permits; and all other legislative, administrative, or enforcement functions of the City of Los Angeles pursuant to federal, state, or local law.

1.3.5. DEPARTMENT. "DEPARTMENT" shall mean the Department of Recreation and Parks of the City of Los Angeles.

1.3.6. DSCLA. "DSCLA" shall mean the Discovery Science Center of Los Angeles, a California nonprofit public benefit corporation.

1.3.7. Effective Date. "Effective Date" shall mean the date the Office of the City Clerk of Los Angeles attests this Agreement.

1.3.8. General Manager. "General Manager" shall mean the General Manager of the Department of Recreation and Parks of the City of Los Angeles. General Manager shall also include any person designated in writing by the BOARD to act on behalf of the General Manager.

1.3.9. Improvements and Exhibits Agreement. "Improvements and Exhibits Agreement" shall mean this Agreement entered into by CITY and DSCLA governing the design and modification of the existing building or facility and the design, construction and installation of the Center Exhibits.

1.3.10. Lease. "Lease" shall mean the agreement entered into by CITY and DSCLA for the use of the Premises (defined below) for the specific purpose of operating and maintaining a Center that emphasizes recreation and focused learning about the natural environment.

1.3.11. Opening Date. "Opening Date" shall be the date that DSCLA first opens the Center to members of the general public pursuant to the terms of use in Article 5 of Lease.

1.3.12. Premises. "Premises" shall collectively refer to the land, building, and improvements located at 11800 Foothill Boulevard, Los Angeles, California, and as depicted in Exhibit A "Map and Legal Description" of Lease.

1.3.13. **USACE.** "USACE" shall mean the United States Army Corps of Engineers.

ARTICLE 2. TERM

2.1 Term. The term of this Construction Agreement shall be concurrent with the Lease, unless previously terminated in accordance with other provisions of this agreement.

ARTICLE 3. PREMISES

3.1 Premises. The land and improvements located at 11800 Foothill Boulevard in the City of Los Angeles, County of Los Angeles, State of California, described in Section 1.2.1 above and as depicted in Exhibit A "Map and Legal Description" of Lease, and located within the Hansen Dam Recreation Area, Los Angeles, California. The portion of the Premises that is located on land owned by USACE and leased to CITY is subject to all existing easements, other restrictions of record, and Department of the Army Lease No. DACW09-1-69-45 between USACE and the CITY for property located within the Hansen Flood Control Basin.

3.2 Article 4 of Lease Not Superseded. Any and all references to Premises in this Agreement shall not supersede Article 4 of the Lease which shall remain in full force and effect.

ARTICLE 4. DESIGN AND MODIFICATION OF THE EXISTING BUILDING AND DESIGN, CONSTRUCTION AND INSTALLATION OF CENTER EXHIBITS

4.1 Initial Exhibit Plan. DSCLA shall at its own expense and at no cost to CITY, develop an Initial Exhibit Plan for the Center and shall deliver a completed Initial Exhibit Plan to the CITY on or before September 30, 2013.

4.2 Initial Exhibit Plan Requirements. The Initial Exhibit Plan shall include the concept design plan, layout within the Center, and cost for each exhibit to be developed and installed in the Center by the Opening Date. The Initial Exhibit Plan shall be consistent with the terms of any grant or funding agreements or other limitations on the use of Premises.

4.3 Design of Center and Center Exhibits. DSCLA shall design the Center and Center Exhibits in conformance with all applicable federal, state, county, and city laws in force at the time of design. All plans shall be prepared by DSCLA and must be submitted to DEPARTMENT for approval. DEPARTMENT shall direct DSCLA to submit the plans to the BOARD and/or other City of Los Angeles agencies for approval, including, without limitation, the Cultural Affairs Commission of the City of Los Angeles, the Department of Public Works of the City of Los Angeles, and the Department of Building and Safety of the City of Los Angeles. DEPARTMENT may direct DSCLA to submit the plans for any improvements located on the portion of the Premises that is owned by USACE, and leased to CITY, to USACE for their approval. Approvals shall be

at the sole discretion of the DEPARTMENT and agencies involved. CITY is not responsible for payment of any fees nor for delays in permit processing or approvals.

4.4 Design Submission Requirements. During the design phase for the Center and the Center Exhibits, DSCLA shall provide DEPARTMENT with various submittals for approval. These include but are not limited to the following:

4.4.1 Schematic Plans. Schematic plans shall include at least the following: analysis of requirements and proposed uses including site utilization and computation of required floor, parking, yard and other areas necessary to the proposed uses; single-line drawings illustrating appropriate floor areas and arrangement of the various uses, and site utilization; specifications indicating construction methods, concepts and materials, including mechanical and electrical concepts; and approximate estimates of construction costs.

4.4.2 Preliminary Plans. Preliminary plans shall include at least the following: drawings illustrating in greater detail than the schematic plans, floor area relationship, the various requirements of different occupancies, elevations, sections, and architectural, structural, civil, mechanical, electrical, landscaping and other design aspects; preliminary specifications for the project arranged in Construction Specification Institute form; preliminary estimate cost of construction; and a colored perspective Delineation or Rendering of the project.

4.4.3 Working Drawings. Working drawings shall include at least the following: computations and specifications, in accordance with the approved preliminary plans, including necessary drawings in sufficient detail to provide adequate information for accurate minimum bids; a detailed final estimate of cost of construction of the project; and complete checking and coordination of all architectural, structural, civil, landscape, mechanical and electrical drawings.

4.4.4 Final Plans. Final plans shall include at least working drawings and specifications that have been processed through plan check review and other required corrections.

4.5 DEPARTMENT Participation. DSCLA shall design the Center and the Center Exhibits with the input of the DEPARTMENT, DEPARTMENT, and/or other City of Los Angeles agencies as determined by DEPARTMENT, shall be full participants in all design meetings.

4.6 USACE Participation. DSCLA shall consider the active input and participation of USACE in the design of any improvements located on the portion of the Premises that is located on land owned by USACE and leased to CITY, whether such facilities or uses will be temporary or permanent.

4.7 Subcontracting for Architectural/Design and Construction Services. DSCLA will select an architect/designer and construction subcontractors that are

licensed by the State of California to design the project and to perform other functions as described in this Agreement and the subcontract. Whether or not the architectural/design or construction services are to be funded by the City, the Grantee shall require its architect/designer and construction subcontractors to execute Attachment No.1 - Assignment of Contract and Plans and Specifications and Permits, and submit the signed document and all attachment to the City for approval prior to the execution of this Agreement. If the Grantee has not selected an architect/designer and/or construction subcontractors prior to the execution of this Agreement, the Grantee shall certify that it will require its architect/designer and construction subcontractors to execute Attachment No. 1 Assignment of Contract and Plans and Specifications and Permits -and shall obtain such assignment when the Grantee obtains its architect/designer and construction-subcōntractors.

ARTICLE 5. MODIFICATION OF THE CENTER AND CENTER EXHIBITS

5.1 Modification of Center. DSCLA shall construct any modification to the Center and Center Exhibits in conformance with all applicable federal, state, county, and city laws in force at the time of the modifications and in conformance with designs approved pursuant to the design submittal and approval process described in Article 4 above in this Agreement.

5.1.1 Progress Report. DSCLA shall submit a construction progress report to DEPARTMENT on a monthly basis. This report shall only be used for informational purposes.

5.1.2 As Built Drawings. DSCLA shall submit to the DEPARTMENT reproducible "as built" drawings of all improvements constructed on the Premises with the exception of the security system. Such plans shall also include plans for landscaping and other outdoor improvements related to the Center.

5.1.3 No Creation of Liability. Nothing contained herein shall be construed or deemed to create any obligation or liability, including without limitation liability as a guarantor or surety, on the part of CITY with respect to the Center or any other improvements constructed from time to time on the Premises, or any plans or specifications, construction contracts, financing or other matter, instrument or document of any nature whatsoever relating to such improvements. CITY is not and shall at no time be liable to any creditor of DSCLA or any other persons occupying any part of the Premises or the improvements thereon as a sublessee, licensee or otherwise or to any claimant against the estate or property of DSCLA or such other occupants for any of their debts, losses, contracts or other obligations. The relationship between CITY and DSCLA is solely that of landlord and tenant and is not and shall not be deemed a partnership or joint venture.

5.2 Department Participation. DSCLA shall modify the Center and construct Center Exhibits with the input of the DEPARTMENT. DEPARTMENT, and/or other City of Los Angeles agencies as determined by DEPARTMENT, shall be full participants in all construction meetings.

5.3 USACE Participation. DSCLA shall consider the active input and participation of USACE in the construction of any improvements located on the portion of the Premises that is located on land owned by USACE and leased to CITY, whether such facilities or uses will be temporary or permanent.

ARTICLE 6. OPERATIONS OF THE CENTER

6.1 Operations of the Center. The Center shall be used by DSCLA in accordance with Article 5 of the Lease.

ARTICLE 7. MAINTENANCE, CUSTODIAL SERVICES, SECURITY AND REPAIR OF THE CENTER DURING CONSTRUCTION

7.1 DSCLA'S Responsibilities. During any DSCLA initiated construction activities on Premises, DSCLA shall keep and maintain, at DSCLA'S sole cost and expense, the Premises and all improvements on the Premises, including Center Exhibits, in good condition and repair and in conformance with the standard of care identified in Article 6 of the Lease.

ARTICLE 8. UTILITIES

8.1 DSCLA'S Responsibilities. DSCLA shall pay all charges associated with the installation of electrical, natural gas, sewer, water and telephone services, as well as all periodic fees for said services, needed for any DSCLA initiated construction activities on Premises in conformance with Article 7 of the Lease.

ARTICLE 9. FINANCING AND DISBURSEMENT OF FUNDS

9.1. Financing. DSCLA shall be responsible to secure funding for any costs associated with the design and modification of the Center and the design, construction and installation of Center Exhibits for the uses set forth in Article 5 of the Lease. CITY may, but is not obligated to, assist DSCLA to identify and secure funding for the design and modification of the Center and the design, construction and installation of Center Exhibits. For purposes of the Agreement, DSCLA shall be deemed to have "secured" funding only under the following circumstances:

9.1.1 DSCLA establishes an account, as hereinafter provided, and deposits cash into the account which can be withdrawn only as hereinafter provided for payment of costs associated with the design and construction of Center improvements and Center Exhibits; and/or

9.1.2 DSCLA secures an line of credit that may be drawn on solely for the design and construction of the Center and Center exhibits; and/or

9.1.3 DSCLA has fully executed grant or funding agreement(s) with federal, state, or local governmental agencies which provide guaranteed funds for the design and construction the Center and Center Exhibits.

9.2 Establishment of Center Funds Account. DSCLA shall establish a construction escrow or other designated account ("Center Funds Account") for the disbursement of construction funds for the Center modifications and improvements and the Center Exhibits. Disbursement of funds from such account shall solely be for the design and construction of the Center modifications and improvements and Center Exhibits.

9.3 Establishment of City Funds Accounts. CITY may establish, or identify, construction escrow or other designated accounts ("City Funds Accounts") for the disbursement of construction funds for the Center modifications and improvements and the Center Exhibits. Disbursement of funds from such account shall solely be for the design and construction of the Center modifications and improvements and Science Center Exhibits.

9.4 Financing for Initial Exhibit Plan. DSCLA shall demonstrate to satisfaction of CITY that the amount of funding available in the Center Funds Account and the City Funds Account, either individually or in combination, is sufficient to complete the Center modifications and improvements and Science Center Exhibit improvements identified on the Initial Exhibit Plan.

9.4.1 Review of Financing. From the Effective Date of this Agreement and prior to the Opening Date, representatives of the parties will confer, on a quarterly basis or as deemed necessary by either DSCLA or CITY, to evaluate adequacy of the financing for the Initial Exhibit Plan and operational responsibilities of each party, as stipulated in the Lease and in this Agreement and make any adjustments as they mutually deem necessary. DSCLA shall submit a Financing progress report to DEPARTMENT on a monthly basis.

9.5 Disbursement Requests From City Funds Account. DSCLA shall submit requests for disbursements of construction funds ("Disbursement Request") for the Center and the Center Exhibits from the City Funds Account to the CITY. Disbursement Requests shall be submitted in conformance with any forms and/or procedures required by the CITY and shall be made to the staff member(s) designed by the CITY to review all Disbursement Requests and the information contained in each. Disbursement Requests shall be only for costs incurred for the construction of the Center and the Center Exhibits and only for items for which the funds in the City Funds Account may be expended pursuant to applicable law.

9.5.1 Cash Advances and Payment to DSCLA. DSCLA may request cash advances as needed to fund allowable project expenses, in accordance with a draw down schedule approved by the City and using project monies designated for use as cash flow. DSCLA shall be reimbursed on a progress payment basis, no later than forty-five (45) days after receipt by the City of an acceptable Disbursement Request and approved invoice(s) for expenses authorized for material furnished, service rendered or work completed under the term and conditions of this Agreement, subject to the availability of funds for the work and subject to all other provisions of the Agreement. Construction progress payment requests shall be certified by the project Architect and/or Manager and the Grantee. All charges and expenses shall be properly documented with adequate vouchers and receipts and approved by the City. Only those expenses that are eligible and relate directly to the scope and intent of the work shall be authorized and approved for reimbursement. Progress payment requests shall not be submitted more frequently than once a month.

9.5.2 Documentation of Construction Expenditures. Construction expenditures shall be supported and verified by properly executed General Contractor and subcontractors payrolls, time recorded, invoices, vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charges. Checks, payrolls, invoices, vouchers, orders or other accounting documents shall be clearly identified and readily accessible. The City may require additional substantiation of costs before making payment. All evidence of costs incurred or to be incurred shall identify or bear identification of the budget account to be charged.

9.5.3 Schedule of Payments. DSCLA, upon submittal of an acceptable Disbursement Request, and adequate proof of progress in the form of appropriate documentation shall be paid or reimbursed no more than once a month.

9.5.4 Withheld Payments. The City will withhold up to 10% of the total construction funds as Retention against the payment to DSCLA, with the option of reducing the retention to 5% when the City Project Manager has certified that the Center and Center Exhibit work is fifty percent (50%) complete and that there are no outstanding stop notices or liens, and that all vendor and/or subcontractor payments are current. The Retention is withheld to ensure that DSCLA completes the Center and Center Exhibits and that the Center is open to the public. DSCLA may request release of retention corresponding to individual phases of the project following completion of the following phases: a) exhibit design, b) exhibit fabrication, c) exhibit installation and d) completion of any building modifications design carried out by DSCLA or their architects and/or engineers, and e) completion of any building modifications carried out by DSCLA. In each case the Retention will be released after all of the following conditions are met: (i) Submittal of acceptable invoices for all project related costs; and (ii) Written confirmation submitted by DSCLA that they have received all assurances, and warranties for the project from any construction contractor(s); and, (iii) With respect to final project retention, compliance with any other project construction closeout requirement that may be specified by CITY. CITY has the authority to withhold funds under this Agreement pending a final determination by CITY of questionable

expenditures or indebtedness to CITY arising from past or present Agreements between CITY and DSCLA. Upon final determination by CITY of disallowed expenditures or indebtedness, CITY may deduct and retain the amount of the disallowance or indebtedness from the amount of the withheld funds. Payments to DSCLA may be withheld by CITY if DSCLA fails to comply with provisions of this Agreement.

9.5.5 Return of Unexpended Funds and Close-outs. Funds paid by CITY, and determined by CITY to be in excess of the amount actually required, shall be immediately returned to CITY. DSCLA shall submit to CITY a complete and accurate final close-out invoice of costs and reimbursements for services performed under this Agreement, within 45 days following the termination or completion of any design or construction work under this Agreement. Failure by DSCLA to comply with the 45-day requirement may result in a unilateral close-out of this Agreement by the CITY.

9.5.6 Approvals of Disbursement Requests. Approval of a Disbursement Request shall be at the sole discretion of the CITY. No Disbursement Requests shall be approved for the construction of any improvements or modification that are not designed and approved pursuant to the design submittal and approval process described in Article 4.

9.6 Records. CITY shall have the right to review documentation with respect to the design and construction costs of the Center and the Center Exhibits for, but not limited to, conformation with the budget for the improvements adopted pursuant to the design submittal and approval process described in Article 4.

9.7. Inspection and Audit of Records by CITY. All documents, books and accounting records required to be maintained or retained under this Article shall be open for inspection and re-inspection by CITY with reasonable prior notice during regular operating hours during the Term of this Lease and for a period of ten years thereafter. In addition, CITY may from time to time consistent with recognized accounting principles conduct, at CITY'S sole cost and expense, an audit or re-audit of the books and business conducted by DSCLA with respect to DSCLA'S construction of improvements at Center and observe the operation of business so that accuracy of the above records can be confirmed.

ARTICLE 10 DEFAULT AND TERMINATION

10.1. Events of Default. The following occurrences are "Events of Default:"

10.1.1. Breach of Lease. DSCLA or CITY materially breaches or fails in the performance of any of the provisions or conditions of the Lease; or

10.1.2. Failure to Conform to Laws. DSCLA fails to conform to applicable federal, state, county or local laws, rules, regulations or policies; or

10.1.3. Incapacity to Perform. DSCLA ceases to operate, exist or maintain its nonprofit corporate status (temporary suspension of status for a period not exceeding six (6) months shall not be considered a failure to maintain status) or becomes unable through corporate or personal incapacity to fulfill its obligations under the Lease or this Agreement; or

10.1.4. Lack of Funds. If DSCLA is no longer able to carry out the purposes of the Lease or this Agreement because of a lack of funds or funding; or

10.1.5. Non-conforming Use. DSCLA ceases to use the Premises for the purpose of a recreation and environmental awareness center as set forth in Article 5 of Lease; or

10.1.6. Termination of Lease. In the event the Lease is terminated; or

10.1.7. Failure to Deliver a Completed Initial Exhibit Plan. DSCLA fails to deliver a completed Initial Exhibit Plan on or before September 30, 2013; or

10.1.8. Failure To Commence Construction of Center Exhibits. DSCLA fails to commence construction of the Center Exhibits on or before September 30, 2013. Construction of Center Exhibits shall be deemed to have commenced on the date DSCLA or its subcontractors starts physical fabrication work on the Center Exhibits; or

10.2. Default - CITY's Remedies. If any one or more of the "Events of Default" set forth in Section 10.1. above occurs, then CITY may, at its election, without any further notice to or authorization from DSCLA, and without waiving any of City's rights at any time to select any other remedy provided in this Section, or elsewhere in this Agreement, if applicable, or under law, do any one or more of the following:

10.2.1. Termination of Agreement. CITY may give DSCLA written notice of such "Event of Default." If DSCLA does not cure said default within thirty (30) days after notice (and forthwith for a default involving health, sanitary or safety conditions or pertaining to the maintenance of insurance required under this Agreement) or such longer period as is reasonably necessary to remedy such default, as determined by either CITY, provided that DSCLA shall continuously and diligently pursue such remedy at all times until such default is cured, CITY may, by delivering written notice to DSCLA, terminate this Agreement; and/or

10.2.2. Recovery at Law. CITY may recover at law any and all claims which may be due CITY; and/or

10.2.3. Self-help. In the event that neither the City nor DSCLA terminate the term of this lease agreement under the conditions herein defined, the CITY may, but is not obligated to, perform such work as it deems necessary to cure any "Event of Default" and charge DSCLA for the cost of labor and materials expended. The General Manager may exercise this option immediately in an "Event of Default" involving health, sanitary or safety considerations. Otherwise, the General Manager may exercise this

option within sixty (60) days after giving DSCLA written notice of a default involving Premises' maintenance if DSCLA does not commence to cure. CITY shall provide DSCLA with reasonably detailed invoice for the labor and materials expended, and DSCLA shall pay the full sum of the invoice within sixty (60) days of DSCLA'S receipt of the invoice, using as a first priority any monies remaining from the project escrow account as defined in section 9.2 of Exhibit E to this agreement. In the event DSCLA disputes any of the charges on the invoice or DSCLA'S obligation to pay for any or all of the items, DSCLA shall pay the full sum of the invoice within the sixty (60) day period, subject to prompt reimbursement from CITY to the extent DSCLA prevails on any items in dispute.

The specified remedies to which CITY may resort under the provisions of this Lease are cumulative and not intended to be exclusive of any other remedies afforded by law or equity.

10.3. No Waiver. The conduct of either party or the acceptance of all or part of any payment by CITY after an "Event of Default" for any period after an "Event of Default" shall not be deemed a waiver of any rights and remedies, nor a waiver of the default of the same or any other provision, covenant or condition. Waiver by either CITY or DSCLA of any breach by the other of any covenant, condition or obligation herein contained or failure by either CITY or DSCLA to exercise any right or remedy in respect of any such breach shall not constitute a waiver or relinquishment for the failure of any such covenant, condition or obligation or of any subsequent breach of any such covenant, condition or obligation nor bar any right or remedy of CITY or DSCLA in respect of any such subsequent breach.

10.4. Default by CITY. In the event CITY defaults in the performance of any of the provisions or conditions of this Agreement, and if a written notice of such default is issued to CITY by DSCLA, and if CITY does not commence to cure said default within sixty (60) days of receipt of said notice, DSCLA may immediately terminate this Agreement and/or obtain specific performance.

ARTICLE 11. NOTICES

11.1. Notices. All notices and demands which may or are to be required or permitted to be given by either party to the other hereunder shall be in writing. All notices and demands shall be personally delivered (including by means of professional messenger service), sent by United States mail, postage prepaid, return receipt requested, or transmitted by telecopier (e.g., Fax) or electronic mail (upon mutual agreement of participating parties), in which case the receiving party shall immediately confirm receipt of such telecopied or e-mailed notice. All notices are effective upon receipt. For the purposes of such notices, the addresses for the parties are set forth in Section 19.2 below. In the event CITY is unable to give notice to DSCLA at the address(es) provided to CITY by DSCLA, notice shall be deemed effective when addressed to DSCLA at the Premises. Either party may from time to time designate another person or place in a notice.

11.2. Notices - Where Sent. All notices given under this Lease which are mailed or telecopied shall be addressed (unless redesignated as provided above) to the respective parties as follows:

To CITY or General Manager:

City of Los Angeles
Board of Recreation and Park Commissioners
221 North Figueroa Street, Suite 1510
Los Angeles, California 90012

Telecopier: (213) 202-2612

with a copy of any notice to
General Manager, Department of Recreation and Parks
221 North Figueroa Street, Suite 1550
Los Angeles, California 90012

Telecopier: (213) 202-2614

with a copy of any notice to
Office of the City Attorney,
Real Property/Environment Division
200 North Main Street, Suite 700
Los Angeles, California 90012-4130

Telecopier: (213) 978-8090

with a copy of any notice to
Program Manager
Bureau of Engineering, Recreational and Cultural Facilities Program
1149 S. Broadway, 8th Floor
Los Angeles, California 90015

Telecopier: (213) 847-1926

To DSCLA:

Chairman of the Board
Discovery Science Center of Los Angeles
2500 North Main Street, Santa Ana, CA. 92705

Telecopier: (714) 263-3838

ARTICLE 12. MISCELLANEOUS PROVISIONS

12.1. Amendment of Agreement. No amendment, modification, supplement or mutual termination of any provision of this Agreement shall in any event be effective unless the same shall be in writing and signed by CITY and DSCLA.

12.2. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, transferees, successors and assigns of the respective parties hereto.

12.3. Captions, Table of Contents, and Index. The captions and table of contents of this Agreement are inserted only as a matter of convenience and reference, and they in no way define, limit, or describe the scope of any provisions of this Agreement, or the intent of any provision of this Agreement, and shall not be used with respect to the interpretation of any provision of this Agreement.

12.4. Conflict of Laws and Venue. This Agreement shall be governed by and construed under the laws of the State of California. Venue on any action arising out of this Agreement will be proper only in the County of Los Angeles, State of California.

12.5. Corporate Resolution. DSCLA shall provide to the CITY a current copy of its Corporate Resolution depicting the names and legal signatures of the officers of the corporation authorized to execute legal documents, including this Agreement, on behalf of DSCLA. Within thirty (30) days of any change in such names, DSCLA shall provide to the CITY the updated Corporate Resolution.

12.6. Counterparts. This Agreement may be executed in one or more counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument.

12.7. Exhibits - Incorporation in Improvements and Exhibits Agreement. All exhibits referred to are attached to this Agreement and incorporated by reference.

12.8. Force Majeure. Whenever either party hereto shall be required by the provisions of this Agreement or by law to perform any contract, act, work, construction, labor or services (excepting only the obligation to pay rent due hereunder), or to discharge any lien against the Premises, or to perform and comply with any laws, rules, orders, ordinances, regulations or zoning regulations, said party shall not be deemed to be in default herein and the other party shall not enforce or exercise any of its right under this Agreement, if and so long as nonperformance or default herein shall be directly caused by strikes, non-availability of materials, war or national defense preemptions, governmental restrictions, acts of God or other similar causes beyond the reasonable control of the nonperforming party provided; however, that notwithstanding any of the provisions of the foregoing, the nonperforming party shall commence such performance and continue the same with diligence and continuity immediately after the removal of any of the causes hereinabove specified.

12.9. Gender. As used herein, the neuter gender includes the feminine and masculine, the masculine includes the feminine and the neuter, and feminine includes the masculine and the neuter, and each includes corporations, limited liability companies, partnerships or other legal entities when the context so requires.

12.10. No Prior Agreements. This Agreement, and the Lease, contains all of the agreements of the parties hereto with respect to the matters covered hereby, and no prior agreements, oral or written, or understandings or representations of any nature whatsoever pertaining to any such matters shall be effective for any purpose unless expressly incorporated in the provisions of this Agreement.

12.11. No Relocation Assistance. DSCLA acknowledges that it is not entitled to relocation assistance or any other benefits under the California Relocation Assistance Act (Government Code section 7260, et seq.), the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C.A. § 4601, et seq.), or any other provisions of law upon termination of this Agreement.

12.12. Quiet Enjoyment. If DSCLA is not in default as provided herein, DSCLA shall and may peaceably and quietly have, hold, and enjoy the Premises with necessary ingress and egress in accordance with the provisions hereof.

12.13. Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

12.14. Sole Discretion. In those instances in this Agreement where it is provided that the CITY or the General Manager or other City of Los Angeles agency may approve a request in the exercise of "sole discretion" or words of like import, the parties expressly agree that CITY or the General Manager or other City of Los Angeles agency, as the case may be, has the absolute unfettered discretion to grant or withhold approval, either arbitrarily or otherwise, and with or without reason, and neither DSCAL nor any other party or tribunal shall have any right or power to inquire into or review the granting or withholding of such approval or the reasons or lack of reasons therefore.

12.15. Time. Time is of the essence with respect to the performance or observance of each of the obligations, covenants and agreements under this Agreement. Except where expressly stated to be "business days" or "working days," the word "days" shall mean "calendar days."

12.16. Indemnification. Except for the active negligence or willful misconduct of CITY, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, DSCLA undertakes and agrees to defend, indemnify and hold harmless CITY and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses,

including, but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including DSCLA'S employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Agreement by DSCLA or its subcontractors of any tier. The provisions of this paragraph survive expiration or termination of this Agreement.

12.17. Insurance. During the term of this Agreement and without limiting DSCLA's indemnification of the CITY, DSCLA shall provide and maintain at its own expense a program of insurance having the coverages and limits customarily carried and actually arranged by DSCLA, but not less than the amounts and types listed on Exhibit C "146R Insurance Form" of the Lease, covering its operations hereunder. Such insurance shall conform to CITY requirements established by Charter, ordinance or policy, in accordance with Exhibit D "Instructions and Information on Complying with City Insurance Requirements" of Lease and shall otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management.

Signature page to follow

IN WITNESS WHEREOF, the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners, Landlord herein, and DISCOVERY SCIENCE CENTER OF LOS ANGELES, a California nonprofit public benefit corporation, Tenant herein, have caused this Tenant Improvement Agreement to be executed as of the date of the attestation by the City Clerk.

Executed this 19th day
of December, 2012

CITY:

THE CITY OF LOS ANGELES, a municipal corporation, acting by and through its BOARD OF RECREATION AND PARK COMMISSIONERS

By

John Wilber Alvarado

PRESIDENT

By

Richard W. Hill

SECRETARY

Executed this 19th day
of December, 2012

TENANT:

DISCOVERY SCIENCE CENTER OF LOS ANGELES, a California non-profit public benefit corporation

By

Joe Adams
JOE ADAMS, Chairman of the Board

Approved as to Form:

Date: December 20, 2012
CARMEN A. TRUTANICH,
City Attorney

By

Donna Joyce Kelly

DEPUTY CITY ATTORNEY

ATTEST:

Date: Virginia Walmes
JUNE LAGMAY, City Clerk

By

1/4/13
DEPUTY CITY CLERK



Council File Number: 10-1658-S2 Date of Approval: December 14, 2012
Said Agreement is Number C-121656 of City Contracts

**ATTACHMENT NO. 1 TO IMPROVEMENTS AND EXHIBIT AGREEMENT
(EXHIBIT E TO LEASE)**

GRANTEE: Discovery Science Center of Los Angeles

**ASSIGNMENT OF ARCHITECT/DESIGNER/CONSTRUCTION CONTRACT
AND PLANS AND SPECIFICATIONS AND PERMITS
(With Architect/Designer/Construction contractor's Consent and Certificate)**

FOR GOOD AND VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, DSC LA, a California non profit corporation (the "Contractor"), as security for the obligations incurred and to be incurred by Contractor pursuant to the Lease and the Improvements and Exhibit Agreement executed between Contractor and the City of Los Angeles, a municipal corporation (the "City"), which is engaged in administering the lease between the Discovery and the City for the use, operation and maintenance of the Discovery Science Center of Los Angeles and the related Improvements and Exhibits Agreement, hereby assigns and transfers to the City, its successors and assigns, all of (1) Contractor's rights in and to those certain Plans and Specifications together with all amendments, modifications, supplements, general conditions and addenda thereto relating to the Site, prepared pursuant to the Lease and the Improvements and Exhibits Agreement (the "Plans") by Bill Caskey Assoc ("Architect/Designer/Construction contractor"), (2) Contractor's right, title and interest in that certain agreement dated Dec 2012 between Contractor and Architect/Designer/Construction contractor, a true and complete copy of which is attached hereto and incorporated herein by reference (the "Contract"), and (3) all permits to be obtained by or for the benefit of Contractor relating to the Plans or the Project ("Permits"). Architect/Designer/Construction contractor consents to this Assignment, and has executed the Consent and Certificate attached hereto and incorporated herein by this reference.

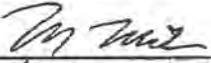
Neither this Assignment nor any action or actions on the part of the City shall constitute an assumption by the City of any of Contractor's obligations under the Contract unless and until the City shall have given written notice to Architect/Designer/Construction contractor of its election to complete construction of the Project following a default by Contractor under the Lease and the Improvements and Exhibit Agreement. Contractor shall continue to be liable for all obligations under the Contract and Contractor hereby agrees to perform each and all such obligations. In the event of a default under the under the Lease and the Improvements and Exhibit Agreement and Exhibit Agreement, the City may elect to reassign its rights to the Plans, the Permits and the specifications under the Contract to any person or entity selected by the City to complete the Project. Such person or entity shall succeed to all of the rights of Contractor thereunder without the necessity of any consent from Contractor or Architect/Designer and the City shall have no liability for any failure of such person or entity to perform the obligations under the Contract. Provided, however, that in the event the City reassigns its rights to the Plans to another person or entity, the Architect/Designer/Construction contractor's name

shall not be used in connection therewith unless the Architect/Designer/Construction contractor so approves in writing.

Contractor hereby represents and warrants to the City that (1) the Contract is in full force and effect with no defaults thereunder by either Contractor or Architect/Designer, (2) no event has occurred that would constitute a default under the Contract upon the giving of notice or the lapse of time or both, and (3) Contractor has made no previous assignment of, and Loaned no security interest in, its rights to the Plans, the Permits or the specifications under the Contract. Contractor agrees that (a) it will not assign, transfer or encumber its, rights to the Plans, the Permits or under the Contract so long as any obligation under the under the Lease and the Improvements and Exhibit Agreement and Exhibit Agreement remains unsatisfied, (b) it will not agree to any amendment of the Contract without the prior written consent of the City, (c) it will not terminate the Contract or accept a surrender thereof, or waive, excuse, condone or in any manner release or discharge Architect/Designer/Construction contractor of or from the obligations and agreements by Architect/Designer/Construction contractor to be performed thereunder, in the manner and at the place and time specified therein without the prior written consent of the City, and (d) it will indemnify the City against any liabilities, losses, costs and expenses, including reasonable attorneys' fees, which may be incurred by the City as a result of the exercise of its rights under this Assignment.

The City shall have the right at any time (but shall have no obligation) to take in its name or in the name of Contractor or otherwise such action as the City may at the time or from time to time determine to be necessary to cure any default under the Contract, to protect the rights of Contractor or the City thereunder, or enforce all rights of Contractor under the Contract. Contractor hereby irrevocably constitutes and appoints the City its true and lawful attorney in contractor's name or in the City's name or otherwise to take all such action. The exercise of the City's rights hereunder shall not constitute a waiver of any of the remedies of the City under the under the Lease and the Improvements and Exhibit Agreement and Exhibit Agreement or any other document or agreement or otherwise existing at law or otherwise.

Executed this 19th day of December, 2012.

Grantee	<u>DSCLA</u>
Signature	<u></u>
Print Name & Title	<u>Mike McGee, Vice Chairman</u>
Grantee (Borrower)	
Address	<u>11800 Foothill Blvd</u> <u>Los Angeles, CA 91342</u>

**ASSIGNMENT OF ARCHITECT/DESIGNER/CONSTRUCTION CONTRACT AND PLANS
AND SPECIFICATIONS AND PERMITS**

(With Architect/Designer/Construction contractor's Consent and Certificate)

(DISCOVERY SCIENCE CENTER OF LOS ANGELES PROJECT)

ARCHITECT/DESIGNER/CONSTRUCTION CONTRACTOR'S CONTRACT

[Follows this sheet]

**ASSIGNMENT OF ARCHITECT/DESIGNER/CONSTRUCTION CONTRACT
AND PLANS AND SPECIFICATIONS AND PERMITS
(With Architect/Designer/Construction contractor's Consent and Certificate)**

CONSENT AND CERTIFICATE

Pursuant to that certain assignment of Architect/Design/Construction Contract and Plans and Specifications and Permits (the "Assignment") executed by Discovery Center of Los Angeles, a California non-profit corporation ("Contractor") on December 19th 2012 the undersigned, as Architect/Designer/Construction contractor, hereby consents to the assignment by Contractor of the Plans (all defined terms herein shall have the meaning defined in the Assignment), the Permits and the Contract to the City of Los Angeles, a municipal corporation ("City"), and to each and all of the terms and conditions of such attached assignment and confirms to the City that (a) the Contract constitutes the entire agreement between the undersigned and Contractor relating to the Project, (b) the Contract is in full force and effect with no defaults thereunder, (c) no event has occurred that would constitute a default under the Contract upon the giving of notice or the lapse of time or both, (d) no material modification shall be made in the Contract without the prior written consent of the City, (e) the undersigned agrees to be bound by the provisions of the Lease and the Improvements and Exhibit Agreement restricting the ability of Contractor to make changes in the Plans without the prior written consent of the City, (f) the undersigned is not aware of any prior assignment of the Plans, the Permits or the Contract by Contractor, and (g) a complete copy of the Plans and all Permits will be delivered to the City. The undersigned agrees that in the event of any default by Contractor under the Contract, the undersigned will give written notice to the City thereof and the City shall have the right, but not the obligation, to cure said default within sixty (60) days from the City's receipt of such notice.

The undersigned further agrees that in the event the City becomes the owner of the Project, or undertakes to complete construction thereof, or assigns its rights to the Plans, the Permits and the specifications under the Contract to another person or entity, or otherwise requires the use of the Plans, the Permits and the specifications, the City, its successors and assigns are authorized to use the Plans, the Permits and the specifications without additional cost or expense beyond that stated in the Contract, all rights under the Contract otherwise exercisable by Contractor may be exercised by the City or such successor or assign, and the undersigned will perform its obligations in conformity with the Contract for the benefit of the City, its successors or assigns.

In order to induce the City to enter into the Lease and the Improvements and Exhibit Agreement and make the advances and/or payments contemplated therein, the undersigned certifies to the City as follows:

(a) As represented in the Plans, the Development will comply with (1) all statutes, rules, regulations and ordinances of all governmental agencies having jurisdiction over the Project, including, without limitation, those relating to zoning, building, pollution control and energy use; (2) all applicable covenants, conditions and restrictions affecting the Site and the Project, and (3) the requirements of the appropriate board of fire underwriters.

(b) Construction of the Project in accordance with the Plans will not result in any encroachment on any adjoining property or on any surface easement.

(c) The Plans will include (1) any recommendations contained in any soil or other geological test performed on the Site, and (2) parking for cars sufficient to meet the requirements of all applicable statutes, rules, regulations, ordinances, tract map conditions and leases.

(d) The undersigned is duly licensed to conduct its business in the jurisdiction where its services are to be performed and will maintain such license in full force and effect throughout the term of the Contract.

The City shall have the right at any time to use all plans, specifications and drawings from the Project prepared by or for the undersigned for the Project, including, without limitation, the Plans, and the ideas, designs and concepts contained therein, without payment of any additional fees or charges to the undersigned for such use.

The undersigned hereby assigns to the City all of the undersigned's right, title and interest in, to and under all subcontracts which are now or hereafter entered into by the undersigned in furtherance of its obligations under the Contract; provided, however, that until a default occurs by the undersigned under the Contract, the City shall not exercise any rights in the subcontracts which are hereby assigned.

The undersigned acknowledges that the City is relying on, among other things, the Consent, confirmations, agreements and assurances provided herein in entering into the Lease and the Improvements and Exhibit Agreement and agreeing to advance funds thereunder to Contractor for construction of the Project.

DATED: Executed this 19 day of DECEMBER 2012

BILL CASKEY + ASSOC
Architect/Designer/Construction contractor

Print Name: BILL CASKEY

Title: PRESIDENT

Company Name: _____

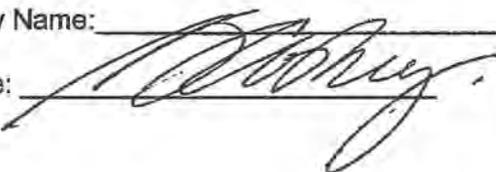
Signature: 

EXHIBIT F
STANDARD PROVISIONS FOR CITY CONTRACTS

To be included in final lease agreement

STANDARD PROVISIONS FOR CITY CONTRACTS

TABLE OF CONTENTS

PSC-1	<u>Construction of Provisions and Titles Herein</u>	1
PSC-2	<u>Applicable Law, Interpretation and Enforcement</u>	1
PSC-3	<u>Time of Effectiveness</u>	1
PSC-4	<u>Integrated Contract</u>	2
PSC-5	<u>Amendment</u>	2
PSC-6	<u>Excusable Delays</u>	2
PSC-7	<u>Waiver</u>	2
PSC-8	<u>Suspension</u>	3
PSC-9	<u>Termination</u>	3
PSC-10	<u>Independent Contractor</u>	5
PSC-11	<u>Contractor’s Personnel</u>	5
PSC-12	<u>Assignment and Delegation</u>	6
PSC-13	<u>Permits</u>	6
PSC-14	<u>Claims for Labor and Materials</u>	6
PSC-15	<u>Current Los Angeles City Business Tax Registration Certificate Required</u>	6
PSC-16	<u>Retention of Records, Audit and Reports</u>	6
PSC-17	<u>Bonds</u>	7
PSC-18	<u>Indemnification</u>	7
PSC-19	<u>Intellectual Property Indemnification</u>	7
PSC-20	<u>Intellectual Property Warranty</u>	8
PSC-21	<u>Ownership and License</u>	8
PSC-22	<u>Data Protection</u>	9

TABLE OF CONTENTS (Continued)

PSC-23	<u>Insurance</u>	9
PSC-24	<u>Best Terms</u>	10
PSC-25	<u>Warranty and Responsibility of Contractor</u>	10
PSC-26	<u>Mandatory Provisions Pertaining to Non-Discrimination in Employment</u>	10
PSC-27	<u>Child Support Assignment Orders</u>	10
PSC-28	<u>Living Wage Ordinance</u>	11
PSC-29	<u>Service Contractor Worker Retention Ordinance</u>	11
PSC-30	<u>Americans with Disabilities Act</u>	11
PSC-31	<u>Contractor Responsibility Ordinance</u>	11
PSC-32	<u>Business Inclusion Program</u>	11
PSC-33	<u>Slavery Disclosure Ordinance</u>	12
PSC-34	<u>First Source Hiring Ordinance</u>	12
PSC-35	<u>Local Business Preference Ordinance</u>	12
PSC-36	<u>Iran Contracting Act</u>	12
PSC-37	<u>Restrictions on Campaign Contributions in City Elections</u>	12
PSC-38	<u>Contractors' Use of Criminal History for Consideration of Employment Applications</u>	13
PSC-39	<u>Limitation of City's Obligation to Make Payment to Contractor</u>	13
PSC-40	<u>Compliance with Identity Theft Laws and Payment Card Data Security Standards</u>	13
PSC-41	<u>Compliance with California Public Resource Code 5164</u>	14
PSC-42	<u>Possessory Interests Tax</u>	14
PSC-43	<u>Confidentiality</u>	14
Exhibit 1	<u>Insurance Contractual Requirements</u>	15

STANDARD PROVISIONS FOR CITY CONTRACTS

PSC-1. Construction of Provisions and Titles Herein

All titles, subtitles, or headings in this Contract have been inserted for convenience, and shall not be deemed to affect the meaning or construction of any of the terms or provisions of this Contract. The language of this Contract shall be construed according to its fair meaning and not strictly for or against **CITY** or **CONTRACTOR**. The word "**CONTRACTOR**" includes the party or parties identified in this Contract. The singular shall include the plural and if there is more than one **CONTRACTOR**, unless expressly stated otherwise, their obligations and liabilities shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

PSC-2. Applicable Law, Interpretation and Enforcement

Each party's performance shall comply with all applicable laws of the United States of America, the State of California, and **CITY**, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing. This Contract shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. **CONTRACTOR** shall comply with new, amended, or revised laws, regulations, or procedures that apply to the performance of this Contract with no additional compensation paid to **CONTRACTOR**.

In any action arising out of this Contract, **CONTRACTOR** consents to personal jurisdiction, and agrees to bring all such actions, exclusively in state or federal courts located in Los Angeles County, California.

If any part, term or provision of this Contract is held void, illegal, unenforceable, or in conflict with any federal, state or local law or regulation, the validity of the remaining parts, terms or provisions of this Contract shall not be affected.

PSC-3. Time of Effectiveness

Unless otherwise provided, this Contract shall take effect when all of the following events have occurred:

- A. This Contract has been signed on behalf of **CONTRACTOR** by the person or persons authorized to bind **CONTRACTOR**;
- B. This Contract has been approved by the City Council or by the board, officer or employee authorized to give such approval;
- C. The Office of the City Attorney has indicated in writing its approval of this Contract as to form; and

- D. This Contract has been signed on behalf of **CITY** by the person designated by the City Council, or by the board, officer or employee authorized to enter into this Contract.

PSC-4. Integrated Contract

This Contract sets forth all of the rights and duties of the parties with respect to the subject matter of this Contract, and replaces any and all previous Contracts or understandings, whether written or oral, relating thereto. This Contract may be amended only as provided for in the provisions of PSC-5 hereof.

PSC-5. Amendment

All amendments to this Contract shall be in writing and signed and approved pursuant to the provisions of PSC-3.

PSC-6. Excusable Delays

Neither party shall be liable for its delay or failure to perform any obligation under and in accordance with this Contract, if the delay or failure arises out of fires, floods, earthquakes, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by the party or any of the party's Subcontractors), freight embargoes, terrorist acts, insurrections or other civil disturbances, or other similar events to those described above, but in each case the delay or failure to perform must be beyond the control and without any fault or negligence of the party delayed or failing to perform (these events are referred to in this provision as "Force Majeure Events").

Notwithstanding the foregoing, a delay or failure to perform by a Subcontractor of **CONTRACTOR** shall not constitute a Force Majeure Event, unless the delay or failure arises out of causes beyond the control of both **CONTRACTOR** and Subcontractor, and without any fault or negligence of either of them. In such case, **CONTRACTOR** shall not be liable for the delay or failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit **CONTRACTOR** to perform timely. As used in this Contract, the term "Subcontractor" means a subcontractor at any tier.

In the event **CONTRACTOR'S** delay or failure to perform arises out of a Force Majeure Event, **CONTRACTOR** agrees to use commercially reasonable best efforts to obtain the goods or services from other sources, and to otherwise mitigate the damages and reduce the delay caused by the Force Majeure Event.

PSC-7. Waiver

A waiver of a default of any part, term or provision of this Contract shall not be construed as a waiver of any succeeding default or as a waiver of the part, term or provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

PSC-8. Suspension

At **CITY'S** sole discretion, **CITY** may suspend any or all services provided under this Contract by providing **CONTRACTOR** with written notice of suspension. Upon receipt of the notice of suspension, **CONTRACTOR** shall immediately cease the services suspended and shall not incur any additional obligations, costs or expenses to **CITY** until **CITY** gives written notice to recommence the services.

PSC-9. Termination

A. Termination for Convenience

CITY may terminate this Contract for **CITY'S** convenience at any time by providing **CONTRACTOR** thirty days written notice. Upon receipt of the notice of termination, **CONTRACTOR** shall immediately take action not to incur any additional obligations, costs or expenses, except as may be necessary to terminate its activities. **CITY** shall pay **CONTRACTOR** its reasonable and allowable costs through the effective date of termination and those reasonable and necessary costs incurred by **CONTRACTOR** to effect the termination. Thereafter, **CONTRACTOR** shall have no further claims against **CITY** under this Contract. All finished and unfinished documents and materials procured for or produced under this Contract, including all intellectual property rights **CITY** is entitled to, shall become **CITY** property upon the date of the termination. **CONTRACTOR** agrees to execute any documents necessary for **CITY** to perfect, memorialize, or record **CITY'S** ownership of rights provided herein.

B. Termination for Breach of Contract

1. Except as provided in PSC-6, if **CONTRACTOR** fails to perform any of the provisions of this Contract or so fails to make progress as to endanger timely performance of this Contract, **CITY** may give **CONTRACTOR** written notice of the default. **CITY'S** default notice will indicate whether the default may be cured and the time period to cure the default to the sole satisfaction of **CITY**. Additionally, **CITY'S** default notice may offer **CONTRACTOR** an opportunity to provide **CITY** with a plan to cure the default, which shall be submitted to **CITY** within the time period allowed by **CITY**. At **CITY'S** sole discretion, **CITY** may accept or reject **CONTRACTOR'S** plan. If the default cannot be cured or if **CONTRACTOR** fails to cure within the period allowed by **CITY**, then **CITY** may terminate this Contract due to **CONTRACTOR'S** breach of this Contract.
2. If the default under this Contract is due to **CONTRACTOR'S** failure to maintain the insurance required under this Contract, **CONTRACTOR** shall immediately: (1) suspend performance of any services under this Contract for which insurance was required; and (2) notify its employees and Subcontractors of the loss of insurance

coverage and Contractor's obligation to suspend performance of services. **CONTRACTOR** shall not recommence performance until **CONTRACTOR** is fully insured and in compliance with **CITY'S** requirements.

3. If a federal or state proceeding for relief of debtors is undertaken by or against **CONTRACTOR**, or if **CONTRACTOR** makes an assignment for the benefit of creditors, then **CITY** may immediately terminate this Contract.
4. If **CONTRACTOR** engages in any dishonest conduct related to the performance or administration of this Contract or violates **CITY'S** laws, regulations or policies relating to lobbying, then **CITY** may immediately terminate this Contract.
5. Acts of Moral Turpitude
 - a. **CONTRACTOR** shall immediately notify **CITY** if **CONTRACTOR** or any Key Person, as defined below, is charged with, indicted for, convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to, any act which constitutes an offense involving moral turpitude under federal, state, or local laws ("Act of Moral Turpitude").
 - b. If **CONTRACTOR** or a Key Person is convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to, an Act of Moral Turpitude, **CITY** may immediately terminate this Contract.
 - c. If **CONTRACTOR** or a Key Person is charged with or indicted for an Act of Moral Turpitude, **CITY** may terminate this Contract after providing **CONTRACTOR** an opportunity to present evidence of **CONTRACTOR'S** ability to perform under the terms of this Contract.
 - d. Acts of Moral Turpitude include, but are not limited to: violent felonies as defined by Penal Code Section 667.5, crimes involving weapons, crimes resulting in serious bodily injury or death, serious felonies as defined by Penal Code Section 1192.7, and those crimes referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2); in addition to and including acts of murder, rape, sexual assault, robbery, kidnapping, human trafficking, pimping, voluntary manslaughter, aggravated assault, assault on a peace officer, mayhem, fraud, domestic abuse, elderly

abuse, and child abuse, regardless of whether such acts are punishable by felony or misdemeanor conviction.

- e. For the purposes of this provision, a Key Person is a principal, officer, or employee assigned to this Contract, or owner (directly or indirectly, through one or more intermediaries) of ten percent or more of the voting power or equity interests of **CONTRACTOR**.
6. In the event **CITY** terminates this Contract as provided in this section, **CITY** may procure, upon such terms and in the manner as **CITY** may deem appropriate, services similar in scope and level of effort to those so terminated, and **CONTRACTOR** shall be liable to **CITY** for all of its costs and damages, including, but not limited to, any excess costs for such services.
 7. If, after notice of termination of this Contract under the provisions of this section, it is determined for any reason that **CONTRACTOR** was not in default under the provisions of this section, or that the default was excusable under the terms of this Contract, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to PSC-9(A) Termination for Convenience.
 8. The rights and remedies of **CITY** provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.
- C. In the event that this Contract is terminated, **CONTRACTOR** shall immediately notify all employees and Subcontractors, and shall notify in writing all other parties contracted with under the terms of this Contract within five working days of the termination.

PSC-10. Independent Contractor

CONTRACTOR is an independent contractor and not an agent or employee of **CITY**. **CONTRACTOR** shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of **CITY**.

PSC-11. Contractor's Personnel

Unless otherwise approved by **CITY**, **CONTRACTOR** shall use its own employees to perform the services described in this Contract. **CITY** has the right to review and approve any personnel who are assigned to work under this Contract. **CONTRACTOR** shall remove personnel from performing work under this Contract if requested to do so by **CITY**.

CONTRACTOR shall not use Subcontractors to assist in performance of this Contract without the prior written approval of **CITY**. If **CITY** permits the use of Subcontractors,

CONTRACTOR shall remain responsible for performing all aspects of this Contract and paying all Subcontractors. **CITY** has the right to approve **CONTRACTOR'S** Subcontractors, and **CITY** reserves the right to request replacement of any Subcontractor. **CITY** does not have any obligation to pay **CONTRACTOR'S** Subcontractors, and nothing herein creates any privity of contract between **CITY** and any Subcontractor.

PSC-12. Assignment and Delegation

CONTRACTOR may not, unless it has first obtained the written permission of **CITY**:

- A. Assign or otherwise alienate any of its rights under this Contract, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties under this Contract.

PSC-13. Permits

CONTRACTOR and its directors, officers, partners, agents, employees, and Subcontractors, shall obtain and maintain all licenses, permits, certifications and other documents necessary for **CONTRACTOR'S** performance of this Contract. **CONTRACTOR** shall immediately notify **CITY** of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents that relate to **CONTRACTOR'S** performance of this Contract.

PSC-14. Claims for Labor and Materials

CONTRACTOR shall promptly pay when due all amounts owed for labor and materials furnished in the performance of this Contract so as to prevent any lien or other claim under any provision of law from arising against any **CITY** property (including reports, documents, and other tangible or intangible matter produced by **CONTRACTOR** hereunder), and shall pay all amounts due under the Unemployment Insurance Act or any other applicable law with respect to labor used to perform under this Contract.

PSC-15. Current Los Angeles City Business Tax Registration Certificate Required

For the duration of this Contract, **CONTRACTOR** shall maintain valid Business Tax Registration Certificate(s) as required by **CITY'S** Business Tax Ordinance, Section 21.00 *et seq.* of the Los Angeles Municipal Code ("LAMC"), and shall not allow the Certificate to lapse or be revoked or suspended.

PSC-16. Retention of Records, Audit and Reports

CONTRACTOR shall maintain all records, including records of financial transactions, pertaining to the performance of this Contract, in their original form or as otherwise approved by **CITY**. These records shall be retained for a period of no less than three years from the later of the following: (1) final payment made by **CITY**, (2) the expiration

of this Contract or (3) termination of this Contract. The records will be subject to examination and audit by authorized **CITY** personnel or **CITY'S** representatives at any time. **CONTRACTOR** shall provide any reports requested by **CITY** regarding performance of this Contract. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

In lieu of retaining the records for the term as prescribed in this provision, **CONTRACTOR** may, upon **CITY'S** written approval, submit the required information to **CITY** in an electronic format, e.g. USB flash drive, at the expiration or termination of this Contract.

PSC-17. Bonds

All bonds required by **CITY** shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Los Angeles Administrative Code ("LAAC") Sections 11.47 *et seq.*, as amended from time to time.

PSC-18. Indemnification

Except for the gross negligence or willful misconduct of **CITY**, or any of its boards, officers, agents, employees, assigns and successors in interest, **CONTRACTOR** shall defend, indemnify and hold harmless **CITY** and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by **CITY**, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including **CONTRACTOR'S** employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of an act, error, or omission by **CONTRACTOR**, Subcontractors, or their boards, officers, agents, employees, assigns, and successors in interest. The rights and remedies of **CITY** provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract. This provision will survive expiration or termination of this Contract.

PSC-19. Intellectual Property Indemnification

CONTRACTOR, at its own expense, shall defend, indemnify, and hold harmless the **CITY**, and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by **CITY**, including but not limited to, costs of experts and consultants), damages or liability of any nature arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity, and proprietary information: (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by **CONTRACTOR**, or its Subcontractors, in performing the work under

this Contract; or (2) as a result of **CITY'S** actual or intended use of any Work Product (as defined in PSC-21) furnished by **CONTRACTOR**, or its Subcontractors, under this Contract. The rights and remedies of **CITY** provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract. This provision will survive expiration or termination of this Contract.

PSC-20. Intellectual Property Warranty

CONTRACTOR represents and warrants that its performance of all obligations under this Contract does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity and proprietary information.

PSC-21. Ownership and License

Unless otherwise provided for herein, all finished and unfinished works, tangible or not, created under this Contract including, without limitation, documents, materials, data, reports, manuals, specifications, artwork, drawings, sketches, blueprints, studies, memoranda, computation sheets, computer programs and databases, schematics, photographs, video and audiovisual recordings, sound recordings, marks, logos, graphic designs, notes, websites, domain names, inventions, processes, formulas, matters and combinations thereof, and all forms of intellectual property originated and prepared by **CONTRACTOR** or its Subcontractors under this Contract (each a "Work Product"; collectively "Work Products") shall be and remain the exclusive property of **CITY** for its use in any manner **CITY** deems appropriate. **CONTRACTOR** hereby assigns to **CITY** all goodwill, copyright, trademark, patent, trade secret and all other intellectual property rights worldwide in any Work Products originated and prepared under this Contract. **CONTRACTOR** further agrees to execute any documents necessary for **CITY** to perfect, memorialize, or record **CITY'S** ownership of rights provided herein.

CONTRACTOR agrees that a monetary remedy for breach of this Contract may be inadequate, impracticable, or difficult to prove and that a breach may cause **CITY** irreparable harm. **CITY** may therefore enforce this requirement by seeking injunctive relief and specific performance, without any necessity of showing actual damage or irreparable harm. Seeking injunctive relief or specific performance does not preclude **CITY** from seeking or obtaining any other relief to which **CITY** may be entitled.

For all Work Products delivered to **CITY** that are not originated or prepared by **CONTRACTOR** or its Subcontractors under this Contract, **CONTRACTOR** shall secure a grant, at no cost to **CITY**, for a non-exclusive perpetual license to use such Work Products for any **CITY** purposes.

CONTRACTOR shall not provide or disclose any Work Product to any third party without prior written consent of **CITY**.

Any subcontract entered into by **CONTRACTOR** relating to this Contract shall include this provision to contractually bind its Subcontractors performing work under this Contract

such that **CITY'S** ownership and license rights of all Work Products are preserved and protected as intended herein.

PSC-22. Data Protection

- A. **CONTRACTOR** shall protect, using the most secure means and technology that is commercially available, **CITY**-provided data or consumer-provided data acquired in the course and scope of this Contract, including but not limited to customer lists and customer credit card or consumer data, (collectively, the "City Data"). **CONTRACTOR** shall notify **CITY** in writing as soon as reasonably feasible, and in any event within twenty-four hours, of **CONTRACTOR'S** discovery or reasonable belief of any unauthorized access of City Data (a "Data Breach"), or of any incident affecting, or potentially affecting City Data related to cyber security (a "Security Incident"), including, but not limited to, denial of service attack, and system outage, instability or degradation due to computer malware or virus. **CONTRACTOR** shall begin remediation immediately. **CONTRACTOR** shall provide daily updates, or more frequently if required by **CITY**, regarding findings and actions performed by **CONTRACTOR** until the Data Breach or Security Incident has been effectively resolved to **CITY'S** satisfaction. **CONTRACTOR** shall conduct an investigation of the Data Breach or Security Incident and shall share the report of the investigation with **CITY**. At **CITY'S** sole discretion, **CITY** and its authorized agents shall have the right to lead or participate in the investigation. **CONTRACTOR** shall cooperate fully with **CITY**, its agents and law enforcement.
- B. If **CITY** is subject to liability for any Data Breach or Security Incident, then **CONTRACTOR** shall fully indemnify and hold harmless **CITY** and defend against any resulting actions.

PSC-23. Insurance

During the term of this Contract and without limiting **CONTRACTOR'S** obligation to indemnify, hold harmless and defend **CITY**, **CONTRACTOR** shall provide and maintain at its own expense a program of insurance having the coverages and limits not less than the required amounts and types as determined by the Office of the City Administrative Officer of Los Angeles, Risk Management (template Form General 146 in Exhibit 1 hereto). The insurance must: (1) conform to **CITY'S** requirements; (2) comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 1 hereto); and (3) otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. **CONTRACTOR** shall comply with all Insurance Contractual Requirements shown on Exhibit 1 hereto. Exhibit 1 is hereby incorporated by reference and made a part of this Contract.

PSC-24. Best Terms

Throughout the term of this Contract, **CONTRACTOR**, shall offer **CITY** the best terms, prices, and discounts that are offered to any of **CONTRACTOR'S** customers for similar goods and services provided under this Contract.

PSC-25. Warranty and Responsibility of Contractor

CONTRACTOR warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within **CONTRACTOR'S** profession, doing the same or similar work under the same or similar circumstances.

PSC-26. Mandatory Provisions Pertaining to Non-Discrimination in Employment

Unless otherwise exempt, this Contract is subject to the applicable non-discrimination, equal benefits, equal employment practices, and affirmative action program provisions in LAAC Section 10.8 et seq., as amended from time to time.

- A. **CONTRACTOR** shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and **CITY**. In performing this Contract, **CONTRACTOR** shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status or medical condition.
- B. The requirements of Section 10.8.2.1 of the LAAC, the Equal Benefits Ordinance, and the provisions of Section 10.8.2.1(f) are incorporated and made a part of this Contract by reference.
- C. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of this Contract by reference and will be known as the "Equal Employment Practices" provisions of this Contract.
- D. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this Contract by reference and will be known as the "Affirmative Action Program" provisions of this Contract.

Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-27. Child Support Assignment Orders

CONTRACTOR shall comply with the Child Support Assignment Orders Ordinance, Section 10.10 of the LAAC, as amended from time to time. Pursuant to Section 10.10(b) of the LAAC, **CONTRACTOR** shall fully comply with all applicable State and Federal

employment reporting requirements. Failure of **CONTRACTOR** to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment or Notices of Assignment, or the failure of any principal owner(s) of **CONTRACTOR** to comply with any Wage and Earnings Assignment or Notices of Assignment applicable to them personally, shall constitute a default by the **CONTRACTOR** under this Contract. Failure of **CONTRACTOR** or principal owner to cure the default within 90 days of the notice of default will subject this Contract to termination for breach. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-28. Living Wage Ordinance

CONTRACTOR shall comply with the Living Wage Ordinance, LAAC Section 10.37 *et seq.*, as amended from time to time. **CONTRACTOR** further agrees that it shall comply with federal law proscribing retaliation for union organizing. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-29. Service Contractor Worker Retention Ordinance

CONTRACTOR shall comply with the Service Contractor Worker Retention Ordinance, LAAC Section 10.36 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-30. Americans with Disabilities Act

CONTRACTOR shall comply with the Americans with Disabilities Act, 42 U.S.C. Section 12101 *et seq.*, and its implementing regulations.

PSC-31. Contractor Responsibility Ordinance

CONTRACTOR shall comply with the Contractor Responsibility Ordinance, LAAC Section 10.40 *et seq.*, as amended from time to time.

PSC-32. Business Inclusion Program

Unless otherwise exempted prior to bid submission, **CONTRACTOR** shall comply with all aspects of the Business Inclusion Program as described in the Request for Proposal/Qualification process, throughout the duration of this Contract. **CONTRACTOR** shall utilize the Business Assistance Virtual Network (“BAVN”) at <https://www.labavn.org/>, to perform and document outreach to Minority, Women, and Other Business Enterprises. **CONTRACTOR** shall perform subcontractor outreach activities through BAVN. **CONTRACTOR** shall not change any of its designated Subcontractors or pledged specific items of work to be performed by these Subcontractors, nor shall **CONTRACTOR** reduce their level of effort, without prior written approval of **CITY**.

PSC-33. Slavery Disclosure Ordinance

CONTRACTOR shall comply with the Slavery Disclosure Ordinance, LAAC Section 10.41 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-34. First Source Hiring Ordinance

CONTRACTOR shall comply with the First Source Hiring Ordinance, LAAC Section 10.44 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-35. Local Business Preference Ordinance

CONTRACTOR shall comply with the Local Business Preference Ordinance, LAAC Section 10.47 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-36. Iran Contracting Act

In accordance with California Public Contract Code Sections 2200-2208, all contractors entering into, or renewing contracts with **CITY** for goods and services estimated at \$1,000,000 or more are required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit."

PSC-37. Restrictions on Campaign Contributions and Fundraising in City Elections

Unless otherwise exempt, if this Contract is valued at \$100,000 or more and requires approval by an elected **CITY** office, **CONTRACTOR**, **CONTRACTOR'S** principals, and **CONTRACTOR'S** Subcontractors expected to receive at least \$100,000 for performance under the Contract, and the principals of those Subcontractors (the "Restricted Persons") shall comply with Charter Section 470(c)(12) and LAMC Section 49.7.35. Failure to comply entitles **CITY** to terminate this Contract and to pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected **CITY** officials or candidates for elected **CITY** office for twelve months after this Contract is signed. Additionally, a **CONTRACTOR** subject to Charter Section 470(c)(12) is required to comply with disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. Any **CONTRACTOR** subject to Charter Section 470(c)(12) shall include the following notice in any contract with any Subcontractor expected to receive at least \$100,000 for performance under this Contract:

"Notice Regarding Restrictions on Campaign Contributions and Fundraising
in City Elections

You are a subcontractor on City of Los Angeles Contract

#_____. Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles (“**CITY**”) officials and candidates for elected **CITY** office for twelve months after the **CITY** contract is signed. You are required to provide the names and contact information of your principals to the **CONTRACTOR** and to amend that information within ten business days if it changes during the twelve month time period. Failure to comply may result in termination of this Contract and any other available legal remedies. Information about the restrictions may be found online at ethics.lacity.org or by calling the Los Angeles City Ethics Commission at (213) 978-1960.”

PSC-38. Contractors’ Use of Criminal History for Consideration of Employment Applications

CONTRACTOR shall comply with the City Contractors’ Use of Criminal History for Consideration of Employment Applications Ordinance, LAAC Section 10.48 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-39. Limitation of City’s Obligation to Make Payment to Contractor

Notwithstanding any other provision of this Contract, including any exhibits or attachments incorporated therein, and in order for **CITY** to comply with its governing legal requirements, **CITY** shall have no obligation to make any payments to **CONTRACTOR** unless **CITY** shall have first made an appropriation of funds equal to or in excess of its obligation to make any payments as provided in this Contract. **CONTRACTOR** agrees that any services provided by **CONTRACTOR**, purchases made by **CONTRACTOR** or expenses incurred by **CONTRACTOR** in excess of the appropriation(s) shall be free and without charge to **CITY** and **CITY** shall have no obligation to pay for the services, purchases or expenses. **CONTRACTOR** shall have no obligation to provide any services, provide any equipment or incur any expenses in excess of the appropriated amount(s) until **CITY** appropriates additional funds for this Contract.

PSC-40. Compliance with Identity Theft Laws and Payment Card Data Security Standards

CONTRACTOR shall comply with all identity theft laws including without limitation, laws related to: (1) payment devices; (2) credit and debit card fraud; and (3) the Fair and Accurate Credit Transactions Act (“FACTA”), including its requirement relating to the content of transaction receipts provided to Customers. **CONTRACTOR** also shall comply with all requirements related to maintaining compliance with Payment Card Industry Data Security Standards (“PCI DSS”). During the performance of any service to install, program or update payment devices equipped to conduct credit or debit card transactions, including PCI DSS services, **CONTRACTOR** shall verify proper truncation of receipts in compliance with FACTA.

PSC-41. Compliance with California Public Resources Code Section 5164

California Public Resources Code Section 5164 prohibits a public agency from hiring a person for employment or as a volunteer to perform services at any park, playground, or community center used for recreational purposes in a position that has supervisory or disciplinary authority over any minor, if the person has been convicted of certain crimes as referenced in the Penal Code, and articulated in California Public Resources Code Section 5164(a)(2).

If applicable, **CONTRACTOR** shall comply with California Public Resources Code Section 5164, and shall additionally adhere to all rules and regulations that have been adopted or that may be adopted by **CITY**. **CONTRACTOR** is required to have all employees, volunteers and Subcontractors (including all employees and volunteers of any Subcontractor) of **CONTRACTOR** working on premises to pass a fingerprint and background check through the California Department of Justice at **CONTRACTOR'S** sole expense, indicating that such individuals have never been convicted of certain crimes as referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2), if the individual will have supervisory or disciplinary authority over any minor.

PSC-42. Possessory Interests Tax

Rights granted to **CONTRACTOR** by **CITY** may create a possessory interest. **CONTRACTOR** agrees that any possessory interest created may be subject to California Revenue and Taxation Code Section 107.6 and a property tax may be levied on that possessory interest. If applicable, **CONTRACTOR** shall pay the property tax. **CONTRACTOR** acknowledges that the notice required under California Revenue and Taxation Code Section 107.6 has been provided.

PSC-43. Confidentiality

All documents, information and materials provided to **CONTRACTOR** by **CITY** or developed by **CONTRACTOR** pursuant to this Contract (collectively "Confidential Information") are confidential. **CONTRACTOR** shall not provide or disclose any Confidential Information or their contents or any information therein, either orally or in writing, to any person or entity, except as authorized by **CITY** or as required by law. **CONTRACTOR** shall immediately notify **CITY** of any attempt by a third party to obtain access to any Confidential Information. This provision will survive expiration or termination of this Contract.

EXHIBIT 1

INSTRUCTIONS AND INFORMATION ON COMPLYING WITH CITY INSURANCE REQUIREMENTS

(Share this information with your insurance agent or broker)

1. **Agreement/Reference** All evidence of insurance should identify the nature of your business with the **CITY**. Clearly show any assigned number of a bid, contract, lease, permit, etc. or give the project name and the job site or street address to ensure that your submission will be properly credited. Provide the **types of coverage and minimum dollar amounts** specified on the Required Insurance and Minimum Limits sheet (Form Gen. 146) as determined in writing by the CAO-RM.

2. **When to submit** Normally, no work may begin until a **CITY** insurance certificate approval number ("CA number") has been obtained, so insurance documents should be submitted as early as practicable. For **As-needed Contracts**, insurance need not be submitted until a specific job has been awarded. **Design Professionals** coverage for new construction work may be submitted simultaneously with final plans and drawings, but before construction commences.

Submitting your documents. **Track4LA**[®] is the **CITY'S** online insurance compliance system and is designed to make the experience of submitting and retrieving insurance information quick and easy. The system is designed to be used by insurance brokers and agents as they submit client insurance certificates directly to the **CITY**. It uses the standard insurance industry form known as the **ACORD 25 Certificate of Liability Insurance** in electronic format. **Track4LA**[®] advantages include standardized, universally accepted forms, paperless approval transactions (24 hours, 7 days per week), and security checks and balances. The easiest and quickest way to obtain approval of your insurance is to have your insurance broker or agent access **Track4LA**[®] at <http://track4la.lacity.org> and follow the instructions to register and submit the appropriate proof of insurance on your behalf.

Insurance industry certificates other than the ACORD 25 may be accepted, however ***submissions other than through Track4LA[®] will significantly delay the insurance approval process as documents will have to be manually processed.*** **CONTRACTOR must provide CITY** a thirty day notice of cancellation (ten days for non-payment of premium) AND an Additional Insured Endorsement naming the **CITY** an additional insured completed by your insurance company or its designee. If the policy includes an automatic or blanket additional insured endorsement, the Certificate must state the **CITY** is an automatic or blanket additional insured. An endorsement naming the **CITY** an Additional Named Insured and Loss Payee as Its Interests May Appear is required on property policies. All evidence of insurance must be authorized by a person with authority to bind coverage, whether that is the authorized agent/broker or insurance underwriter. Completed **Insurance Industry Certificates other than ACORD 25 Certificates** are sent electronically to CAO.insurance.bonds@lacity.org.

Additional Insured Endorsements DO NOT apply to the following:

- Indication of compliance with statute, such as Workers' Compensation Law.
- Professional Liability insurance.

Verification of approved insurance and bonds may be obtained by checking **Track4LA**[®], the **CITY'S** online insurance compliance system, at <http://track4la.lacity.org>.

4. **Renewal** When an existing policy is renewed, have your insurance broker or agent submit a new Acord 25 Certificate or edit the existing Acord 25 Certificate through **Track4LA**[®] at <http://track4la.lacity.org>.

5. **Alternative Programs/Self-Insurance** Risk financing mechanisms such as Risk Retention Groups, Risk Purchasing Groups, off-shore carriers, captive insurance programs and self-insurance programs are subject to separate approval after the **CITY** has reviewed the relevant audited financial statements. To initiate a review of your program, you should complete the Applicant's Declaration of Self Insurance form (<http://cao.lacity.org/risk/InsuranceForms.htm>) to the CAO-RM for consideration.

6. **General Liability** insurance covering your operations (and products, where applicable) is required whenever the **CITY** is at risk of third-party claims which may arise out of your work or your presence or special event on City premises. **Sexual Misconduct** coverage is a required coverage when the work performed involves minors. **Fire Legal Liability** is required for persons occupying a portion of **CITY** premises. Information on two **CITY** insurance programs, the SPARTA program, an optional source of low-cost insurance which meets the most minimum requirements, and the Special Events Liability Insurance Program, which provides liability coverage for short-term special events on **CITY** premises or streets, is available at (www.2sparta.com), or by calling (800) 420-0555.

7. **Automobile Liability** insurance is required only when vehicles are used in performing the work of your Contract or when they are driven off-road on **CITY** premises; it is not required for simple commuting unless **CITY** is paying mileage. However, compliance with California law requiring auto liability insurance is a contractual requirement.

8. **Errors and Omissions** coverage will be specified on a project-by-project basis if you are working as a licensed or other professional. The length of the claims discovery period required will vary with the circumstances of the individual job.

9. **Workers' Compensation and Employer's Liability** insurance are not required for single-person contractors. However, under state law these coverages (or a copy of the state's Consent To Self Insure) must be provided if you have any employees at any time during the period of this contract. Contractors with no employees must complete a Request for Waiver of Workers' Compensation Insurance Requirement (<http://cao.lacity.org/risk/InsuranceForms.htm>). **A Waiver of Subrogation** on the coverage is required only for jobs where your employees are working on **CITY** premises under hazardous conditions, e.g., uneven terrain, scaffolding, caustic chemicals, toxic materials, power tools, etc. The Waiver of Subrogation waives the insurer's right to recover (from the **CITY**) any workers' compensation paid to an injured employee of the contractor.

10. **Property** insurance is required for persons having exclusive use of premises or equipment owned or controlled by the **CITY**. **Builder's Risk/Course of Construction** is required during construction projects and should include building materials in transit and stored at the project site.

11. **Surety** coverage may be required to guarantee performance of work and payment to vendors and suppliers. A **Crime Policy** may be required to handle **CITY** funds or securities, and under certain other conditions. **Specialty coverages** may be needed for certain operations. For assistance in obtaining the **CITY** required bid, performance and payment surety bonds, please see the City of Los Angeles Bond Assistance Program website address at <http://cao.lacity.org/risk/BondAssistanceProgram.pdf> or call (213) 258-3000 for more information.

12. **Cyber Liability & Privacy** coverage may be required to cover technology services or products for both liability and property losses that may result when a **CITY** contractor engages in various electronic activities, such as selling on the Internet or collecting data within its internal electronic network. **CONTRACTOR'S** policies shall cover liability for a data breach in which the **CITY** employees' and/or **CITY** customers' confidential or personal information, such as but not limited to, Social Security or credit card information are exposed or stolen by a hacker or other criminal who has gained access to the **CITY'S** or **CONTRACTOR'S** electronic network. The policies shall cover a variety of expenses associated with data breaches, including: notification costs, credit monitoring, costs to defend claims by state regulators, fines and penalties, and loss resulting from identity theft. The policies are required to cover liability arising from website media content, as well as property exposures from: (a) business interruption, (b) data loss/destruction, (c) computer fraud, (d) funds transfer loss, and (e) cyber extortion.

EXHIBIT G
MEMORANDUM OF LEASE BETWEEN THE CITY OF LOS ANGELES
(DEPARTMENT OF RECREATION AND PARKS) AND DISCOVERY SCIENCE
CENTER LOS ANGELES (DSCLA)

MEMORANDUM OF LEASE

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

CITY OF LOS ANGELES
DEPARTMENT OF GENERAL SERVICES
c/o Office of the City Attorney
Carmen A. Trutanich, City Attorney
Annette Bogna, Deputy City Attorney
Real Property/Environment Division
700 City Hall East
200 North Main Street
Los Angeles, California 90012

Free recording in accordance with
California Government Code section 6103

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memorandum") is made as of the date of attestation by the City Clerk of the City of Los Angeles of page 2 of this Memorandum, by and between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners, as Landlord ("CITY") and Discovery Science Center of Los Angeles, a California nonprofit public corporation ("DSCLA"), with a principal mailing address at 11800 Foothill Blvd, Los Angeles, California, as Tenant, who agree as follows:

1. **Term and Premises.** CITY leases to DSCLA, and DSCLA leases from CITY, the real property located in the City of Los Angeles, County of Los Angeles, State of California, described as:

Lot 1, Tract No. 1578, as per map recorded in Book 349, pages 39, of Maps, in the office of the County Recorder of Los Angeles County, excepting therefrom those portions within public streets and subject to all easements of record, commonly known as the Hansen Dam Recreation Area, together with the additional real estate described on Exhibit A attached hereto and incorporated herein, for a term of Thirty (30) Years, commencing on or about the date of this Memorandum on the provisions of the lease between the parties, which lease ("Lease") is dated on the same date as this Memorandum. These provisions are incorporated into this Memorandum by reference.

2. **Provisions Binding on DSCLA.** The provisions of the Lease to be performed by DSCLA, whether affirmative or negative in nature, are intended to and shall bind Tenant and its successors and assigns at any time, and shall inure to the benefit of CITY and its successors and assigns.



3. **Provisions Binding on CITY.** The provisions of the Lease to be performed by CITY, whether affirmative or negative in nature, are intended to and shall bind CITY and its successors and assigns at any time, and shall inure to the benefit of DSCLA and its successors and assigns.

4. **Purpose of Memorandum.** This Memorandum is prepared for the purpose of recordation, and it in no way modifies the provisions of the Lease.

5. **Reference to Lease for All Purposes.** Reference is hereby made to the entire Lease for any and all purposes. A true copy of the Lease is on file with the City Clerk of the City of Los Angeles, whose office is Room 360, City Hall, 200 North Spring Street, Los Angeles, California 90012.

APPROVED AS TO FORM AND LEGALITY:
CARMEN A. TRUTANICH, City Attorney

By: Deputy City Attorney

DATE: _____

CITY:
CITY OF LOS ANGELES, a municipal corporation, acting by and through its BOARD OF RECREATION AND PARK COMMISSIONERS:

By: President

By: Secretary

DATE: _____

ATTEST:
JUNE LAGMAY, City Clerk

By: Deputy

DATE: _____

TENANT:
DISCOVERY SCIENCE CENTER OF LOS ANGELES, a California nonprofit public benefit corporation

By
Joe Adams, Chairman of the Board

DATE: _____

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Los Angeles, County of Los Angeles, State of California, described as follows:

PARCEL 1:

LOT 1, TRACT NO. 15781, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 349, PAGE 39 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPTING ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS IN, UNDER AND RECOVERABLE FROM THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT THE RIGHT TO ENTER, DRILL OR PENETRATE IN OR UPON THE SURFACE OF SAID REAL PROPERTY OR WITHIN 500 FEET BELOW THE SURFACE THEREOF FOR THE PURPOSES OF REMOVING SAID CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS, AS EXCEPTED AND RESERVED BY HAYDEN D. HAMILTON AND PATTY M. HAMILTON, CO-TRUSTEES OF THE HAMILTON FAMILY TRUST DATED NOVEMBER 29, 1988, IN A DEED RECORDED APRIL 6, 1990 AS INSTRUMENT NO. 90-656691 OFFICIAL RECORDS.

APN: 2528-002-901 AND 2528-002-902

PARCEL 2A:

THAT PORTION OF BLOCK 60 OF THE MACLAY RANCHO EX MISSION DE SAN FERNANDO, IN THE CITY OF LOS ANGELES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 37, PAGE 5 ET SEQ, OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY LINE OF SAID BLOCK WITH THE NORTHEASTERLY LINE OF THE LAND DESCRIBED IN PARCEL NO. 250 IN NOTICE OF ACTION, SUPERIOR COURT CASE NO. 446404, RECORDED IN BOOK 17037 PAGE 173, OFFICIAL RECORDS OF SAID COUNTY, SAID POINT BEING DISTANT NORTHEASTERLY ALONG SAID NORTHWEST LINE, 376.90 FEET, MORE OR LESS, FROM THE MOST WESTERLY CORNER OF SAID BLOCK; THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE 178.35 FEET, MORE OR LESS, TO THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED IN DEED TO THE SOUTHERN CALIFORNIA EDISON COMPANY, RECORDED IN BOOK 3911 PAGE 243, OFFICIAL RECORDS; THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE 345.49 FEET, MORE OR LESS, TO THE SOUTHEASTERLY LINE OF THE LAND DESCRIBED IN DEED TO CHARLOTTE EMMA EVELINE SWIFT, RECORDED IN BOOK 754 PAGE 323, OFFICIAL RECORDS; THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY LINE, 178.35 FEET, MORE OR LESS, TO THE NORTHEASTERLY LINE OF THE LAND DESCRIBED IN SAID NOTICE OF ACTION; THENCE NORTHWESTERLY ALONG SAID NORTHEASTERLY LINE 345.49 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ANY PORTION LYING WITHIN FOOTHILL BOULEVARD.

APN: A PORTION OF 2528-002-900

PARCEL 2B:

THAT PORTION OF THAT CERTAIN PARCEL OF LAND IN BLOCK 59 OF THE MACLAY RANCHO EX MISSION OF SAN FERNANDO, AS SHOWN ON A MAP RECORDED IN BOOK 37, PAGE 5 TO 16

INCLUSIVE OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, LYING SOUTHERLY OF THE FOLLOWING DESCRIBED LINE;

BEGINNING AT A POINT IN THE CENTERLINE OF FOOTHILL BOULEVARD, 60 FEET WIDE, SHOWN AS STREET ON SAID MAP, DISTANT NORTH 41° 15' 28" WEST THEREON, 331.03 FEET FROM THE CENTERLINE OF KAGEL CANYON STREET 60 FEET WIDE, FORMERLY TEJUNGA

AVENUE, AS SHOWN ON SAID MAP; THENCE NORTH 67° 36' 34" EAST 31.70 FEET; THENCE SOUTH 88° 00' 10" EAST 144.17 FEET; THENCE NORTH 66° 47' 55" EAST, 153.62 FEET TO A POINT IN A CURVE IN THE SOUTHERLY LINE OF THAT CERTAIN EASEMENT IN FAVOR OF THE CITY OF LOS ANGELES FOR FOOTHILL BOULEVARD, AS BEING CONDEMNED IN AN ACTION IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF LOS ANGELES, ENTITLED "THE CITY OF LOS ANGELES VS. HOWARD BURBANK, ET AL.," CASE NO. 413,262 SAID CURVE BEING CONCAVE TO THE NORTH AND HAVING A RADIUS OF 1650 FEET, A RADIAL LINE THRU SAID POINT ON CURVE BEARS NORTH 11° 44' 55" EAST, THENCE EASTERLY ALONG SAID CURVE, AND ITS EASTERLY PROLONGATION, 234.82 FEET TO A POINT IN SAID CENTERLINE OF KAGEL CANYON STREET, DISTANT NORTH 48° 44' 55" EAST THEREON 436.29 FEET FROM SAID CENTERLINE OF FOOTHILL BOULEVARD, A RADIAL LINE THRU SAID LAST MENTIONED POINT ON CURVE BEARS NORTH 3° 35' 40" EAST. EXCEPT THE WATERS OF THE LOS ANGELES RIVER AND ITS BRANCHES OWNED BY THE CITY OF LOS ANGELES.
APN: A PORTION OF 2528-002-900

PARCEL 2C:

ALL THAT CERTAIN REAL PROPERTY SITUS TO, LYING AND BEING IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT: THAT PORTION OF THAT CERTAIN PARCEL OF LAND IN BLOCK 60, OF THE MACLAY RANCHO EX MISSION OF SAN FERNANDO, AS SHOWN ON A MAP RECORDED IN BOOK 37, PAGES 5 TO 16 INCLUSIVE OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, DESCRIBED IN A DEED TO CHARLOTTE EMMA EVELINE SWIFT, RECORDED IN BOOK 784, PAGE 323 OF OFFICIAL RECORDS OF SAID COUNTY, LYING SOUTHWESTERLY OF THE FOLLOWING DESCRIBED LINE; BEGINNING AT A POINT IN THE CENTER LINE OF KAGEL CANYON STREET, 60 FEET WIDE, FORMERLY TEJUNGA AVENUE, AS SHOWN ON SAID MAP, DISTANT N. 48° 44' 55" E. THEREON 405.90 FEET FROM THE CENTERLINE OF FOOTHILL BOULEVARD, 60 FEET WIDE, SHOWN AS STREET ON SAID MAP; THENCE S. 41° 15' 28" E. PARALLEL WITH SAID CENTERLINE OF FOOTHILL BOULEVARD, TO THE SOUTHEASTERLY LINE OF SAID CERTAIN PARCEL OF LAND. EXCEPT THE WATERS OF THE LOS ANGELES RIVER AND ITS BRANCHES OWNED BY THE CITY OF LOS ANGELES.
APN: A PORTION OF 2528-002-900

PARCEL 2D:

THE WESTERLY 10 ACRES OF BLOCK 60 IN THE MACLAY RANCHO EX MISSION OF SAN FERNANDO, AS SHOWN ON A MAP RECORDED IN BOOK 37, PAGES 5 TO 16, INCLUSIVE, OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY. EXCEPTING THEREFROM THOSE PORTIONS THEREOF WITHIN THOSE CERTAIN PARCELS OF LAND DESCRIBED IN A DEED TO CHARLOTTE EMMA EVELIN SWIFT RECORDED IN BOOK 754, PAGE 323, OF OFFICIAL RECORDS OF SAID COUNTY AND IN A DEED TO SOUTHERN CALIFORNIA EDISON COMPANY, RECORDED IN BOOK 4432 PAGE 33, OF OFFICIAL RECORDS OF SAID COUNTY. EXCEPT THE WATERS OF THE LOS ANGELES RIVER AND ITS BRANCHES OWNED BY THE CITY OF LOS ANGELES.
APN: 2528-002-900

PARCEL 2E:

TOGETHER WITH THOSE PORTIONS OF STONEHURST AVENUE, GLADSTONE AVENUE AND KAGEL CANYON STREET AS VACATED BY RESOLUTION OF THE BOARD OF SUPERVISORS OF THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DATED OCTOBER 4, 1944, ADJOINING SAID PROPERTY, WHICH WOULD PASS BY OPERATION OF LAW WITH A CONVEYANCE OF SAID PROPERTY, A CERTIFIED COPY OF SAID RESOLUTION RECORDED NOVEMBER 30, 1944 AS INSTRUMENT NO. 1387 IN BOOK 21415 PAGE 388 OF OFFICIAL RECORDS.
APN: A PORTION OF 2528-002-900

PARCEL 2F:

THAT PORTION OF THE NORTHERLY 10 ACRES OF BLOCK 60 IN THE MACLAY RANCHO EX MISSION OF SAN FERNANDO, AS SHOWN ON A MAP RECORDED IN BOOK 37, PAGES 5 TO 16, INCLUSIVE, OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, LYING SOUTHEASTERLY OF THE FOLLOWING DESCRIBED LINE: BEGINNING AT A POINT IN THE CENTERLINE OF GLADSTONE AVENUE, 60 FEET WIDE, FORMERLY TENTH STREET, AS SHOWN ON SAID MAP, DISTANT S. 41° 21' 55" E. THEREON 232.51 FEET FROM THE CENTERLINE OF KAGEL CANYON STREET, 60 FEET WIDE, FORMERLY TEJUNGA AVENUE, AS SHOWN ON SAID MAP; THENCE S. 0° 59' 03" W. 107.10 FEET; THENCE S. 28° 30' 25" W. 60.70 FEET; THENCE S. 48° 46' 55" W. 348.00 FEET; THENCE SOUTHWESTERLY IN A DIRECT LINE TO THE MOST SOUTHERLY CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN A DEED TO SOUTHERN CALIFORNIA EDISON COMPANY, RECORDED IN BOOK 3911, PAGE 243, OF OFFICIAL RECORDS OF SAID COUNTY. EXCEPTING THEREFROM THAT PORTION THEREOF WITHIN THE SOUTHWESTERLY, 75 FEET OF SAID NORTHERLY 10 ACRES OF BLOCK 60. EXCEPT THE WATERS OF THE LOS ANGELES RIVER AND ITS BRANCHES OWNED BY THE CITY OF LOS ANGELES. EXCEPTING THEREFROM ANY PORTION LYING WITHIN FOOTHILL BOULEVARD.
APN: A PORTION 2528-002-900

PARCEL 2G:

THOSE PORTIONS OF THOSE CERTAIN PARCELS OF LAND IN BLOCK 60 OF THE MACLAY RANCHO EX MISSION OF SAN FERNANDO, AS SHOWN ON A MAP RECORDED IN BOOK 37, PAGES 5 TO 16, INCLUSIVE, OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, DESCRIBED IN DEEDS TO SOUTHERN CALIFORNIA EDISON COMPANY, RECORDED IN BOOK 3911, PAGE 243, AND IN BOOK 4432, PAGE 33, BOTH OF OFFICIAL RECORDS OF SAID COUNTY, LYING SOUTHEASTERLY OF THE FOLLOWING DESCRIBED LINE AND THE SOUTHWESTERLY PROLONGATION THEREOF:
BEGINNING AT A POINT IN THE CENTER LINE OF GLADSTONE AVENUE, 60 FEET WIDE, FORMERLY TENTH STREET, AS SHOWN ON SAID MAP, DISTANT S. 41° 21' 55" E. THEREON 232.51 FEET FROM THE CENTER LINE OF KAGEL CANYON STREET, 60 FEET WIDE; FORMERLY TEJUNGA AVENUE, AS SHOWN ON SAID MAP; THENCE S. 6° 55' 03" W. 107.19 FEET; THENCE S. 28° 30' 26" W. 60.70 FEET; THENCE S. 48° 44' 55" W. 348.00 FEET; THENCE SOUTHWESTERLY IN A DIRECT LINE TO THE MOST SOUTHERLY CORNER OF SAID CERTAIN PARCEL OF LAND DESCRIBED IN BOOK 3911, PAGE 243, OF OFFICIAL RECORDS. EXCEPT THE WATERS OF THE LOS ANGELES RIVER AND ITS BRANCHES OWNED BY THE CITY OF LOS ANGELES.

MEMORANDUM OF LEASE

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

CITY OF LOS ANGELES
DEPARTMENT OF GENERAL SERVICES
c/o Office of the City Attorney
Carmen A. Trutanich, City Attorney
Annette Bogna, Deputy City Attorney
Real Property/Environment Division
700 City Hall East
200 North Main Street
Los Angeles, California 90012

Free recording in accordance with
California Government Code section 6103

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memorandum") is made as of the date of attestation by the City Clerk of the City of Los Angeles of page 2 of this Memorandum, by and between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners, as Landlord ("CITY") and Discovery Science Center of Los Angeles, a California nonprofit public corporation ("DSCLA"), with a principal mailing address at 11800 Foothill Blvd, Los Angeles, California, as Tenant, who agree as follows:

1. **Term and Premises.** CITY leases to DSCLA, and DSCLA leases from CITY, the real property located in the City of Los Angeles, County of Los Angeles, State of California, described as:

Lot 1, Tract No. 1578, as per map recorded in Book 349, pages 39, of Maps, in the office of the County Recorder of Los Angeles County, excepting therefrom those portions within public streets and subject to all easements of record, commonly known as the Hansen Dam Recreation Area, together with the additional real estate described on Exhibit A attached hereto and incorporated herein, for a term of Thirty (30) Years, commencing on or about the date of this Memorandum on the provisions of the lease between the parties, which lease ("Lease") is dated on the same date as this Memorandum. These provisions are incorporated into this Memorandum by reference.

2. **Provisions Binding on DSCLA.** The provisions of the Lease to be performed by DSCLA, whether affirmative or negative in nature, are intended to and shall bind Tenant and its successors and assigns at any time, and shall inure to the benefit of CITY and its successors and assigns.

3. **Provisions Binding on CITY.** The provisions of the Lease to be performed by CITY, whether affirmative or negative in nature, are intended to and shall bind CITY and its successors and assigns at any time, and shall inure to the benefit of DSCLA and its successors and assigns.

4. **Purpose of Memorandum.** This Memorandum is prepared for the purpose of recordation, and it in no way modifies the provisions of the Lease.

5. **Reference to Lease for All Purposes.** Reference is hereby made to the entire Lease for any and all purposes. A true copy of the Lease is on file with the City Clerk of the City of Los Angeles, whose office is Room 360, City Hall, 200 North Spring Street, Los Angeles, California 90012.

Executed this 19th day
of December, 2012

CITY:

THE CITY OF LOS ANGELES, a municipal corporation, acting by and through its BOARD OF RECREATION AND PARK COMMISSIONERS

By

[Signature]
PRESIDENT

By

[Signature]
SECRETARY

Executed this 19th day
of December, 2012

TENANT:

DISCOVERY SCIENCE CENTER OF LOS ANGELES, a California non-profit public benefit corporation

By

[Signature]
JOE ADAMS, Chairman of the Board

Approved as to Form:

Date: December 20, 2012
CARMEN A. TRUTANICH,
City Attorney

By [Signature]
DEPUTY CITY ATTORNEY

Attest: June Lagmay, City Clerk

By [Signature] - 1/7/13
Deputy



EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Los Angeles, County of Los Angeles, State of California, described as follows:

PARCEL 1:

LOT 1, TRACT NO. 15781, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 349, PAGE 39 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPTING ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS IN, UNDER AND RECOVERABLE FROM THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT THE RIGHT TO ENTER, DRILL OR PENETRATE IN OR UPON THE SURFACE OF SAID REAL PROPERTY OR WITHIN 500 FEET BELOW THE SURFACE THEREOF FOR THE PURPOSES OF REMOVING SAID CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS, AS EXCEPTED AND RESERVED BY HAYDEN D. HAMILTON AND PATTY M. HAMILTON, CO-TRUSTEES OF THE HAMILTON FAMILY TRUST DATED NOVEMBER 29, 1988, IN A DEED RECORDED APRIL 6, 1990 AS INSTRUMENT NO. 90-656691 OFFICIAL RECORDS.
APN: 2528-002-901 AND 2528-002-902

PARCEL 2A:

THAT PORTION OF BLOCK 60 OF THE MACLAY RANCHO EX MISSION DE SAN FERNANDO, IN THE CITY OF LOS ANGELES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 37, PAGE 5 ET SEQ, OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:
BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY LINE OF SAID BLOCK WITH THE NORTHEASTERLY LINE OF THE LAND DESCRIBED IN PARCEL NO. 250 IN NOTICE OF ACTION, SUPERIOR COURT CASE NO. 446404, RECORDED IN BOOK 17037 PAGE 173, OFFICIAL RECORDS OF SAID COUNTY, SAID POINT BEING DISTANT NORTHEASTERLY ALONG SAID NORTHWEST LINE, 376.90 FEET, MORE OR LESS, FROM THE MOST WESTERLY CORNER OF SAID BLOCK; THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE 178.35 FEET, MORE OR LESS, TO THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED IN DEED TO THE SOUTHERN CALIFORNIA EDISON COMPANY, RECORDED IN BOOK 3911 PAGE 243, OFFICIAL RECORDS; THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE 345.49 FEET, MORE OR LESS, TO THE SOUTHEASTERLY LINE OF THE LAND DESCRIBED IN DEED TO CHARLOTTE EMMA EVELINE SWIFT, RECORDED IN BOOK 754 PAGE 323, OFFICIAL RECORDS; THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY LINE, 178.35 FEET, MORE OR LESS, TO THE NORTHEASTERLY LINE OF THE LAND DESCRIBED IN SAID NOTICE OF ACTION; THENCE NORTHWESTERLY ALONG SAID NORTHEASTERLY LINE 345.49 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.
EXCEPTING THEREFROM ANY PORTION LYING WITHIN FOOTHILL BOULEVARD.
APN: A PORTION OF 2528-002-900

PARCEL 2B:

THAT PORTION OF THAT CERTAIN PARCEL OF LAND IN BLOCK 59 OF THE MACLAY RANCHO EX MISSION OF SAN FERNANDO, AS SHOWN ON A MAP RECORDED IN BOOK 37, PAGE 5 TO 16 INCLUSIVE OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, LYING SOUTHERLY OF THE FOLLOWING DESCRIBED LINE;
BEGINNING AT A POINT IN THE CENTERLINE OF FOOTHILL BOULEVARD, 60 FEET WIDE, SHOWN AS STREET ON SAID MAP, DISTANT NORTH 41° 15' 28" WEST THEREON, 331.03 FEET FROM THE CENTERLINE OF KAGEL CANYON STREET 60 FEET WIDE, FORMERLY TEJUNGA

AVENUE, AS SHOWN ON SAID MAP; THENCE NORTH 67° 36' 34" EAST 31.70 FEET; THENCE SOUTH 88° 00' 10" EAST 144.17 FEET; THENCE NORTH 66° 47' 55" EAST, 153.62 FEET TO A POINT IN A CURVE IN THE SOUTHERLY LINE OF THAT CERTAIN EASEMENT IN FAVOR OF THE CITY OF LOS ANGELES FOR FOOTHILL BOULEVARD, AS BEING CONDEMNED IN AN ACTION IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF LOS ANGELES, ENTITLED "THE CITY OF LOS ANGELES VS. HOWARD BURBANK, ET AL.," CASE NO. 413,262 SAID CURVE BEING CONCAVE TO THE NORTH AND HAVING A RADIUS OF 1650 FEET, A RADIAL LINE THRU SAID POINT ON CURVE BEARS NORTH 11° 44' 55" EAST, THENCE EASTERLY ALONG SAID CURVE, AND ITS EASTERLY PROLONGATION, 234.82 FEET TO A POINT IN SAID CENTERLINE OF KAGEL CANYON STREET, DISTANT NORTH 48° 44' 55" EAST THEREON 436.29 FEET FROM SAID CENTERLINE OF FOOTHILL BOULEVARD, A RADIAL LINE THRU SAID LAST MENTIONED POINT ON CURVE BEARS NORTH 3° 35' 40" EAST. EXCEPT THE WATERS OF THE LOS ANGELES RIVER AND ITS BRANCHES OWNED BY THE CITY OF LOS ANGELES.
APN: A PORTION OF 2528-002-900

PARCEL 2C:

ALL THAT CERTAIN REAL PROPERTY SITUS TO, LYING AND BEING IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT: THAT PORTION OF THAT CERTAIN PARCEL OF LAND IN BLOCK 60, OF THE MACLAY RANCHO EX MISSION OF SAN FERNANDO, AS SHOWN ON A MAP RECORDED IN BOOK 37, PAGES 5 TO 16 INCLUSIVE OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, DESCRIBED IN A DEED TO CHARLOTTE EMMA EVELINE SWIFT, RECORDED IN BOOK 784, PAGE 323 OF OFFICIAL RECORDS OF SAID COUNTY, LYING SOUTHWESTERLY OF THE FOLLOWING DESCRIBED LINE; BEGINNING AT A POINT IN THE CENTER LINE OF KAGEL CANYON STREET, 60 FEET WIDE, FORMERLY TEJUNGA AVENUE, AS SHOWN ON SAID MAP, DISTANT N. 48° 44' 55" E. THEREON 405.90 FEET FROM THE CENTERLINE OF FOOTHILL BOULEVARD, 60 FEET WIDE, SHOWN AS STREET ON SAID MAP; THENCE S. 41° 15' 28" E. PARALLEL WITH SAID CENTERLINE OF FOOTHILL BOULEVARD, TO THE SOUTHEASTERLY LINE OF SAID CERTAIN PARCEL OF LAND, EXCEPT THE WATERS OF THE LOS ANGELES RIVER AND ITS BRANCHES OWNED BY THE CITY OF LOS ANGELES.

APN: A PORTION OF 2528-002-900

PARCEL 2D:

THE WESTERLY 10 ACRES OF BLOCK 60 IN THE MACLAY RANCHO EX MISSION OF SAN FERNANDO, AS SHOWN ON A MAP RECORDED IN BOOK 37, PAGES 5 TO 16, INCLUSIVE, OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY. EXCEPTING THEREFROM THOSE PORTIONS THEREOF WITHIN THOSE CERTAIN PARCELS OF LAND DESCRIBED IN A DEED TO CHARLOTTE EMMA EVELIN SWIFT RECORDED IN BOOK 754, PAGE 323, OF OFFICIAL RECORDS OF SAID COUNTY AND IN A DEED TO SOUTHERN CALIFORNIA EDISON COMPANY, RECORDED IN BOOK 4432 PAGE 33, OF OFFICIAL RECORDS OF SAID COUNTY. EXCEPT THE WATERS OF THE LOS ANGELES RIVER AND ITS BRANCHES OWNED BY THE CITY OF LOS ANGELES.

APN: 2528-002-900

PARCEL 2E:

TOGETHER WITH THOSE PORTIONS OF STONEHURST AVENUE, GLADSTONE AVENUE AND KAGEL CANYON STREET AS VACATED BY RESOLUTION OF THE BOARD OF SUPERVISORS OF THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DATED OCTOBER 4, 1944, ADJOINING SAID PROPERTY, WHICH WOULD PASS BY OPERATION OF LAW WITH A CONVEYANCE OF SAID PROPERTY, A CERTIFIED COPY OF SAID RESOLUTION RECORDED NOVEMBER 30, 1944 AS INSTRUMENT NO. 1387 IN BOOK 21415 PAGE 388 OF OFFICIAL RECORDS.

APN: A PORTION OF 2528-002-900

PARCEL 2F:

THAT PORTION OF THE NORTHERLY 10 ACRES OF BLOCK 60 IN THE MACLAY RANCHO EX MISSION OF SAN FERNANDO, AS SHOWN ON A MAP RECORDED IN BOOK 37, PAGES 5 TO 16, INCLUSIVE, OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, LYING SOUTHEASTERLY OF THE FOLLOWING DESCRIBED LINE: BEGINNING AT A POINT IN THE CENTERLINE OF GLADSTONE AVENUE, 60 FEET WIDE, FORMERLY TENTH STREET, AS SHOWN ON SAID MAP, DISTANT S. 41° 21' 55" E. THEREON 232.51 FEET FROM THE CENTERLINE OF KAGEL CANYON STREET, 60 FEET WIDE, FORMERLY TEJUNGA AVENUE, AS SHOWN ON SAID MAP; THENCE S. 0° 59' 03" W. 107.10 FEET; THENCE S. 28° 30' 25" W. 60.70 FEET; THENCE S. 48° 46' 55" W. 348.00 FEET; THENCE SOUTHWESTERLY IN A DIRECT LINE TO THE MOST SOUTHERLY CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN A DEED TO SOUTHERN CALIFORNIA EDISON COMPANY, RECORDED IN BOOK 3911, PAGE 243, OF OFFICIAL RECORDS OF SAID COUNTY. EXCEPTING THEREFROM THAT PORTION THEREOF WITHIN THE SOUTHWESTERLY, 75 FEET OF SAID NORTHERLY 10 ACRES OF BLOCK 60. EXCEPT THE WATERS OF THE LOS ANGELES RIVER AND ITS BRANCHES OWNED BY THE CITY OF LOS ANGELES. EXCEPTING THEREFROM ANY PORTION LYING WITHIN FOOTHILL BOULEVARD.
APN: A PORTION 2528-002-900

PARCEL 2G:

THOSE PORTIONS OF THOSE CERTAIN PARCELS OF LAND IN BLOCK 60 OF THE MACLAY RANCHO EX MISSION OF SAN FERNANDO, AS SHOWN ON A MAP RECORDED IN BOOK 37, PAGES 5 TO 16, INCLUSIVE, OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, DESCRIBED IN DEEDS TO SOUTHERN CALIFORNIA EDISON COMPANY, RECORDED IN BOOK 3911, PAGE 243, AND IN BOOK 4432, PAGE 33, BOTH OF OFFICIAL RECORDS OF SAID COUNTY, LYING SOUTHEASTERLY OF THE FOLLOWING DESCRIBED LINE AND THE SOUTHWESTERLY PROLONGATION THEREOF:
BEGINNING AT A POINT IN THE CENTER LINE OF GLADSTONE AVENUE, 60 FEET WIDE, FORMERLY TENTH STREET, AS SHOWN ON SAID MAP, DISTANT S. 41° 21' 55" E. THEREON 232.51 FEET FROM THE CENTER LINE OF KAGEL CANYON STREET, 60 FEET WIDE; FORMERLY TEJUNGA AVENUE, AS SHOWN ON SAID MAP; THENCE S. 6° 55' 03" W. 107.19 FEET; THENCE S. 28° 30' 26" W. 60.70 FEET; THENCE S. 48° 44' 55" W. 348.00 FEET; THENCE SOUTHWESTERLY IN A DIRECT LINE TO THE MOST SOUTHERLY CORNER OF SAID CERTAIN PARCEL OF LAND DESCRIBED IN BOOK 3911, PAGE 243, OF OFFICIAL RECORDS. EXCEPT THE WATERS OF THE LOS ANGELES RIVER AND ITS BRANCHES OWNED BY THE CITY OF LOS ANGELES.

ACKNOWLEDGMENT

State of California
County of California)

On Dec 19, 2012 before me, C. R. Towles, Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature [Handwritten Signature] (Seal)



ACKNOWLEDGMENT

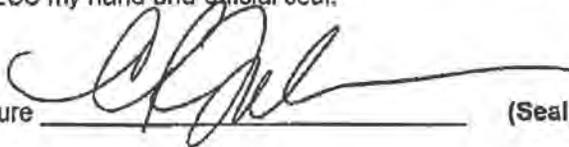
State of California
County of Los Angeles)

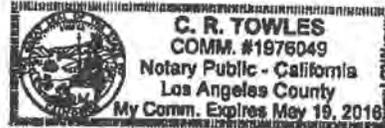
On December 20, 2012 before me, C.R. Towles, Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature  (Seal)



ACKNOWLEDGMENT

State of California
County of Los Angeles

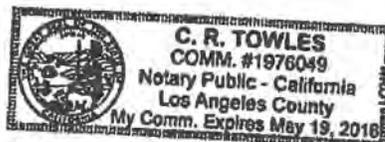
On December 19, 2012 before me, C.R. Towles, Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature 



(Seal)

ALL PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA }
 }ss
COUNTY OF ORANGE }

On DECEMBER 19, 2012, before me Judi Lowenthal, Notary Public, personally appeared

JOE ADAMS

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

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

WITNESS my hand and official seal.

Signature

Judi Lowenthal



(NOTARY SEAL)

ATTENTION NOTARY: Although the information requested below is **OPTIONAL**, it could prevent fraudulent attachment of this certificate to another document.

THIS CERTIFICATE **MUST** BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW.

Title of Document Type MEMORANDUM of LEASE

Number of Pages 2 Date of Document _____

Signer(s) Other Than Named Above _____

CITY of LA

MEMORANDUM OF UNDERSTANDING
BETWEEN THE DEPARTMENT OF RECREATION AND PARKS AND THE
DISCOVERY SCIENCE CENTER OF LOS ANGELES REGARDING PROPOSITION K
MAINTENANCE FUNDS FOR THE DISCOVERY CUBE LOS ANGELES

This Memorandum of Understanding ("MOU") regarding Proposition K maintenance funding for the Discovery Cube Los Angeles in the City of Los Angeles is entered into on _____, 20____, by and between the City of Los Angeles, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners ("CITY"), and the Discovery Science Center of Los Angeles ("DSCLA"), a California non-profit corporation. DSCLA and CITY may be referred to herein collectively as "PARTY" or "PARTIES".

WHEREAS, CITY owns and/or controls certain lands known as the Hansen Dam Recreation Area under the management and control of the Board of Recreation and Park Commissioners ("BOARD"). A portion of the subject lands are owned by CITY and a portion of the subject lands are owned by the U.S. Army Corps of Engineers ("USACE") and are leased to CITY for recreational purposes pursuant to Department of the Army Lease No. DACW09-1-69-45 between USACE and the CITY for property located within the Hansen Flood Control Basin; and,

WHEREAS, CITY has previously determined that CITY does not have personnel available in its employ with sufficient and appropriate expertise to develop the exhibits and operate and maintain a Children's Museum and an Environmental Learning Center and CITY, which are part of the Proposition K – L.A. for Kids Program, and due to budgetary constraints, is unable to obtain the appropriate personnel to perform these specialized tasks; and

WHEREAS, the CITY has previously determined that DSCLA has the staff and experience to develop, operate, manage, and maintain a Children's Museum and an Environmental Learning Center, provide unique and highly specialized educational programs, and oversee the design, fabrication and installation, or acquisition of state-of-the-art interactive exhibits, some of which are permanently installed and some of which can be refreshed and rotated over time; and,

WHEREAS, on January 4, 2013, CITY and DSCLA entered into a Lease Agreement (No. C-121656 of City Contracts) ("LEASE"), for the use of a portion of the subject lands and an existing building within the Hansen Dam Recreation Area for the specific purpose of providing a Children's Museum and an Environmental Learning Center, together known as a science center ("DISCOVERY CUBE LOS ANGELES" or "Center"), which emphasizes recreation and environmental awareness through focused learning about the natural environment using interactive exhibits that will provide both recreational and educational

opportunities, and that will increase the public's understanding and recognition of the need to sustain the environment for future generations; and,

WHEREAS, a portion of the funding utilized for the design and construction of the DISCOVERY CUBE LOS ANGELES building, and for the design, fabrication, and installation of the DISCOVERY CUBE LOS ANGELES's permanent exhibit program, was provided by the Proposition K Specified Grant Program (Contracts No. C-98362 and No. C-109472) and the Proposition K Competitive Grant Program (Contract No. C-100050); and,

WHEREAS, the Proposition K Ballot Measure designated that a portion of the Proposition K annual assessment be used for maintenance of completed projects, and projects funded by the Proposition K Grant Program are eligible to, on an annual basis, apply for maintenance funds (PROPOSITION K MAINTENANCE FUNDS); and,

WHEREAS, CITY, as the grant recipient of the Proposition K Specified Grant Program (Contracts No. C-98362 and No. C-109472) and the Proposition K Competitive Grant Program (Contract No. C-100050) funds that were utilized for the DISCOVERY CUBE LOS ANGELES building and permanent exhibits, is eligible to request and receive PROPOSITION K MAINTENANCE FUNDS for the maintenance of the DISCOVERY CUBE LOS ANGELES building and permanent exhibits; and,

WHEREAS, pursuant to the LEASE, DSCLA, is responsible for any costs associated with the long-term operation and maintenance of the DISCOVERY CUBE LOS ANGELES building and permanent exhibits and therefore is obligated to maintain the DISCOVERY CUBE LOS ANGELES building and permanent exhibit program amenities and improvements that were funded by the Proposition K Specified Grant Program (Contracts No. C-98362 and No. C-109472) and the Proposition K Competitive Grant Program (Contract No. C-100050); and,

WHEREAS, CITY currently does not perform any maintenance activity within the LEASE premises or at DISCOVERY CUBE LOS ANGELES; and,

WHEREAS, Article 3.2 of LEASE states, in part, that the CITY may, at its sole and absolute discretion, assist DSCLA in identifying and securing funding for the operation and maintenance of the Center; and,

WHEREAS, CITY has previously been awarded PROPOSITION K MAINTENANCE FUNDS for the maintenance of the DISCOVERY CUBE LOS ANGELES building and permanent exhibit program amenities and improvements that were funded by the Proposition K Specified Grant Program (Contracts No. C-98362 and No. C-109472) and the Proposition K Competitive Grant Program (Contract No. C-100050) and CITY desires to transfer previously awarded PROPOSITION K MAINTENANCE FUNDS to DSCLA; and,

WHEREAS, the PARTIES wish to enter into this MOU to establish the terms and conditions whereby in the future DSCLA can itself directly apply for and/or receive, on CITY's behalf, any PROPOSITION K MAINTENANCE FUNDS for the maintenance of the DISCOVERY CUBE LOS ANGELES building and permanent exhibit program amenities and improvements that were funded by the Proposition K Specified Grant Program (Contracts No. C-98362 and No. C-109472) and the Proposition K Competitive Grant Program (Contract No. C-100050); and,

NOW THEREFORE, in consideration of the foregoing and the terms and conditions set forth herein and the performance thereof, the PARTIES agree as follows:

1. Term. The term of this AGREEMENT shall be for fifteen (15) years, beginning upon its full execution by the PARTIES and expiring at midnight of the day immediately prior to the fifteenth (15th) anniversary of the Effective Date ("Term"), unless previously terminated in accordance with other provisions of this MOU. This MOU is effective under the term stated herein only if DSCLA is operating the DISCOVERY CUBE LOS ANGELES pursuant to the LEASE.
2. Maintenance of Discovery Cube Los Angeles. PARTIES acknowledge that DSCLA is obligated to maintain the DISCOVERY CUBE LOS ANGELES building and permanent exhibit program amenities and improvements that were funded by the Proposition K Specified Grant Program (Contracts No. C-98362 and No. C-109472) and the Proposition K Competitive Grant Program (Contract No. C-100050).
3. Proposition K Maintenance Funds. CITY may grant DSCLA authority to apply for PROPOSITION K MAINTENANCE FUNDS on behalf of CITY for said DISCOVERY CUBE LOS ANGELES building and permanent exhibit program amenities and improvements, subject to the terms and conditions further described in this MOU. As to the exhibits at the DISCOVERY CUBE LOS ANGELES, only those exhibits that were funded pursuant to the Proposition K Competitive Grant that was awarded to RAP for the installation of permanent exhibits are eligible for PROPOSITION K MAINTENANCE FUNDS.

PARTIES acknowledge that CITY does not guarantee or represent that PROPOSITION K MAINTENANCE FUNDS will be available at any point during the Term of this MOU. PARTIES also acknowledge that PROPOSITION K MAINTENANCE FUNDS are paid on a reimbursement basis and are conditioned on the applicant providing written proof of eligible maintenance costs incurred.

- (a) Authorization. Not less than thirty (30) days prior to the due date of any application for PROPOSITION K MAINTENANCE FUNDS, CITY shall notify DSCLA in writing if it will apply for PROPOSITION K MAINTENANCE FUNDS for DISCOVERY CUBE LOS ANGELES or if it authorizes DSCLA to apply for PROPOSITION K MAINTENANCE FUNDS for DISCOVERY CUBE

LOS ANGELES on behalf of the CITY's Department of Recreation and Parks ("RAP").

- (b) Application Preparation. Applications prepared by CITY for PROPOSITION K MAINTENANCE FUNDS for DISCOVERY CUBE LOS ANGELES shall be done so at its own expense and at no cost to DSCLA.

Applications for PROPOSITION K MAINTENANCE FUNDS prepared by DSCLA for DISCOVERY CUBE LOS ANGELES shall be done so at its own expense and at no cost to CITY.

- (c) Application Review and Approval. Applications prepared by DSCLA for PROPOSITION K MAINTENANCE FUNDS for DISCOVERY CUBE LOS ANGELES are subject to approval by General Manager of RAP or his or her designee prior to submission by DSCLA. DSCLA shall submit to RAP any application it prepares for PROPOSITION K MAINTENANCE FUNDS not less than fifteen (15) days prior to the deadline for submission of the application to the Proposition K Program. RAP shall notify DSCLA in writing within seven (7) days of the General Manager's approval or disapproval of any application. In the event of disapproval of any such application, the General Manager shall specify the reasons therefore.

4. Proposition K Maintenance Fund Payments. During the Term of this MOU, any PROPOSITION K MAINTENANCE FUNDS awarded for the maintenance of DISCOVERY CUBE LOS ANGELES shall be paid, disbursed, or appropriated directly to the PARTY that prepared and submitted said application for PROPOSITION K MAINTENANCE FUNDS.

If application for PROPOSITION K MAINTENANCE FUND is prepared and submitted by CITY, then any funds awarded for that application shall be paid, disbursed, or appropriated to CITY.

If application for PROPOSITION K MAINTENANCE FUND is prepared and submitted by DSCLA, then any funds awarded for that application shall be paid, disbursed, or appropriated to DSCLA. DSCLA acknowledges that it will have to executed a PROPOSITION K MAINTENANCE FUNDING GRANT AGREEMENT (or Supplemental Agreement thereto) for any fiscal year in which DSCLA applies for PROPOSITION K MAINTENANCE FUNDS for which said funds if awarded will be payable directly to DSCLA.

5. Previously Awarded Proposition K Funds. PARTIES acknowledge that CITY has previously applied for and been awarded PROPOSITION K MAINTENANCE FUNDS for DISCOVERY CUBE LOS ANGELES.

CITY shall pay, disburse, appropriate, or transfer any unspent and available PROPOSITION K MAINTENANCE FUNDS that were awarded to CITY for maintenance of DISCOVERY CUBE LOS ANGELES prior to the Effective Date of this MOU. This shall include, but not be limited to, PROPOSITION K MAINTENANCE FUNDS awarded to CITY for the maintenance of DISCOVERY CUBE LOS ANGELES during CITY Fiscal Years 2015-16, 2016-2017, and 2017-2018, if applicable.

The amount of unspent and available PROPOSITION K MAINTENANCE FUNDS to paid, disbursed, appropriated, or transferred to DSCLA is subject to DSCLA providing RAP with written proof of eligible billings and maintenance expenses incurred and compliance with any requirements set forth by the Proposition K Grant Program or the Proposition K Maintenance Funding Program.

6. Termination. Any failure to perform or comply with any of the terms, covenants, obligations, conditions or representations made under this MOU shall constitute an event of default (Event of Default), provided that PARTIES shall have a period of fifteen (15) business days from the date of written notice from either DSCLA or CITY of such Event of Default within which to cure under this MOU, or, if such Event of Default is not capable of cure within the 15-day period, PARTIES shall have a reasonable period of time to complete such cure if the PARTIES promptly undertake action to cure within the 15-day period and use their best efforts to complete such cure within sixty (60) calendar days after receipt of notice of an Event of Default. Upon occurrence of an Event of Default by PARTIES, DSCLA or CITY shall have the right to terminate this MOU or to exercise any of their rights or remedies available at law or in equity.

PARTIES shall have the right to terminate this MOU upon termination of LEASE.

CITY shall have the right to terminate this MOU if the Proposition K Grant Program determines that it will no longer make PROPOSITION K MAINTENANCE FUNDS available to grant recipients. If such a determination is made by the Proposition K Grant Program, CITY shall provide evidence of that determination to DSCLA.

7. Use of Proposition K Maintenance Funds. PARTIES acknowledge that any PROPOSITION K MAINTENANCE FUNDS awarded to PARTIES for maintenance of DISCOVERY CUBE LOS ANGELES shall be used solely for the purposes allowed by the Proposition K Grant Program and/or set forth in any application for PROPOSITION K MAINTENANCE FUNDS. DSCLA shall be liable to, and indemnify, the CITY for any liability, including any disallowed or ineligible costs or fines or penalties, which arise from or are related to DSCLA's use of PROPOSITION K MAINTENANCE FUNDS in violation of any rules and regulations related to the Proposition K Grant Program.

8. Miscellaneous.

- (a) This MOU may be amended or modified only in a writing signed by DSCLA and CITY. This MOU may be signed in counterparts.
- (b) This MOU contains the entire understanding between the PARTIES as of the date of this MOU, and all prior written or oral negotiations, discussions, understandings and agreements are superseded by this MOU.
- (c) All actions described herein including but not limited to the operation and maintenance of the DISCOVERY CUBE LOS ANGELES and the exhibits at the DISCOVERY CUBE LOS ANGELES, as permitted herein, are subject to and must be conducted and accomplished in accordance with all applicable local, State and federal laws.
- (d) Except as expressly provided to the contrary, all approvals, consents and determinations to be made by CITY hereunder may be made by General Manager of CITY's Department of Recreation and Parks or his or her designee in his or her sole and absolute discretion.

9. Notices. All notices and demands which may or are to be required or permitted to be given by either party to the other hereunder shall be in writing. All notices and demands shall be personally delivered (including by means of professional messenger service), sent by United States mail, postage prepaid, return receipt requested, or transmitted by telecopier (e.g., Fax) or electronic mail (upon mutual agreement of participating parties), in which case the receiving party shall immediately confirm receipt of such telecopied or e-mailed notice. All notices are effective upon receipt. In the event CITY is unable to give notice to DSCLA at the address(es) provided to CITY by DSCLA, notice shall be deemed effective when addressed to DSCLA at the Premises. Either party may from time to time designate another person or place in a notice. For the purposes of such notices, the addresses for the parties are set forth below:

To CITY or General Manager:

City of Los Angeles
Board of Recreation and Park Commissioners
221 North Figueroa Street, Suite 300
Los Angeles, California 90012
Telecopier: (213) 202-2612

with a copy of any notice to
General Manager, Department of Recreation and Parks
221 North Figueroa Street, Suite 350
Los Angeles, California 90012
Telecopier: (213) 202-2614

To DSCLA:

Executive Director, Discovery Cube Los Angeles
11800 Foothill Boulevard
Los Angeles, California 91342

with a copy of any notice to
Chairman of the Board, Discovery Science Foundation
2500 North Main Street
Santa Ana, CA 92705
Telecopier: 714-263-3838

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the PARTIES hereto have executed this MOU as of the date first written above.

Executed this _____ day
of _____, 20__

THE CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners

By: _____
PRESIDENT

By: _____
SECRETARY

Executed this _____ day
of _____, 20__

DISCOVERY CUBE LOS ANGELES, a California non-profit organization

By: _____
JULEE BROOKS
EXECUTIVE DIRECTOR

Approved as to Form:

Date: _____

MICHAEL N. FEUER,
City Attorney

By: _____
DEPUTY CITY ATTORNEY