

# APPROVED

OCT 06 2022

## BOARD OF RECREATION AND PARK COMMISSIONERS

**BOARD REPORT**

**NO.** 22-258

**DATE** October 06, 2022

**C.D.** 14

### BOARD OF RECREATION AND PARK COMMISSIONERS

**SUBJECT:** GRAND HOPE PARK – APPROVAL OF REVISED HOURS OF OPERATION – STATUTORY EXEMPTION FROM THE PROVISIONS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE II, SECTION 2, CLASS m [ADOPTION OF ORDINANCES THAT DO NOT RESULT IN IMPACTS ON THE PHYSICAL ENVIRONMENT] OF CITY CEQA GUIDELINES AND ARTICLE 5, SECTION 15061(b)(3) OF CALIFORNIA CEQA GUIDELINES

AP Diaz	_____	M. Rudnick	_____
H. Fujita	_____	<i>fu</i> C. Santo Domingo	<i>DF</i> _____
B. Jackson	_____	N. Williams	_____

*[Signature]*  
 \_\_\_\_\_  
 General Manager

Approved   X   Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

If Approved: Board President *[Signature]* Board Secretary *[Signature]*

### RECOMMENDATIONS

1. Approve revised hours of operation of 7:00am to 7:00pm, seven days per week during Pacific Daylight Savings and 7:00am to 5:00pm, seven days per week during Pacific Standard Time for Grand Hope Park;
2. Authorize the Department of Recreation and Parks (RAP) staff to issue a letter to Grand Hope Inc., the Tenant that is responsible for operation and maintenance, to authorize the revised hours of operation;
3. Determine that the project is statutorily exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2, Class m [Adoption of ordinances that do not result in impacts on the physical environment] of City CEQA Guidelines and Article 5, Section 15061(b)(3) of California CEQA Guidelines and direct RAP staff to file a Notice of Exemption (NOE) with the Los Angeles County Clerk
4. Authorize RAP’s Chief Accounting Employee to prepare a check to the Los Angeles County Clerk in the amount of \$75.00 for the purpose of filing a NOE; and,
5. Authorize RAP staff to make technical corrections as necessary to carry out the intent of this Report.

## BOARD REPORT

PG. 2 NO. 22-258

### SUMMARY

Grand Hope Park is located at 919 South Grand Avenue in the Downtown area of the City. This 2.31-acre facility provides a children's play area, landscaping and benches. Approximately 6,605 City residents live within a one-half mile walking distance of Grand Hope Park. Grand Hope Park was acquired in 2016 from the Community Redevelopment Agency (CRALA) with an existing 50-year lease between the CRALA and Grand Hope Inc., a non-profit, that was executed in 1994. Per the Grand Hope Park Ground Lease (Lease), Grand Hope Inc. is responsible for the operation and maintenance of Grand Hope Park. See attached a copy of the Lease as Attachment 1.

Per Article 6.2 of the existing Lease, Grand Hope Park "shall be open and accessible to the public during the hours of 7:00am and 8:00pm, seven days per weeks during Pacific Daylight Savings, time, and during the hours of 7:00am and 6:00pm, seven days per week during Pacific Standard Time, unless expressly provided for herein or approved in writing by Landlord."

On July 8, 2022, RAP received a letter via email from Grand Hope Inc. (Letter) requesting to close Grand Hope Park an hour earlier due to increased "criminal activity." See Letter from Grand Hope Inc. as Attachment 2.

Grand Hope Inc. is requesting the revised hours of operation for Grand Hope Park:

- 7:00am to 7:00pm, seven days per week during Pacific Daylight Savings Time
- 7:00am to 5:00pm, seven days per week during Pacific Standard Time

Following receipt of the request from Grand Hope Park, RAP requested additional information regarding the "criminal activity" mentioned in the Letter. Grand Hope Inc. provided information regarding 14 incidents over the last 5 months. However only one of those incidents occurred during the last hour of the day.

RAP staff shared the Letter and additional information provided by Grand Hope Inc. with the Office of Council District 14. The Office of Council District 14 is supportive of Grand Hope Inc.'s request.

Upon approval of this Report, RAP will provide a written letter to Grand Hope Inc. authorizing the revised hours of operation.

### ENVIRONMENTAL IMPACT

Based in this information, staff recommends that the Board of Recreation and Parks' Commissioners (Board) determines that it is statutorily exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2, Class m of City CEQA Guidelines and Article 5, Section 15061(b)(3) of California CEQA Guidelines. RAP Staff will file a Notice of Exemption with the Los Angeles County Clerk upon Board's approval.

BOARD REPORT

PG. 3 NO. 22-258

FISCAL IMPACT

The approval of this Report will have no impact on RAP's General Fund.

STRATEGIC PLAN INITIATIVES AND GOALS

Approval of this Board Report advances RAP's Strategic Plan by supporting:

**Goal No. 1:** Provide Safe and Accessible Parks

**Outcome No. 2:** All parks are safe and welcoming

**Result:** Per the Letter, the revised park hours will "ensure the park is safe and secure for all park patrons".

This report was prepared by Meghan Luera, Senior Management Analyst I, Planning, Maintenance and Construction Branch.

Attachments

- 1) Attachment 1 – Grand Hope Park Ground Lease
- 2) Attachment 2 – Letter from Grand Hope Inc.

**GRAND HOPE PARK  
GROUND LEASE**

**Dated as of February 28, 1994**

**By and Between**

**THE COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF LOS ANGELES, CALIFORNIA,**

**Landlord,**

**and**

**GRAND HOPE PARK, INC.,**

**Tenant.**

**CONTENTS**

<b>GLOSSARY OF DEFINED TERMS</b> .....	<b>i</b>
<b>LIST OF EXHIBITS</b> .....	<b>v</b>
<b>GRAND HOPE PARK GROUNDLEASE</b> .....	<b>1</b>
<b>RECITALS</b> .....	<b>1</b>
<b>ARTICLE 1 CERTAIN DEFINITIONS</b> .....	<b>4</b>
<b>ARTICLE 2 LEASE OF PROPERTY</b> .....	<b>7</b>
<b>2.1 Leasing Clauses</b> .....	<b>7</b>
<b>2.2 Delivery of Possession</b> .....	<b>7</b>
<b>ARTICLE 3 TERM OF LEASE</b> .....	<b>7</b>
<b>3.1 Term</b> .....	<b>7</b>
<b>3.2 First Extension of Term</b> .....	<b>8</b>
<b>3.3 Second Extension of Term</b> .....	<b>8</b>
<b>3.4 Third Extension of Term</b> .....	<b>9</b>
<b>3.5 Fourth Extension of Term</b> .....	<b>10</b>
<b>3.6 Fifth Extension of Term</b> .....	<b>11</b>
<b>ARTICLE 4 RENT</b> .....	<b>12</b>
<b>4.1 Base Rent</b> .....	<b>12</b>
<b>ARTICLE 5 CONDITION OF THE PREMISES; CONSTRUCTION OF IMPROVEMENTS ON THE GRAND HOPE PARCEL BY TENANT</b> .....	<b>12</b>
<b>5.1 Soil Conditions</b> .....	<b>12</b>
<b>5.2 Title Matters</b> .....	<b>12</b>
<b>5.3 Installation of a Perimeter Fence</b> .....	<b>12</b>
<b>5.4 Certificate of Completion; Delivery of "As-Built Plans" By Landlord and Tenant; Assignment of Warranties.</b> .....	<b>12</b>
<b>5.5 Refusal to Certify.</b> .....	<b>13</b>

5.6	Final Inspection. ....	13
ARTICLE 6 USE .....		14
6.1	Permitted Uses. ....	14
6.2	Hours of operation .....	14
6.3	Courtesy .....	15
6.4	No Discrimination .....	15
6.5	Public Use .....	15
6.6	Temporary Closure and Events .....	15
6.6.1	Emergencies and Repairs. ....	15
6.6.2	Filming .....	16
6.6.3	Special Events .....	17
6.6.4	Public Events .....	18
6.7	Arrest or Removal of Persons .....	18
6.8	Removal of obstructions .....	19
6.9	Project Security During Periods of Non-Access ....	19
6.10	Temporary Structures .....	19
6.11	Signs .....	19
6.12	Damage to Facilities .....	20
6.13	Prohibited and Restricted Activities; Rules and Regulations .....	20
6.14	Limitation on other Uses .....	22
ARTICLE 7 MAINTENANCE AND OPERATION .....		22
7.1	Grand Hope Park Maintenance and Operation -- Basic Standard .....	22
7.2	Annual Assessment Fees; Southpark Open Space Maintenance Program. ....	22
7.3	Initial Funding, Shortfall Funding; Design Credit; Start-Up Costs .....	24

7.4	Maintenance and Operation Budget/Revision of Standards .....	25
7.5	Landlord's Repair and Replacement Fund and Art Fund .....	27
7.6	Tenant's Repair and Replacement Fund .....	27
ARTICLE 8	IMPOSITIONS .....	28
8.1	Payment of Impositions .....	28
8.2	Contest .....	28
ARTICLE 9	ALTERATIONS .....	28
ARTICLE 10	DAMAGE TO OR DESTRUCTION OF GRAND HOPE PARK PARCEL OR IMPROVEMENTS .....	29
10.1	Tenant to Give Notice .....	29
10.2	Restoration .....	29
ARTICLE 11	TAKINGS .....	30
11.1	Tenant to Give Notice .....	30
11.2	Total Taking .....	31
11.3	Partial Taking .....	31
11.4	Application of Net Awards .....	31
ARTICLE 12	COMPLIANCE WITH ENVIRONMENTAL LAWS .....	31
12.1	Parties' Covenants .....	31
12.2	Presence of Hazardous Waste .....	32
ARTICLE 13	COMPLIANCE WITH LEGAL REQUIREMENTS AND INSURANCE REQUIREMENTS .....	32
13.1	Compliance with Legal Requirements .....	32
13.2	Contest of Legal Requirements .....	32
13.3	Compliance with Insurance Requirements .....	33
13.4	Contest of Insurance Requirements .....	33
ARTICLE 14	UTILITIES AND SERVICES .....	33

14.1 Utilities and Services .....	33
ARTICLE 15 INSURANCE AND LIABILITY .....	34
15.1 Insurance Required .....	34
15.2 Waiver of Subrogation .....	34
15.3 Proceeds of Insurance .....	34
15.5 Limitation of Liability .....	36
15.6 Survival .....	36
ARTICLE 16 LEASE TRANSFER .....	36
16.1 Consent Requirement for Lease Transfer .....	36
16.2 Permitted Assignments .....	37
16.2.1 Landlord .....	37
16.2.2 Tenant .....	37
16.3 Performance Agreements; Concessions .....	37
16.4 Standards and Conditions for All Assignments .....	37
16.5 Release of Tenant .....	38
16.6 No Waiver .....	38
16.7 No Release of Landlord .....	38
ARTICLE 17 ENTRY BY LANDLORD .....	39
ARTICLE 18 EVENTS OF DEFAULT: TERMINATION .....	39
18.1 Tenant Events of Default .....	39
18.1.1 Lease Transfer .....	39
18.1.2 Insurance .....	39
18.1.3 Failure to Perform .....	39
18.2 Landlord's Remedies .....	40
18.2.1 Termination .....	40
18.2.2 Passage of Title to Landlord .....	40



18.2.3	Landlord's Right to Cure .....	40
18.2.4	Suit for Damages .....	41
18.2.5	Remedies Cumulative .....	41
18.3	Landlord Events of Default .....	41
18.3.1	Lease Transfer .....	42
18.3.2	Maintenance and Operation .....	42
18.3.3	Restoration .....	42
18.3.4	Collection of Open Space Fees .....	42
18.3.5	Failure to Perform .....	42
18.4	Tenant Remedies .....	43
18.4.1	Termination .....	43
18.4.2	Tenant's Right to Cure .....	43
18.4.3	Suit for Damages .....	43
18.4.4	Remedies Cumulative .....	44
ARTICLE 19 ESTOPPEL CERTIFICATES .....		44
ARTICLE 20 END OF GROUNDLEASE TERM .....		44
ARTICLE 21 NOTICES .....		45
ARTICLE 22 GENERAL PROVISIONS .....		46
22.1	Entire Agreement; Conflicting Provisions .....	46
22.2	No Oral Modification .....	46
22.3	Successor and Assigns .....	46
22.4	Table of Contents and Section Readings .....	46
22.5	No Partnership or Joint Venture .....	46
22.6	Short Form Groundlease .....	47
22.7	Attorneys' Fees .....	47
22.8	Exhibits .....	47

22.9 Construction .....	47
22.10 Governing Law .....	47
22.11 Counterparts .....	48
22.12 Quiet Enjoyment .....	48
22.13 Landlord's Approvals and Consents .....	48
22.14 Limitation of Liability .....	48
22.15 No Waiver .....	48
22.16 Third Party Beneficiaries .....	48
22.17 Severability .....	49
22.18 Time of the Essence .....	49
22.19 No Right to Holdover .....	49
ARTICLE 23 NONDISCRIMINATION .....	49
ARTICLE 24 ANTI-APARTHEID .....	50

GLOSSARY OF DEFINED TERMS

<u>Defined Terms</u>	<u>Article No.</u>	<u>Page No.</u>
Alterations	Article 9	28
Annual Assessment Fee	Recitals	3
Art Fund	7.5	27
Base Rent	4.1	12
Budget Proposal	7.4	25
Business Day	Article 1	4
CC&Rs	Recitals	2
City	Recitals	3
Commencement Date	3.1	7
Completion Date	Article 1	4
Contesting Party	8.2	28
Control	Article 1	1
DDA	Recitals	3
Del Prado CC&Rs	Recitals	2
Design Credit	7.3	24
Environmental Laws	12.1	31
Execution Date	Article 1	5
Expiration Date	3.1	7
Fence	5.3	12
FIDM	Recitals	2
FIDM CC&Rs	Recitals	2
FIDM DDA	Recitals	2
Fifth Extension Expiration Date	3.6	11

Fifth Extension Option	3.6	11
Filming	6.6.2	16
Final Inspection	5.6	13
First Extension Option	3.2	8
First Extension Expiration Date	3.2	8
Fiscal Year	Article 1	5
Forest City	Recitals	5
Forest City DDA	Recitals	5
Fourth Extension Expiration Date	3.5	10
Fourth Extension Option	3.5	10
Grand Hope Park	Heading	1
Grand Hope Park Parcel	Recital B	1
Grand Phoenix	Recitals	2
Grand Phoenix CC&Rs	Recitals	2
Grand Phoenix DDA	Recitals	2
Hazardous Material	12.1	31
Impositions	Article 1	5
Improvements	Article 1	5
Insurance Requirements	Article 1	5
Landlord	Heading	1
Landlord Events of Default	18.1	39
Landlord's Repair and Replacement Fund	7.5	27
Lease	Heading	
Lease Assignment	16.4	37

Lease Transfer	16.1	36
Legal Requirements	Article 1	5
Maintenance Standards & Security Plan	7.1	22
Memorandum of Agreement	Recitals	1
Memorandum of Sublease	Exhibit B	
Metropolitan	Recitals	
Net Awards	11.4	31
Notice	Article 21	45
Officer's Certificate	Article 1	6
Partial Taking	11.3	6
Permitted Assignee	Article 1	6
Person	Article 1	6
Premises	Article 1	6
Project Area	Recitals	1
Public Events	6.6.4	18
R&T	Recitals	2
R&T Agreement	Recitals	2
R&T OPA	Recitals	2
R&T Project	Recitals	2
Redevelopment Plan	Recital A	1
Restoration	10.2	29
Second Extension Option	3.3	8
Second Extension Expiration Date	3.3	8
Shortfall Funding	7.3	24
Short Form Sublease	Article 1	

Special Event	6.6.3	17
South Park Open Space Maintenance Program	7.2	22
Start-Up Costs	7.3	24
Taking	Article 1	6
Tenant	Heading	1
Tenant Events of Default	Article 18	39
Tenant's Equipment	Article 1	1
Tenant's Fifth Extension Notice	3.6	11
Tenant's First Extension Notice	3.2	8
Tenant's Fourth Extension Notice	3.5	10
Tenant's Second Extension Notice	3.3	8
Tenant's Third Extension Notice	3.4	9
Tenant's Repair and Replacement Fund	7.6	27
Term	3.1	7
Third Extension Option	3.4	9
Third Extension Expiration Date	3.4	9
Total Taking	11.2	31
Unavoidable Delays	Article 1	6

**LIST OF EXHIBITS**

- A. Grand Hope Park Parcel
- B. Resolution No. 3963
- C. Work Letter
- D. Form of Certificate of Completion
- E. Maintenance Standards and Security Plan
- F. Shortform GroundLease
- G. Acknowledgment Letters
- H. Amendment and Reinstatement of CC&R's.

## GRAND HOPE PARK

### GROUNDLEASE

This GRAND HOPE PARK GROUNDLEASE (this "Lease") dated as of February 28, 1994, is made and entered into by and between THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA, a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under Chapter 2 of the Community Redevelopment Law of the State of California (hereinafter referred to as "Landlord" or "Agency"), as lessor, and GRAND HOPE PARK, INC. a California public benefit corporation ("Tenant"), as lessee, with reference to the following Recitals:

#### RECITALS

A. The Redevelopment Plan for the Central Business District Redevelopment Project (the "Redevelopment Plan") was approved and adopted by the City Council of the City of Los Angeles by ordinance No. 147480 on July 18, 1975. The Central Business District Redevelopment 2

(the "Project Area") is located in the City of Los Angeles, California (the exact boundaries of which are specifically described in the Redevelopment Plan) and is governed by the Redevelopment Plan.

B. Landlord owns in fee simple certain real property (the "Grand Hope Park Parcel") situated within the Project Area, more particularly described in Exhibit "A" which is attached hereto and incorporated herein by reference.

C. In effectuation of the Redevelopment Plan, the Landlord has entered into certain Disposition and Development Agreements with the developers of the Metropolitan, Grand Phoenix, and FIDM developments (collectively the "DDA's"), which provide for the development of certain real property within the Project Area:

1) Landlord and Forest City Southpark Corp., predecessor in interest to Forest City Southpark Two Inc. ("Forest City"), have entered into that certain Disposition and Development Agreement, dated November 21, 1980 and the certain First, Second, Third, Fourth and Fifth Implementation Agreements, respectively dated September 9, 1981, June 14, 1984, November 1, 1985, December 16, 1985, and May 12, 1987 (collectively referred to herein as the "Forest City DDA"). The Forest City DDA, provides for the development of certain real property in the Central Business District Project Area as 278 units of rental housing, known as the "Metropolitan."



2) Landlord and Olympic-9th Associates, predecessor in interest to Grand Phoenix Corporation, a California corporation ("Grand Phoenix"), have entered into that certain Disposition and Development and Loan Agreement, dated December 1, 1986, and that certain First Implementation Agreement dated June 11, 1987, effectuating and modifying the original DDA. Landlord and Olympic-9th Associates have also entered into that certain Second Implementation Agreement dated July 19, 1989, effectuating and modifying the original DDA and assigning to Del Prado Hope, Ltd., a California limited partnership ("Del Prado"), the rights, obligations and interests of Olympic-9th Associates. Del Prado was unable to complete construction of the development contemplated by the DDA, and prior to a foreclosure sale conveyed or purported to convey the property to D.P. Housing Associates, Ltd., a California limited partnership, which then filed Chapter 11 proceedings. Landlord has, or is about to, enter into a Third Implementation Agreement, effectuating and modifying the DDA and providing for the assignment of the rights, obligations and interests of Del Prado Hope, Ltd. and D.P. Housing Associates, Ltd. to Grand Phoenix Corporation, a California corporation (the original DDA, the First Implementation Agreement, the Second Implementation Agreement, and Third Implementation Agreement, are collectively referred to herein as the "Grand Phoenix DDA"). The Grand Phoenix DDA provides for the development of certain real property within the Central Business District Redevelopment Project Area as 192 units of rental housing to be known as the "Renaissance Towers."

3) Landlord and FIDM Realty Company, Inc. ("FIDM"), have entered into that certain Disposition and Development Agreement, dated July 13, 1987 and that certain Implementation Agreement dated May 16, 1988, effectuating and modifying the FIDM DDA (the FIDM Disposition and Development Agreement and the Implementation Agreement collectively being referred to herein as the "FIDM DDA"). The FIDM DDA provides for the development of certain real property within the Project Area, as classroom, administrative, and retail space for an advanced educational institute.

D. Landlord and R&T Development Corporation, a Delaware corporation ("R&T"), have entered into that certain Owner Participation Agreement dated April 20, 1990 (the "R&T OPA"). The R&T OPA provides for the development of certain real property within the Central Business District Redevelopment Project Area as an office building known as the "R&T Project."

E. In connection with each of the FIDM DDA and the Grand Phoenix DDA, a Grant of Reciprocal Easements and Declaration of Covenants, Conditions and Restrictions has been executed by the respective property owners and recorded. The CC&Rs associated with the FIDM DDA were recorded on August 31, 1988 as Instrument No. 88-1388939 (the "FIDM CC&Rs"). The CC&Rs

recorded with respect to the Grand Phoenix DDA were recorded on October 26, 1989 as Instrument No. 89-1730606 (the "Grand Phoenix CC&Rs") (collectively the FIDM CC&Rs and the Del Prado CC&Rs are referred to as the "CC&Rs"). The parties anticipate that the CC&Rs will be amended in certain respects pursuant to that certain Amendment and Reinstatement of Covenants, Conditions and Restrictions so as to modify the CC&Rs to be consistent with the transactions contemplated by this Lease. Pursuant to, and in consideration of, the DDA's and CC&Rs, Landlord has agreed to construct a park and public open space, to be known as "Grand Hope Park", in accordance with the plans and specifications prepared by Landlord. The CC&Rs contain certain restrictions with respect to the use, maintenance and operation of Grand Hope Park and associated pedestrian easements. In addition, a Memorandum of Agreement was recorded with respect to the Fifth Implementation Agreement for the Forest City DDA on March 15, 1989 as Instrument No. 89-405901 (the "Memorandum of Agreement"). An Agreement Containing Covenants Affecting Real Property for the R&T OPA was recorded on October 28, 1992 as instrument No. 92-1988660 (the "R&T Agreement").

F. Pursuant to the CC&Rs the Memorandum of Agreement and the R&T Agreement, the developers for the Del Prado, FIDM, Metropolitan and R&T Project developments, and their respective successors and assigns, have each agreed to pay an annual assessment to the Landlord for maintenance and operation of Grand Hope Park (the "Annual Assessment Fee"; collectively the "Annual Assessment Fees") beginning the first year Grand Hope Park is completed.

G. Landlord has adopted by Resolution No. 3963 attached hereto as Exhibit "B", dated June 22, 1988, a policy requiring that private developers in South Park participate in a "South Park Open Space Maintenance Program" as a condition of entering into any owner participation agreement or disposition and development agreement.

H. Pursuant to the DDAs and CC&Rs, Landlord agreed to use its best efforts to enter into a cooperation agreement with the City of Los Angeles, a municipal corporation, organized and existing under the law of the State of California and the Los Angeles City Charter (the "City"), pursuant to which the City would have (i) accepted a grant of title to the Grand Hope Park Parcel and (ii) agreed to operate Grand Hope Park as a public park and in a first class manner of maintenance and operation in accordance with standards to be mutually agreed upon by the parties to the DDAs, the City, and Landlord. However, by letter dated September 12, 1991 the City's Department of Recreation and Parks notified Landlord that due to the unique maintenance problem presented by Grand Hope Park and the level of security necessary to keep the park in first class operating condition the Department of Recreation and Parks was reluctant to accept

the grant of title to Grand Hope Park. Instead, the Department of Recreation and Parks suggested that surrounding property owners consider forming an entity which could directly contract for the maintenance and security services required to keep Grand Hope Park maintained and operating in a first class manner.

I. The purpose of this Lease is to provide for the leasing of Grand Hope Park by Landlord to Tenant so that Grand Hope Park will be used throughout the term hereof as a public park and public open space, and to provide for the maintenance and operation of Grand Hope Park in accordance with the standards set forth herein.

NOW, THEREFORE, in consideration of the above recitals and the covenants herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

#### **ARTICLE 1 CERTAIN DEFINITIONS**

For the purposes of this Lease, the following words and terms shall have the meanings indicated. All capitalized terms used in this Lease and not defined in this Article are defined where indicated in the glossary of defined terms attached to the table of contents of this Lease.

**Business Day:** any day which is not a Saturday, Sunday or legal holiday on which offices of the State of California are closed for business.

**Completion Date:** the later to occur of: (i) the date on which Landlord delivers the Certificate of Completion in connection with Phase I of the construction of the Fence, pursuant to Section 5.4 below; (ii) the date on which Landlord has satisfied its obligation to reimburse Tenant for the cost of Phase I of construction of the Fence, pursuant to the Work Letter attached hereto as Exhibit C; (iii) the date the remedial actions required pursuant to the Final Inspection, if any, have been completed by Landlord or Tenant has agreed to undertake such remedial actions in accordance with Section 5.6 below; (iv) the date on which each of FIDM, Forest City and Grand Phoenix have executed and delivered letters attached hereto as Exhibit G acknowledging that this Lease satisfies the terms of their respective DDAs and CC&Rs, and that Landlord has satisfied all of its obligations relative to construction of Grand Hope Park and such other requirements and agreements related to such obligations as Landlord may reasonably require, or (v) the date on which a fully executed copy of that certain Amendment and Reinstatement of Covenants, Conditions and Restrictions by and among Landlord, FIDM, and Grand Phoenix and attached hereto as Exhibit H is recorded in the office of the Los Angeles County

Recorder or (vi) the date on which a fully executed copy of a Subordination Agreement, which unconditionally subordinates the liens of all lenders that have made loans against the real property owned by FIDM and/or Grand Phoenix to the CC&R's, is recorded in the office of the Los Angeles County Recorder.



Execution Date: the date on which this Lease has been fully executed and delivered by both Landlord and Tenant.

Fiscal Year: the period from July 1 through June 30 for any year throughout the term hereof.

Impositions: all taxes and assessments (including, without limitation, real estate taxes, excise taxes, ad valorem taxes and possessory interest taxes, if any, levied upon the Grand Hope Park Parcel, the Improvements, or the operation thereof, and all assessments for public improvements or benefits, whether or not commenced or completed prior to the date hereof and whether or not to be completed within the Term of this Lease), and all water, sewer or similar user fees, rates and charges, whether general or special, ordinary or extraordinary, and including all interest and penalties thereon, which at any time during the Term of this Lease are assessed, levied, confirmed or imposed, or become a lien, upon the Grand Hope Park Parcel and/or the Improvements or any part thereof.

Improvements: any and all buildings, structures and other improvements which may at any time be erected on or affixed to the Grand Hope Park Parcel as of the Commencement Date or during the term of this Lease. The term "Improvements" includes, but is not limited to, landscaping, fountains, benches, play areas and pedestrian plazas which are located upon the Grand Hope Park Parcel; all fixtures, appliances, machinery, operating equipment and apparatus which are at any time affixed or attached to any of the structures, fountains, benches, play areas, or pedestrian plazas now or hereafter constructed on the Grand Hope Park Parcel; and all components of the plumbing, lighting, cleaning, security, sound and electrical systems of such structures; and the Administrative Room and Equipment Room provided for in Section 2.2(e) of the FIDM CC&Rs. The term "Improvements" specifically excludes the Tenant's Equipment.

Insurance Requirements: all present or future requirements of any insurer of the Premises or any part thereof pursuant to insurance policies which Tenant is required to maintain pursuant to this Lease, and the rules, orders, regulations or requirements of the national and local Board of Fire Underwriters or any other similar body having jurisdiction over the Premises, and those of any appropriate agency, office, department, board or commission thereof.

  
**Legal Requirements:** all laws, statutes, ordinances, orders, judgments, decrees, injunctions, rules, regulations, building codes, zoning codes, standards, permits, licenses, and other requirements formally adopted by any federal, state, local or municipal government, and the appropriate departments, commissions, boards, courts, authorities, agencies, officials and officers thereof, now or hereafter in effect, and all covenants, conditions and restrictions of record, which are or at any time hereafter may become applicable to the Premises or any part thereof or to the use or manner of use of all or any part of the Premises  or any of the sidewalks, curbs, streets or ways adjacent thereto.

**Officer's Certificate:** a certificate signed by an officer of Landlord or Tenant, as the case may be, setting forth the information required therein. The party certifying shall state that, to the best of its knowledge, the information furnished is complete and accurate.

**Permitted Assignee:** The City of Los Angeles or a benefit assessment district, community facilities district or other similar entity which is formed for the purpose of continued funding of maintenance and operation of parks and open space amenities to be developed in the Southpark portion of the Project Area.

**Person:** an individual, a corporation, association, partnership, joint venture, organization or other business entity, or a governmental or political unit or agency.

**Premises:** Grand Hope Park, composed of the Grand Hope Park Parcel together with the Improvements.

**Short Form Groundlease:** that certain Short Form Groundlease in the form of Exhibit F attached hereto.

**Taking:** a transfer during the term hereof of all or any portion of the Premises, or any leasehold or other interest therein or right accruing thereto, as the result or in lieu or in anticipation of, the exercise of the right of condemnation or eminent domain by any governmental entity or agency, or any other compensable government activity affecting the Premises or any part thereof.

**Unavoidable Delays:** delays due to war, insurrection; strikes, lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; unusually severe weather; unforeseeable or unusual inability to secure necessary labor, materials or tools; acts or omissions of the other party in breach of its obligations under this Lease which cause the failure to perform or actually prevent or delay performance; acts

or failure to act of the City of Los Angeles or any other public or governmental agency or entity which cause the failure to perform or actually prevent or delay performance (other than an act or failure to act by Landlord which shall not excuse performance by Landlord) or any other causes beyond the control or without the fault of the party claiming an extension of time to perform, which causes the failure to perform or actually prevents or delays performance. Any extension of time for any such cause shall be given only for the period of the enforced delay and shall begin to run from the date that such cause actually prevents the performance required. The party claiming any such Unavoidable Delay shall promptly notify the other party of the occurrence of such delay. Unless otherwise specifically provided herein, Unavoidable Delays shall not extend any time periods for performance set forth in this Lease.

**ARTICLE 2**  
**LEASE OF PROPERTY**

**2.1 Leasing Clauses**

Upon the conditions, limitations, covenants and agreements set forth below, and for the Term hereinafter set forth, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises as of the Commencement Date, subject to all matters of record as of the date hereof. Landlord reserves unto itself any development rights or air rights and the right to transfer the same to third parties.

**2.2 Delivery of Possession**

Landlord shall deliver possession of the Premises to Tenant on the Commencement Date.

**ARTICLE 3**  
**TERM OF LEASE**

**3.1 Term**

The term of this Lease (the "Term") shall begin on the first day after the Completion Date (the "Commencement Date"), and end at 11:59 P.M. on the 1st day preceding eighth (8th) anniversary of the Commencement Date (the "Expiration Date"), unless extended or sooner terminated as hereinafter provided. Within thirty (30) days following the Commencement Date, the parties hereto shall execute a memorandum which shall set forth the exact date which is the Commencement Date, and the Expiration Date. In the event the Commencement Date does not occur for any reason within nine (9) months of the Execution Date, then Landlord, in its sole and absolute discretion, may terminate this Lease, and neither party shall have any further rights or

obligations hereunder, except as otherwise specifically provided in the Work letter.

### **3.2 First Extension of Term**

In accordance with Sections 7.2 and 7.3, Landlord has agreed to furnish to Tenant (i) the Annual Assessment Fees, (ii) fees collected pursuant to the South Park Open Space Maintenance Program, and (iii) the Shortfall Funding to be used by Tenant over the Term hereof in maintaining and operating the Premises. Based upon the budget projections which were available as of the Execution Date, it is estimated that the funds will be just sufficient to furnish the maintenance and operation necessary throughout the Term. The parties agree, however, that if the Tenant determines that there will be sufficient aggregate funds available pursuant to Section 7.2, 7.3 or otherwise, to enable the Premises to be maintained in accordance with the terms hereof for more than eight years, then Tenant shall have the option (the "First Extension Option") to extend the initial Term for an additional period of up to two years. (The "First Extension Expiration Date"). Tenant shall exercise its rights to extend the initial Term hereof by notice given to Landlord no more than eighteen (18) months, but no less than twelve (12) months, prior to the Expiration Date. Said notice shall set forth whether Tenant is extending the Term by one or two additional years. If Tenant does not deliver Tenant's First Extension Notice within the time period established in this Section 3.2, or does not deliver Tenant's Second Extension Notice as provided in Section 3.3 below, then Tenant shall have no right to extend the Term of this Lease and this Lease shall terminate on the original Expiration Date provided for in Section 3.1 above. If Tenant delivers Tenant's First Extension Notice, then effective as of the date of delivery of Tenant's First Extension Notice, the Term of this Lease shall be deemed extended for the period set forth in the Notice with the same force and effect as if such additional period had originally been included in the definition of Term, and within thirty (30) days thereof, the parties hereto shall execute a memorandum setting forth the new Expiration Date. This Lease shall be extended upon all the terms, covenants and conditions contained in this Lease and applicable to the original Term, except (i) the First Extension option shall be deleted, and (ii) the term "Expiration Date" shall be deemed to refer to the First Extension Expiration Date set forth in the memorandum referred to in the previous sentence.

### **3.3 Second Extension of Term**

Provided Tenant is not in default under this Lease and that this Lease is in full force and effect at the time Tenant exercises the option to extend provided herein, and regardless of whether Tenant has exercised the First Extension option, Tenant shall have the option (the "Second Extension Option") to extend

the Term for an additional period of ten (10) years ("Second Extension Expiration Date"). Tenant shall exercise its rights to extend the Term hereof by notice given to Landlord no more than eighteen (18) months, but no less than twelve (12) months prior to the expiration of the Term (as it may have been extended pursuant to Section 3.2) ("Tenant's Second Extension Notice"). If Tenant does not deliver the Tenant's Second Extension Notice within the time period established in this Section 3.3, then Tenant shall have no right to extend the Term of this Lease and this Lease shall terminate on the original Expiration Date provided for in Section 3.1 above, as it may have been modified by Section 3.2. Tenant's Second Extension Notice shall specify whether the Tenant is seeking additional shortfall funding from Landlord. If the Tenant desires shortfall funding, then the parties hereto shall meet and confer to determine whether or not the Landlord is willing to provide such shortfall funding and if so, how much the Landlord can commit to such purposes. If the parties reach agreement, or if the Tenant determines to extend the Lease without regard to the Landlord's provision of shortfall funding, then no later than ninety (90) days prior to the expiration of the Term, Tenant shall send Landlord notice of its intention to extend the term of the Lease, and the term of this Lease shall be deemed extended for ten years with the same force and effect as if such ten-year period had originally been included in the Definition of Term. If no such notice is given within the time period established, Tenant shall have no right to extend the Term of this Lease and this Lease shall terminate on the original Expiration Date provided for in Section 3.1 above, as it may have been modified by Section 3.2. This Lease shall be extended upon all the terms, covenants and conditions contained in this Lease and applicable to the original Term or mutually agreed in writing by Landlord and Tenant, except (i) the Second Extension Option shall be deleted, and (ii) the Term "Expiration Date" shall be deemed to refer to the Second Extension Expiration Date.

#### **3.4 Third Extension of Term**

Provided Tenant is not in default under this Lease and that this Lease is in full force and effect at the time Tenant exercises the option to extend provided herein, then Tenant shall have the option (the "Third Extension Option") to extend the Term for an additional period of ten (10) years from the Second Extension Expiration Date ("Third Extension Expiration Date"). Tenant shall exercise its rights to extend the Term hereof by notice given to Landlord no more than eighteen (18) months, but no less than twelve (12) months prior to the Second Extension Expiration Date (Tenant's Third Extension Notice). If Tenant does not deliver the Tenant's Third Extension Notice within the time period established in this Section 3.4, then Tenant shall have no right to extend the Term of this Lease and this Lease shall terminate on the Second Extension Expiration Date.



Tenant's Third Extension Notice shall specify whether the Tenant is seeking additional shortfall Funding from the Landlord. If the Tenant desires shortfall funding, then within thirty (30) days of Landlord's receipt of Tenant's Third Extension Notice, the parties hereto shall meet and confer to determine whether or not the Landlord is willing to provide shortfall funding and if so, how much the Landlord can commit to such purposes. If the parties reach agreement, or if the Tenant determines to extend the Lease without regard to the Landlord's provision of shortfall funding, then no later than ninety (90) days prior to the expiration of the Term, the Tenant shall send Landlord notice of its intention to extend the term of the Lease, and the Term of this Lease shall be deemed extended for ten years with the same force and effect as if such ten-year period had originally been included in the definition of Term. If no such notice is given within the time period established, Tenant shall have no right to extend the Term of this Lease and this Lease shall terminate on the Second Extension Expiration Date. This Lease shall be extended upon all the terms, covenants and conditions contained in this Lease and applicable to the original Term or mutually agreed to in writing by Landlord and Tenant, except (i) the Third Extension Option shall be deleted, and (ii) the Term "Expiration Date" shall be deemed to refer to the Third Extension Expiration Date.

### 3.5 Fourth Extension of Term

Provided Tenant is not in default under this Lease and that this Lease is in full force and effect at the time Tenant exercises the option to extend provided herein, then Tenant shall have the option (the "Fourth Extension Option") to extend the Term for an additional period of ten (10) years from the Third Extension Expiration Date ("Fourth Extension Expiration Date"). Tenant shall exercise its rights to extend the Term hereof by notice given to Landlord no more than eighteen (18) months, but no less than twelve (12) months prior to the Third Extension Expiration Date ("Tenant's Fourth Extension Notice"). If Tenant does not deliver the Tenant's Fourth Extension Notice within the time period established in this Section 3.5, then Tenant shall have no right to extend the Term of this Lease and this Lease shall terminate on the Third Extension Expiration Date. Tenant's Fourth Extension Notice shall specify whether the Tenant is seeking additional shortfall funding from the Landlord. If the Tenant desires such shortfall funding, then within thirty (30) days of Landlord's receipt of Tenant's Fourth Extension Notice, the parties hereto shall meet and confer to determine whether Landlord is willing to provide shortfall funding and if so, how much the Landlord can commit to such purposes. If the parties reach agreement, or if the Tenant determines to extend the Lease without regard to the Landlord's provision of shortfall funding, then no later than ninety (90) days prior to the expiration of the Term, Tenant shall send Landlord notice of its intention to

extend the term of the Lease, and the Term of this Lease shall be deemed extended for ten years with the same force and effect as if such ten-year period had originally been included in the Definition of Term. If no such notice is given within the time period established, Tenant shall have no right to extend the Term of this Lease and this Lease shall terminate on the Third Extension Expiration Date. This Lease shall be extended upon all the terms, covenants and conditions contained in this Lease and applicable to the original Term or as mutually agreed to in writing by Landlord and Tenant, except (i) the Fourth Extension Option shall be deleted, and (ii) the Term "Expiration Date" shall be deemed to refer to the Fourth Extension Expiration Date.

### **3.6 Fifth Extension of Term**

Provided Tenant is not in default under this Lease and that this Lease is in full force and effect at the time Tenant exercises the option to extend provided herein, then Tenant shall have the option (the "Fifth Extension Option") to extend the Term for an additional period of ten (10) years from the Fourth Extension Expiration Date ("Fifth Extension Expiration Date"). Tenant shall exercise its rights to extend the Term hereof by notice given to Landlord no more than eighteen (18) months, but no less than twelve (12) months prior to the Fourth Extension Expiration Date (Tenant's Fifth Extension Notice"). If Tenant does not deliver the Tenant's Fifth Extension Notice within the time period established in this Section 3.6, then Tenant shall have no right to extend the Term of this Lease and this Lease shall terminate on the Fourth Extension Expiration Date. Tenant's Fifth Extension Notice shall specify whether the Tenant is seeking additional shortfall funding from the Landlord. If the Tenant desires such shortfall funding, then within thirty (30) days of Landlord's receipt of Tenant's Fifth Extension Notice, the parties hereto shall meet and confer to determine whether or not the Landlord is willing to provide shortfall funding and if so, how much the Landlord can commit to such purposes. If the parties reach agreement, or if the Tenant determines to extend the Lease without regard to the Landlord's provision of shortfall funding, then no later than ninety (90) days prior to the end of the Term, Tenant shall send to Landlord notice of its intention to extend the term of the Lease, and the Term of this Lease shall be deemed extended for ten years with the same force and effect as if such ten-year period had originally been included in the definition of Term. If no such notice is given within the time period established, Tenant shall have no right to extend the Term of this Lease, and this Lease shall expire on the Fourth Extension Expiration Date. This Lease shall be extended upon all the terms, covenants and conditions contained in this Lease and applicable to the original Term or as mutually agreed to in writing by Landlord and Tenant, except (i) the Fifth Extension option shall be deleted, and (ii) the Term

"Expiration Date" shall be deemed to refer to the Fifth Extension Expiration Date.

**ARTICLE 4**  
**RENT**

**4.1 Base Rent**

During the term of this Lease, Tenant shall pay to Landlord the rent ("Base Rent") yearly in advance on each anniversary of the Execution Date of one Dollar (\$1) per year.

**ARTICLE 5**  
**CONDITION OF THE PREMISES; CONSTRUCTION OF IMPROVEMENTS ON THE GRAND HOPE PARCEL BY TENANT**

**5.1 Soil Conditions**

As of the Execution Date, neither Landlord nor Tenant has any actual knowledge of any soil condition or subsurface fault which would materially affect the operation, use or maintenance of the Premises as public open space, or the presence of any Hazardous Materials at, upon, under or within the Grand Hope Park Parcel.

**5.2 Title Matters**

Tenant has approved the exceptions set forth in the preliminary title report order #9309325 issued by Chicago Title Company on May 27, 1993, (the "Approved Exceptions"). Landlord shall lease the Grand Hope Park Parcel to Tenant free and clear of all liens, encumbrances, assessments, easements, leases, and taxes except (i) the Approved Exceptions or (ii) such other exceptions which do not materially affect use, maintenance and operation of the Premises as public open space.

**5.3 Installation of a Perimeter Fence**

Tenant shall construct, at the sole cost and expense of Landlord, a perimeter fence (the "Fence"), in accordance with all the provisions of that certain Work Letter attached hereto as Exhibit C ("Work Letter").

**5.4 Certificate of Completion; Delivery of "As-Built Plans" By Landlord and Tenant; Assignment of Warranties.**

Construction of the Fence may be accomplished in two phases, as provided for in the Work Letter. Phase I shall be deemed to be completed for purposes of this Lease on the date which Landlord issues a Certificate of Completion for Phase I of the Fence as provided in this Section 5.4. After substantial completion of construction of Phase I of the Fence (as set forth

in the Work Letter), Tenant shall deliver to Landlord a written request that Landlord certify the completion of Phase I of the Fence, which request shall contain a certificate by the contractor stating that the Fence has been completed in accordance with the Approved Drawings. Unless Landlord refuses to certify completion as provided in Section 5.5 below, Landlord shall promptly issue to Tenant a Certificate of Completion in the form attached hereto as Exhibit D within ten days after the Landlord's receipt of Tenant's request therefor. Issuance of the Certificate of Completion shall constitute (and shall so state) a conclusive determination by Landlord that Tenant has fully complied with all of its obligations under this Lease to construct Phase I of the Fence, except for those matters which may be listed as "punch list" items on the Certificate of Completion. Tenant shall undertake the prompt and diligent completion or curing of any punch list items. The same procedure specified for Phase I of construction above, shall also apply to issuance of a Certificate of Completion for Phase II of construction of the Fence. In addition, within a reasonable time after completion of Phase I construction of the Fence, Tenant will deliver to Landlord a complete set of "record drawings" for the Fence. Upon issuance of the Certificate of Completion for Phase I, Landlord shall also furnish to Tenant (i) a copy of the "as built" plans and specifications for the Improvements, not including the Fence, (ii) any manuals and other brochures, pamphlets or information related to the use or construction of the Improvements, and (iii) an assignment of any warranties Landlord has which are applicable to the Premises.

#### **5.5 Refusal to Certify.**

If Landlord shall refuse or fail to provide a Certificate of Completion in accordance with Section 5.4 above after the Landlord's receipt of Tenant's request therefor, Landlord shall within fifteen (15) Business Days after Landlord's receipt of Tenant's written request, provide Tenant with a written statement indicating in adequate detail in what respect Tenant has failed to complete the construction in accordance with the Approved Drawings or any other applicable provisions of this Lease, and what measures or acts must be taken or performed by or on behalf of Tenant in order to obtain such Certificate of Completion.

#### **5.6 Final Inspection.**

Landlord covenants that on the Commencement Date the Premises shall be in first class working order and condition. To this end, upon Tenant's request to obtain the Certificate of Completion for Phase I, the parties shall promptly schedule a mutually convenient time to undertake a final inspection of the Premises (the "Final Inspection"). If the Tenant, in its reasonable discretion, determines there are material items which

should be repaired or replaced (which material items may include but are not limited to, replacement of dead or dying plants, resodding as required, and repairs as are necessary to ensure the fountains are watertight and in good working order), either the Landlord shall (i) place the Premises in a condition mutually acceptable to the parties by remediating the offending conditions, or (ii) reach a mutually satisfactory arrangement with Tenant whereby Tenant will undertake such remediation and the necessary funding will be provided by Landlord in the Start-Up Costs provided pursuant to Section 7.2 below, it being understood by Tenant that if the minor repairs cost less than an aggregate of \$10,000, Tenant shall undertake such remediation. If, after good faith consultation and negotiation the parties are unable to agree as to whether the Premises are in a first-class working order and condition, either party may terminate this Lease by giving thirty (30) days' written notice. The parties agree that items to be remedied pursuant to this Section 5.6 shall not include any "punch list" items on the Certificate of Completion for the Fence as provided for in Section 5.4, or damage caused by the contractor for the construction of the Fence.

## **ARTICLE 6** **USE**

### **6.1 Permitted Uses.**

During the Term of this Lease, the Premises shall be used as public open space, in accordance with the terms and conditions of this Lease, Legal Requirements, and applicable provisions of the FIDM CC&Rs, and the Grand Phoenix CC&Rs, and for no other purpose. Tenant shall use and occupy the Premises, and shall in any assignment, license, contract or permit require that all subleasees, licensees or permittees shall use and occupy the Premises in a lawful manner and only for those uses permitted by this Article 6. Tenant shall use reasonable efforts to enforce the use restrictions set forth in this Article 6 and cause the public to comply therewith.

### **6.2 Hours of operation**

Tenant covenants that the Premises shall be open and accessible to the public during the hours of 7:00 a.m. and 8:00 p.m., seven days per week during Pacific Daylight Savings time, and during the hours of 7:00 a.m. and 6:00 p.m., seven days per week during Pacific Standard time, unless otherwise expressly provided for herein or approved in writing by Landlord. Tenant may provide for a later closing time for any Public Event, Filming or Special Event as provided for in Section 6.6. In no event shall the Premises be open for adjacent residents, employees or students at times when the Premises are closed to the general public, except in the case of approved Special

Events. No person shall enter, remain, stay or loiter on the Premises when the Premises are closed to the public, except persons authorized in conjunction with Special Events, Filming, or temporary closures as permitted in Section 6.6.1 below..

### **6.3 Courtesy**

Tenant shall endeavor to be courteous, kind and gracious to all patrons of the Park.

### **6.4 No Discrimination**

Tenant covenants that there shall be no discrimination against, or segregation of, any person, or group of persons, on account of race, color, religion, creed, national origin,, ancestry, sex, sexual orientation, age, disability, medical condition, marital status, acquired immune deficiency syndrome, acquired or perceived, in the use, occupancy, tenure, or enjoyment of the Premises.

### **6.5 Public Use**

Tenant covenants that no person may be excluded from the Premises by the Tenant except to the extent that the City is permitted by law to exclude a person from a City-owned park, or as otherwise expressly permitted in accordance with this Lease. Except as expressly provided herein, the public shall be entitled to use the Premises to the same extent as a public park of the City with similar facilities, including a public place for free speech activities. Any further regulations, to the extent they exceed existing City regulations concerning the use of public parks, or are not otherwise contained in this Lease, shall be subject to the approval of Landlord, in Landlord's sole and absolute discretion.

### **6.6 Temporary Closure and Events**

#### **6.6.1 Emergencies and Repairs.**

Tenant shall have the right, without obtaining the consent of Landlord or the City or any other person or entity (except as specifically set forth herein), to temporarily close the Premises to unauthorized persons, at any time and from time to time for any one or more of the following:

(i) In the event of an emergency, or danger to the public health or safety created by such causes as flood, storm, fire, earthquake, explosion, accident or other disaster, or by riot, civil disturbances, civil unrest, or unlawful assembly, Tenant may temporarily close the area, or portion of the Premises, where the danger exists for the duration thereof, in any manner Tenant deems necessary or

desirable in order to promote public safety, security, and the protection of persons and property.

(ii) Tenant may temporarily close that portion of the Premises as is necessary to make such repair, maintenance and operation to the Premises, as Tenant, in its sole discretion, may deem necessary or desirable, and for such time as may be necessary to make such repairs and maintenance.

Landlord and Tenant agree that any temporary closure should be arranged so as to minimize impacts on public usage of the Premises. In addition, if the circumstances surrounding the closure reasonably permit, Tenant will post an advance notice setting forth the reason for and the scheduled duration of the closure at the major entrances to the Premises.

#### 6.6.2 Filming

Subject to the limitations set forth in this Section 6.6.2, Tenant shall have the right, without obtaining the consent of Landlord, to temporarily close portions of the Premises, for a total of no more than 20 weeks in any Fiscal Year, for the purpose of allowing movie production, movie filming, photography, television production or similar uses ("Filming"), Tenant shall give Landlord forty-eight (48) hours advance notice of such Filming activities and post a notice at the major entrances to the Premises of the impending closure. Any Filming which (i) exceeds the aforementioned limitations, (ii) necessitates closure of more than fifty (50) percent of the Premises, or (iii) extends for a consecutive period of five days or more, shall only be permitted with the written approval of Landlord. Tenant shall require persons wishing to undertake Filming on the Premises to obtain a film permit from Tenant, which film permit may be subject to a service charge for items which could include but are not limited to labor, supervision, overhead, administration, use of the Premises, and use of the Tenant's equipment and supplies. The Board of the Tenant shall establish a fee schedule for such permits from time to time and make it available to the public upon request. Tenant shall also require persons wishing to film on the Premises to provide evidence of general liability insurance, automobile, employer liability and worker's compensation insurance in amounts required of contractors under the Maintenance Standards and Security Plan. Any net revenues derived from Filming, including rents, permit fees or other charges, which are in excess of the cost to the Tenant of permitting the Filming shall be used by Tenant in the same manner as Annual Assessment Fees for the maintenance and operation of the Premises.

### 6.6.3 Special Events

Subject to the limitations set forth in this Section 6.6.3, Tenant shall have the right to temporarily close the Premises to the public for a period of forty-eight (48) consecutive hours or less, in connection with the use of the Premises by Tenant, or licensees or permittees of Tenant, for meetings, receptions, seminars, lectures, concerts, art displays, exhibits, and assemblies ("Special Events"). Prior to closing the Premises for a Special Event, Tenant shall give Landlord forty-eight (48) hours advance notice, and shall post a notice of the impending closure at the major entrances to the Premises. The Premises shall not be used for any Special Events of a political nature. Tenant and Landlord shall mutually agree, from time to time, on procedures and rules and regulations which will be applicable to the use of the Premises for Special Events. At a minimum, such procedures shall provide for the administrative approval of events by Tenant consistent with this Lease, and shall set forth insurance and indemnity requirements, and regulations involving the sale, serving and consumption of alcoholic beverages. It is anticipated that the insurance, indemnity, and alcoholic beverage rules and regulations will be as similar as is reasonably possible to those in effect in the City of Los Angeles Department of Parks and Recreation, but at a minimum any licensee/permittee must provide a Certificate of Insurance naming Landlord and Tenant as additional insureds with minimum limits of \$1,000,000 per occurrence. Tenant shall require a payment of a permit fee or charge for the use of the Premises for Special Events, but such permit fees or charges shall bear a reasonable relationship to, but not be less than, the cost attendant in permitting such Special Events, or otherwise be approved in writing by Landlord. Tenant may charge lower fees for Special Events sponsored by government agencies or non-profit entities, but in no event shall said fee be less than the cost attendant in permitting such Special Events. Tenant shall publish a list of rates and charges and rules and regulations for use of the Premises for Special Events and make such lists available to the public upon request. At the end of each Fiscal Year, any net revenues derived from said Special Events, including rents or other charges, in excess of the costs of the Special Events, shall be used by Tenant in the same manner as Annual Assessment Fees for the maintenance and operation of the Premises. Tenant shall not permit (i) more than twenty-four (24) Special Events in any Fiscal Year, or (ii) closure of more than fifty (50) percent of the area of the Park for a Special Event at times when it would be otherwise open to the public, without the prior written consent of Landlord. Landlord and Tenant shall mutually agree to a scheduling mechanism which will allow the fair and equitable allocation of Special Events. Until the rules and regulations, procedures and scheduling mechanism are agreed to by Landlord and Tenant, no Special Events may be held on the Premises without the written consent of Landlord.



#### **6.6.4 Public Events**

Landlord and Tenant shall also mutually agree to procedures, rules and regulations which govern the use of the Premises for meetings, receptions, seminars, lectures, concerts, art displays, exhibits, demonstrations, marches, conventions, parades, gatherings and assemblies which do not require the closure of the Premises to the public ("Public Events"). At a minimum, such procedures shall provide for the administrative approval of Public Events by Tenant, and shall set forth insurance and indemnity requirements, and regulations involving the sale, serving and consumption of alcoholic beverages. It is anticipated that the insurance, indemnity and alcoholic beverage rules and regulations will be as similar as is reasonably possible to those in effect in the City of Los Angeles Department of Parks and Recreation, but at a minimum any licensee/permittee must provide a Certificate of Insurance naming Landlord and Tenant as additional insureds with minimum limits of \$1,000,000 per occurrence. Landlord and Tenant shall also mutually agree to a scheduling mechanism which will allow the fair and equitable allocation of Public Events. Until such time as Landlord and Tenant have mutually agreed upon such procedures, regulations and scheduling mechanism, the Tenant may not permit Public Events to be held on the Premises. Tenant shall require a payment of a fee or charge for the use of the Premises for Public Events, but such fees or charges shall bear a reasonable relationship to, but not be less than, the cost attendant in permitting such Public Events, unless otherwise approved in writing by Landlord. Tenant may charge lower fees for Public Events sponsored by government agencies or non-profit entities, but in no event shall said fee be less than the cost attendant in permitting such Public Event. Tenant shall publish a list of rates and charges and rules and regulations for use of the Premises for Public Events and make such lists available to the public upon request. At the end of each Fiscal Year, any net revenues derived from said Public Events, including rents or other charges, in excess of the costs of the Public Events, shall be used by Tenant in the same manner as Annual Assessment Fees in the maintenance and operation of the Premises.

#### **6.7 Arrest or Removal of Persons**

Landlord recognizes Tenant's right to use lawful means to effect the arrest or removal of any person or persons who creates a public nuisance, who otherwise violates the applicable park rules and regulations, or who commits any crime including, without limitation, infractions or misdemeanors in or around the Premises.

#### **6.8 Removal of obstructions**

Landlord recognizes Tenant's right to remove and dispose of, in any lawful manner it deems appropriate, any object or thing left or deposited on the Premises which Tenant deems to be an obstruction, interference or restriction of use of Grand Hope Park for the purposes set forth in this Lease, including, but not limited to, personal belongings or equipment abandoned on the Premises during hours when public access is not allowed pursuant to this Lease. Tenant shall establish a Lost and Found for lost, abandoned or unattended personal belongings or equipment provided that, after a reasonable time of holding such personal belongings or equipment, but in no event less than thirty (30) days, Tenant may dispose of said objects in any lawful manner it deems appropriate.

#### **6.9 Project Security During Periods of Non-Access**

Landlord recognizes Tenant's right to lock off the Premises or any portion thereof, to install and operate the Fence or other security devices and to maintain security personnel to prevent the entry of persons or vehicles during the time periods when public access is not allowed pursuant to this Lease. Tenant acknowledges that the provision of security for the Premises is an item of maintenance and operation which Tenant will provide or cause to be provided in accordance with the Maintenance Standards and Security Plan and subject to the terms of this Lease.

#### **6.10 Temporary Structures**

Tenant covenants that no structure of a temporary character, trailer, tent, shack, barn or other outbuilding shall be used on any portion of the Premises at any time either temporarily or permanently unless such structure is mutually approved by Landlord and Tenant, provided that Tenant may permit the use of temporary tents, booths and the like in connection with Filming, Public Events or Special Events.

#### **6.11 Signs**

Tenant shall post signs at the major public entrances to the Premises, setting forth applicable regulations permitted by this Lease, hours of operation, and a telephone number to call regarding security, park management or other inquiries. Except for signs authorized by Tenant in conjunction with operation and maintenance of the Park, or Special Events, Public Events, or Filming, Tenant covenants that no person may post signs of any kind on the Premises, and, subject to Unavoidable Delays, Tenant will promptly remove any unauthorized signage.

## **6.12 Damage to Facilities**

No person may vandalize, deface, damage or destroy the Premises.

## **6.13 Prohibited and Restricted Activities; Rules and Regulations**

Tenant shall take reasonable effort and action to enforce the following rules and regulations:

(1) No person shall assemble, collect, or gather together on any walk, driveway, passageway or pathway on the Premises so that the free passage or use thereof by persons or vehicles passing along the same shall be obstructed in any manner;

(2) Except for Public Events, special Events or Filming for which approval has been obtained consistent with Section 6.6, or by agreement approved by Tenant in accordance with Section 16.3, no person shall rent or offer for rent, or sell, or offer for sale, any commercial merchandise, or any article or thing of any kind or nature whatsoever; or practice, carry on, conduct or solicit any trade, occupation, business, or profession on the Premises; or

(3) Except for Public Events, Special Events or Filming for which approval has been obtained consistent with Section 6.6, no person shall play or utilize any sound amplifying system on the Premises. For the purposes of this subsection "sound amplifying system" shall mean and include any system of electrical hookup or connection, loud speaker system or equipment, sound amplifying system, and any apparatus, equipment, device, instrument or machine designed for or intended to be used for the purpose of amplifying the sound or increasing the volume of the human voice, musical tone, vibration or sound wave. Nor shall any person conduct gatherings or activities of any kind on the Premises which make any excessive noise or play live or recorded music at any excessive level whether it is by radio, television, record player or tape recorder. Noise or vibration shall be deemed excessive if it is used in a confrontational manner likely to create a disturbance or harasses other persons in their permitted uses of the Park or disturbs the peace, quiet and comfort of neighboring occupants or any reasonable person residing or working in the area;

(4) Tenant shall have the right to prohibit and/or restrict the use of bicycles, roller skates, skateboards, mopeds, motorized and nonmotorized vehicles, and any other type of conveyor of persons for recreational or unnecessary purposes,, provided, however, that maintenance or service vehicles may be used on the Premises;

(5) Tenant shall have the right to prohibit and/or restrict the cooking of food and the consumption of alcoholic beverages, provided that sidewalk cafes or the like shall not be prohibited but shall be subject to the mutual approval of Landlord and Tenant;

(6) Tenant shall prohibit and/or restrict the climbing of trees;

(7) Except as otherwise provided herein, Tenant shall prohibit any activities or use or entry during the hours the Premises are closed;

(8) No materials, supplies or equipment shall be stored in any areas upon the Premises except inside a closed building, or behind a visual barrier screening such areas from the view of adjoining buildings, common areas and/or external public streets; and

(9) No noxious, toxic or corrosive fumes, odors, gases, vapors, acids or other like substances shall be brought onto or emitted from any portion of the Premises which may be detrimental to the health, safety or welfare of persons, or which may interfere with the comfort of persons within the vicinity, or which may be harmful to the property or vegetation.

(10) No one may wade, bathe or swim in or drink from the fountains.

(11) Tenant shall have the right to prohibit or restrict any person from causing, permitting or allowing any animal owned or possessed by him or any animal in his care, custody or control to be present on the Premises, except for dogs which have been specially trained and are being used by blind persons to aid and guide them in their movements.

(12) No persons shall remove any wood, tree, shrub, plant, turf, grass, soil, rock, sand or gravel from the Premises.

(13) No person shall throw, discard or deposit any paper, rubbish, debris, ashes, dirt, bottles, can, trash or litter of any kind or nature whatsoever, except in receptacles specifically provided therefore.

(14) No person shall carry or discharge any firearms, firecrackers, fireworks, rockets, model rockets, torpedoes, air gun or slingshot.

(15) No person shall distribute, display, circulate, post, place, or erect any bills, notice, paper or advertising devise or matter of a commercial nature.

#### **6.14 Limitation on other Uses**

No use by the public nor any person of any portion of the Premises for any purpose or period of time other than specifically described herein, shall be construed, interpreted or deemed to create any rights or interests to or in the Premises other than the rights and interests expressly granted herein. The right of the public or any person to make any use whatsoever of the Premises or any portion thereof (other than any use expressly allowed by this Lease) is not meant to be an implied dedication or to create any rights or interests in any third parties and Tenant expressly reserves the right to control the manner, extent and duration of any such use.

### **ARTICLE 7 MAINTENANCE AND OPERATION**

#### **7.1 Grand Hope Park Maintenance and Operation -- Basic Standard**

Landlord and Tenant desire the premises to be maintained in a first class condition and recognized as among the finest public open spaces in the City. Therefore, throughout the term of this Lease and subject to Landlord's obligations to provide funding in accordance with Sections 7.2, 7.3, 7.5 and 10.2 below, Tenant shall operate and maintain, or cause others to operate and maintain, the Improvements in a good, clean and safe condition, in compliance with all Legal Requirements and Insurance Requirements, and according to the Maintenance Standards and Security Plan, as the same may be modified from time to time pursuant to Section 7.4 below. Such operation and maintenance duties shall include but are not limited to maintenance and repair of the landscaping, irrigation system, the fountains, electrical systems, lighting, electronic equipment, park structures and playground equipment; trash collection; security; payroll; and insurance, all as in accordance with the Maintenance Standards and Security Plan attached hereto as Exhibit E (the "Maintenance Standards and Security Plan"). Tenant agrees to apply for a permit from the City to allow Tenant to take responsibility for the maintenance of the street trees along Hope Street, 9th Street, and Grand Avenue adjacent to the Premises, and to use reasonable efforts to obtain such permit. If such permit is granted, the Maintenance Standards and Security Plan shall be amended to include such street tree maintenance.

#### **7.2 Annual Assessment Fees; Southpark Open Space Maintenance Program.**

It is the goal and intent of Landlord and Tenant that the maintenance and operation of the Premises ultimately be funded solely by the Annual Assessment Fees, the Southpark Open Space Maintenance Program fees to be paid by future developments

in the Southpark area, and net revenues, if any, from Filming, Special Events, and Public Events. To this end, Landlord hereby covenants and agrees with Tenant that it will implement Resolution No. 3963 adopted by it on June 22, 1988 and attached hereto as Exhibit B, and require that all developers subject to the policy participate in the "Southpark Open Space Maintenance Program" as a condition and covenant to entering into any owner participation agreement or disposition and development agreement. Landlord further covenants and agrees that (i) all fees collected in accordance with Resolution No. 3963 by Landlord from developers or development within the area bounded by Eighth Street, Olive Street, 11th Street and Figueroa shall be delivered to Tenant for use in the maintenance of the Premises and (ii) not less than 25% of the fees collected in accordance with Resolution No. 3963 within the remainder of Southpark shall be delivered to Tenant for use in the maintenance and operation of the Premises in accordance with the Maintenance Standards and Security Plan, up to a maximum aggregate annual amount of the greater of (a) \$250,000 (including the Annual Assessment Fees) or (b) the amount necessary to meet the Budget as determined in Section 7.4 below. Landlord covenants and agrees that it shall make available to Tenant the Annual Assessment Fees and such fees collected pursuant to the Southpark Open Space Maintenance Program as are allocated to the Premises in accordance with the terms hereof, for use by Tenant in maintaining and operating the Premises in accordance with the Maintenance Standards and Security Plan. Landlord further covenants and agrees that payment of the Annual Assessment Fees may be made directly to Tenant and the Person making such payment would thereby be relieved of its obligation to make a payment to Landlord for that year. Landlord further covenants and agrees that it shall take responsibility for collecting the Annual Assessment Fees and Southpark Open Space Maintenance Program fees which are due and owing to Landlord from any Person, and that person has failed to make timely payment to Landlord or Tenant. Landlord will use all reasonable efforts, including litigation, to enforce the respective obligations to pay the Southpark Open Space Maintenance Program fees or Annual Assessment Fees. To the extent reasonably feasible, Landlord may at its option advance such delinquent funds to Tenant to enable Tenant to continue the maintenance and operation of the Premises. To the extent such fees are not collected or are not collectible by the Landlord, then the Tenant has the option to invoke the procedure set forth in Section 7.4 below for revision of the Maintenance Standards and Security Plan. If Landlord ceases to exist, then its successor in interest shall collect the Annual Assessment Fees and Southpark Open Space Maintenance Program fees for use by Tenant and shall require the payment of such Southpark Open Space Maintenance Program Fees for all future development which is or would have been subject to the Southpark Open Space Maintenance Program. If Landlord's successor in interest fails to require payment or collect the Annual Assessment Fees or Southpark Open

Space Maintenance Program Fees, it shall pay to the Tenant an amount equal to the fees as would have been allocated to Tenant pursuant to this Section 7.2.

**7.3 Initial Funding, Shortfall Funding; Design Credit; Start-Up Costs**

Landlord acknowledges that as of the Execution Date there are insufficient available Annual Assessment Fees to provide full funding of the estimated budget which is required to comply with the Maintenance Standards and Security Plan. Consequently, Landlord hereby covenants and agrees to make available to Tenant the difference between the estimated cost to comply with the Maintenance Standards and Security Plan and the amount of other funds presently estimated to be available to Tenant (the "Shortfall Funding"). The Shortfall Funding shall be used by Tenant throughout the Term hereof in performing Tenant's obligation to maintain and operate the Premises in accordance with the Maintenance Standards and Security Plan. For the initial Term of this Lease the aggregate Shortfall Funding shall be \$880,000. Unless otherwise requested by Tenant, and approved by Landlord, the Shortfall Funding shall be made available to Tenant in installments of no more than \$110,000 per year, payable quarterly. To the extent that budget costs are reduced and/or Annual Assessment Fees or other revenue sources are increased, the Tenant may request Landlord to reduce the amount of the Shortfall Funding installment required for any given year. Any savings may then be used by Tenant in a successive year, or to extend the Lease Term in accordance with Section 3.2, or carried over to a successive term.

In addition, Landlord recognizes that the first year of operation will require additional funds beyond the allocated Shortfall Funding for that year. Landlord further acknowledges that in order to expedite the design and installation of the fence, FIDM and Forest City have expended certain sums for design fees and preparation of drawings for the Fence. Landlord agrees that FIDM and Forest City are each entitled to a dollar for dollar credit, in the amount each entity actually expended, against the Annual Assessment Fees otherwise due from such entity (up to a combined maximum of \$25,000) (the "Design Credit"). As a result of granting the Design Credit the Tenant initially has less funding available from the Annual Assessment Fees. Consequently, Landlord covenants to make available to Tenant within thirty (30) days of the Execution Date, certain "Initial Funding" to enable the Tenant to begin operation. Such Initial Funding shall be the aggregate of \$25,000 to make up the Design Credit (or if there is no Design Credit, a payment of \$25,000 to pay for fence design expenditures incurred by the Tenant); a \$25,000 payment to enable Tenant to pay for initial preparation of budgets; review of contract proposals, procurement of services and equipment, administration, and legal services (the "Start-Up

Costs"); an amount up to \$10,000 to enable Tenant to comply with the requirements of Section 5.6 following the Final Inspection; and such other amounts as Landlord shall deem necessary in its sole and absolute discretion.

#### **7.4 Maintenance and Operation Budget/Revision of Standards**

Based upon the information available as of the Execution Date, Landlord and Tenant estimate that the Annual Assessment Fees together with the Shortfall Funding and Initial Funding should be sufficient to allow Tenant to maintain and operate the Premises in accordance with the Maintenance Standards and Security Plan throughout the initial Term hereof. On or before March 31 of each year during the Term hereof, Tenant shall deliver to Landlord a written estimate of the amount of funds and services required for the ensuing year to perform Tenant's maintenance and operations obligations in accordance with the Maintenance Standards and Security Plan (the "Budget"). To the extent possible, Tenant shall use the most economical and efficient contractors for any given service, and to this end shall review each contract for maintenance services at least once every two years, and receive two estimates for each such service contract from reputable contractors capable of performing such services. Additionally, Tenant hereby covenants to use, to the extent reasonably possible, nonprofit community based service corporations (including but not limited to the Union Rescue Mission Community Corps Services, Chrysalis, and SRO Housing) to provide the daily maintenance services, provided that such nonprofit community based service corporations can provide the quality of service required by the Maintenance Standards and Security Plan in a reasonably economic fashion. In each Budget, the Tenant shall set aside at least \$5,000 per Fiscal Year to be used for minor repairs and replacement of damaged, vandalized or destroyed Improvements. The Budget may also include a charge for management services to be used to offset the cost of scheduling Special Events, Public Events, Filming and other functions at the Premises as well as supervising the maintenance and operation of the Premises. Landlord acknowledges that such management may be undertaken by the board of directors of the Tenant, an employee of the Tenant, or by a consulting firm retained by the Tenant.

Tenant shall furnish to Landlord, within sixty (60) days of the end of each Fiscal Year during the Term hereof, a detailed statement of income and expense, prepared and certified by Tenant, setting forth in reasonable detail the computation of Tenant's income including Annual Assessment Fees, South Park Open Space Maintenance Program fees, if any, Shortfall Funding, Initial Funding, and other income received in such Lease year, and items of expense, including but not limited to the following: maintenance, including but not limited to, landscaping, trash collection, watering, cleaning and operating the fountains,



electricity, lighting, supplies and equipment, payroll, insurance, security (including payroll, insurance, supplies and equipment), administration, coordination of maintenance, security, preparation of budgets and procurement of services, and other items of expense. Landlord and its representatives shall have, at all reasonable times, the right to inspect all books of account of Tenant and any person whose books are subject to inspection by Tenant and the right to cause such books of account to be audited by independent public accountants selected by Landlord as often as may be reasonably requested by Landlord. Each periodic audit or inspection shall be at the expense of Landlord.

If at anytime during the Term hereof, Tenant determines that there is insufficient funding available to it to maintain the Premises in accordance with the Maintenance Standards and Security Plan, Tenant shall have three options available to it. First, Tenant can terminate this Lease. Second, Tenant can locate other sources of funds to be used for the maintenance and operation in accordance with the Maintenance Standards and Security Plan. Third, by action of the board of directors of Tenant, Tenant may determine (i) what adjustments to the Maintenance Standards and Security Plan would be required to match the requirements of the Maintenance Standards and Security Plan with available funding, and/or (ii) how much additional funding would be required to meet the unrevised Maintenance Standards and Security Plan. Notwithstanding the foregoing, Tenant may not elect to reduce general liability insurance except in accordance with Article 15 hereof. Tenant shall send such proposed revised Maintenance Standards and Security Plan, if any, to the Landlord, together with a request for whatever additional funding Tenant would require from Landlord in order to meet the unrevised Maintenance Standards and Security Plan. Within sixty (60) days, following the giving of such notice and the submission of such proposed revised budget and revised Maintenance Standards and Security Plan, if any, Landlord shall either commit to make such additional funds available to Tenant as are required to meet the unrevised Maintenance Standards and Security Plan, or refuse such funding request. If Landlord fails to approve Tenant's request for further funding, within sixty (60) days of receipt thereof, or disapproves said request, then Tenant may either terminate the Lease or adopt the proposed revised Maintenance Standards and Security Plan which was submitted to Landlord, which revised Maintenance Standards and Security Plan shall be substituted for Exhibit E attached hereto, provided that if Tenant has not terminated the Lease within sixty (60) days, the Tenant shall be deemed to have adopted the proposed revised Maintenance Standards and Security Plan. The Maintenance Standards and Security Plan may not be increased or augmented without the consent of Landlord, which consent shall be granted in its sole and absolute discretion, provided that in cases where Tenant has proposed that the Maintenance Standards and Security

Plan be increased to provide for additional security, if the Landlord declines to approve the additional security, then Tenant may either accept the existing security standards or terminate this Lease. Notwithstanding the foregoing, if, for whatever reason, the Maintenance Standards and Security Plan have been revised so as to lower the level of maintenance and operation, and if new funding or revenue sources are identified subsequent to such reduction, Landlord agrees to be reasonable in approving any increase in the Maintenance Standards and Security Plan to the pre-existing level.

#### **7.5 Landlord's Repair and Replacement Fund and Art Fund**

In addition to the Shortfall Finding, Landlord shall also place a one time payment of \$200,000 in a separate and dedicated account which may only be used for necessary or appropriate repairs and replacements of capital equipment and Improvements (the "Landlord's Repair and Replacement Fund"). Landlord shall make the Landlord's Repair and Replacement Fund available to Tenant for such repair and replacement purposes, in Landlord's sole and absolute discretion. Landlord further covenants and agrees that upon receipt from FIDM of its payment to the Downtown Cultural Trust Fund, \$120,000 shall be set aside in a dedicated account which may be used for the repair and replacement of art works on the Premises (the "Art Fund"), and shall be administered by Landlord in its sole discretion. The Art Fund and the Repair and Replacement Fund shall be used for the restoration, repair and replacement of the Improvements in accordance with Section 10.2.

#### **7.6 Tenant's Repair and Replacement Fund**

Tenant shall establish a fund which may only be used for necessary or appropriate repairs and replacements of capital equipment and improvements, or to extend the initial Term hereof, which fund shall be administered in Tenant's sole and absolute discretion (the "Tenant's Repair and Replacement Fund"). At the end of each Fiscal Year if there is any amount remaining of the \$5,000 set aside for minor repairs and replacement of damaged, vandalized or destroyed Improvements as provided for in section 7.4, those remaining amounts shall be placed in the Tenant's Repair and Replacement Fund, together with any other amounts as Tenant shall deem reasonable or desirable, provided that in no event shall the Tenant's Repair and Replacement Fund contain funds in excess of \$200,000 without Landlord's written consent. Any amounts in excess of \$200,000 shall be used by Tenant in the maintenance and operation of the Premises.

**ARTICLE 8**  
**IMPOSITIONS**

**8.1 Payment of Impositions**

Subject to the right to contest provided in Section 8.2 this Lease, during the Term of this Lease, Tenant shall pay and discharge Impositions, if any.

**8.2 Contest**

The party responsible pursuant to this Article, or pursuant to the terms of this Lease, for the payment of Impositions (the "Contesting Party") shall have the right to contest, at its sole cost and expense, the amount or validity of any Imposition applicable to any period during the Term of this Lease, by appropriate proceedings promptly initiated and diligently conducted in good faith. The Contesting Party may postpone or defer payment of any such contested Imposition during the course of such proceedings, provided that neither the Grand Hope Park Parcel nor any part thereof or interest therein would by reason of such postponement or deferment be in danger of being forfeited, sold or foreclosed for nonpayment of such Imposition. Upon the termination of any such proceedings, the Contesting Party shall pay the amount of such Imposition or part thereof as shall be finally determined in such proceedings to be payable (after exhaustion of any rights of appeal), the payment of which may have been deferred during the prosecution of such proceedings, together with any costs, fees, interest, penalties or other liabilities in connection therewith.

Upon the written request of the Contesting Party, the other party to this Lease shall either join in such proceedings described above or permit the same to be brought in its name by the Contesting Party, but in all cases at the sole cost and expense of the Contesting Party. The other party under this Lease shall not be responsible for or subjected to any liability for the payment of any costs, expenses, charges or other amounts of any kind whatsoever in connection with any such proceedings, and the Contesting Party shall indemnify, defend and hold the other party under this Lease harmless from any and all such costs, expenses, charges, amounts and liabilities arising out of such proceedings.

**ARTICLE 9**  
**ALTERATIONS**

Except as provided for in Section 10.2 below, Tenant shall not at any time during the Term make any changes, alterations or additions that materially effect usage or design of the Premises, including the construction or removal of permanent structures or improvements, ("Alterations") to the

Premises or any part thereof, without obtaining Landlord's prior written consent, which consent shall be granted or withheld in Landlord's reasonable discretion. During the course of any Alteration, the cost of which exceeds \$50,000, Tenant shall require any contractor to provide builder's risk insurance in the amount of the construction contract and general liability insurance for not less than One Million dollars (\$1,000,000) combined single limit for bodily injury or property damage insuring the interests of Landlord, Tenant, and any contractors and subcontractors. If any mechanic's lien, materialman's lien, or other lien is filed against the Premises, or any stop notices are served, for work or labor performed or claimed to have been performed, or goods, materials or services furnished or claimed to have been furnished upon or with respect to the Premises at any time during the course of an Alteration, then unless Tenant elects to contest such lien or stop notice, Tenant shall discharge or cause the discharge of such lien or stop notice within sixty (60) days thereafter whether by payment, release or posting of a bond or other similar assurance.

**ARTICLE 10**  
**DAMAGE TO OR DESTRUCTION OF**  
**GRAND HOPE PARK PARCEL OR IMPROVEMENTS**

**10.1 Tenant to Give Notice**

If, at any time during the Term of this Lease, the Premises or any material portion thereof shall be partially or totally damaged, vandalized or ruined whether or not resulting from the fault or neglect of Tenant, or any of its agents or employees, Tenant shall deliver notice thereof to Landlord as soon as possible thereafter, generally describing the nature and extent of such damage or destruction.

**10.2 Restoration**

In the case of any damage, destruction or vandalism to all or a portion of the Premises to the extent such damage, destruction or vandalism can be repaired or replaced using funds which have been set aside for that purpose in the Budget, or available insurance proceeds, Tenant shall promptly commence and complete (subject to Unavoidable Delays), the restoration, replacement or rebuilding of the damaged Improvements. In the case of any material damage or destruction to all or a portion of the Premises (where "material" is considered to be in excess of the funds available for such purposes in any year's Budget) Tenant may request that Landlord make available to Tenant the funds which, together with any available insurance proceeds on account of such damage or destruction, are sufficient for the purpose of restoring, repairing or replacing the damaged improvements. Landlord shall make such funds for repair and replacement available to Tenant in its sole and absolute

discretion. If Landlord denies Tenant's request for such funding, then Tenant may, at its sole option, either repair and rebuild or replace such damaged improvements with funds from other sources, including but not limited to, the Tenant's Repair and Replacement Fund, or it may remove the damaged Improvements and replace the same with concrete, grass or other reasonable substance under the circumstances. Tenant shall perform any such restoration, replacement or rebuilding in compliance with this Article 10 and in accordance with the original plans and specifications for the Improvements and the Approved Drawings for the Fence, with such alterations and additions as may be made at Tenant's election, with Landlord's reasonable approval. Any such restoration, replacement or rebuilding, together with any applicable alterations and additions, and any temporary repairs of the Premises required pending completion of such work, whether performed pursuant to this Article 10 or Article 11 below, are referred to herein as a "Restoration." Tenant shall provide adequate security and protection for the Premises during the course of any Restoration. During the course of any Restoration, the cost of which exceed \$50,000, Tenant shall require any contractor to provide builder's risk insurance in the amount of the construction contract and general liability insurance for not less than One Million dollars (\$1,000,000) combined single limit for bodily injury or property damage insuring the interests of Landlord, Tenant, and any contractors and subcontractors. If any mechanic's lien, materialman's lien, or other lien is filed against the Premises, or any stop notices are served, for work or labor performed or claimed to have been performed, or goods, materials or services furnished or claimed to have been furnished upon or with respect to the Premises at any time during the course of a Restoration, then unless Tenant elects to contest such lien or stop notice, Tenant shall discharge or cause the discharge of such lien or stop notice within sixty (60) days thereafter whether by payment, release or posting of a bond or other similar assurance.

## **ARTICLE 11**

### **TAKINGS**

#### **11.1 Tenant to Give Notice**

If at any time during the Term a Taking occurs, or any proceedings or negotiations commence which might result in a Taking, Tenant shall immediately deliver written notice thereof to Landlord generally describing the nature and extent of such Taking or the nature of such proceedings or negotiations and the nature and extent of the Taking which might result therefrom, as the case may be. Landlord hereby covenants and agrees that, during the Term hereof, it shall not condemn any portion of the Premises.

## **11.2 Total Taking**

In case of a Taking of all of the Premises, or such a substantial portion of the Premises that the part of the Premises remaining after such Taking (even if a Restoration were undertaken) would be unsuitable, in Landlord's opinion after good faith consultation with Tenant, for use as a park, then this Lease shall terminate as of the date title vests in the condemning authority or the date the condemning authority is entitled to possession, whichever first occurs. Any Taking of the Premises of the character referred to in this Section 11.2 is referred to herein as a "Total Taking."

## **11.3 Partial Taking**

In the event of any Taking of the Premises other than a Total Taking (a "Partial Taking"), (a) this Lease shall remain in full force and effect (and the Term shall not be reduced or affected) as to the portion of the Premises remaining immediately after such Partial Taking, and (b) Landlord is obligated within a reasonable period of time to commence and complete, subject to Unavoidable Delays, Restoration of the Premises as nearly as possible to the value, condition and character thereof immediately prior to such Partial Taking.

## **11.4 Application of Net Awards**

Awards and other payments on account of a Taking, less costs, fees and expenses incurred in the collection thereof ("Net Awards") shall be applied as follows:

Net awards received on account of a Partial Taking shall be applied to pay the cost of the Restoration of the Improvements, provided that, in the case of a Taking for temporary use, Landlord shall not be obligated to effect a Restoration until such Taking shall have terminated. Landlord's obligation to restore shall be limited to the amount of the Net Awards. The balance, if any, remaining after the required Restoration shall be delivered to Landlord.

Net Awards received on account of a Total Taking shall be paid to Landlord.

## **ARTICLE 12** **COMPLIANCE WITH ENVIRONMENTAL LAWS**

### **12.1 Parties' Covenants**

Neither Tenant nor Landlord shall ever cause or permit, with such party's actual knowledge, any Hazardous Material to be placed, held, located, used or disposed of on, under or at the Premises or any part thereof or disposed of or discharged from

the Premises into the atmosphere, soil or any watercourse, body of water or wetlands, at any time during the Term of this Lease, except to the extent necessary in the operation and maintenance of the Premises. For purposes of this Lease, the term "Hazardous Material" means any material or substance defined as a hazardous, toxic or dangerous substance, waste or material in any Federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, nor or at any time hereafter in effect (collectively referred to herein as "Environmental Laws").

#### **12.2 Presence of Hazardous Waste**

If, at any time during the term of this Lease, Tenant becomes aware of the presence of any Hazardous Materials on the Premises, whether or not resulting from the fault or neglect of Tenant, or any of its agents or employees, Tenant shall deliver written notice thereof to Landlord as soon as possible thereafter generally describing the nature and extent of such Hazardous Materials. Upon receiving such notice, Landlord shall promptly undertake study and analysis to determine what steps are necessary to correct the conditions and the estimated costs of such corrective measures, provided that if Tenant or its agents, contractors or employees have caused the presence of such Hazardous Materials on the Premises, Tenant shall undertake the investigation. If the Landlord determines that it will fund the cost of correcting the conditions then the Lease shall continue in full force and effect and Landlord and Tenant shall arrange a mutually satisfactory procedure for the remediation of the Hazardous Materials. If the Landlord determines that it will not fund the cost of correcting the conditions, then either Landlord or Tenant may terminate this Lease.

### **ARTICLE 13 COMPLIANCE WITH LEGAL REQUIREMENTS AND INSURANCE REQUIREMENTS**

#### **13.1 Compliance with Legal Requirements**

In the use and operation of the Premises, Tenant shall comply with, or cause the compliance with, all Legal Requirements applicable to the Premises or the use, operation or occupation thereof whether or not such compliance shall be required on account of any particular use to which the Premises or any part thereof may be put, or is of a kind now within the contemplation of the parties hereto.

#### **13.2 Contest of Legal Requirements**

Tenant may contest in good faith at its sole cost and expense any Legal Requirement, provided that noncompliance

therewith while contesting such Legal Requirement shall not constitute a crime or offense punishable by fine or imprisonment. Tenant's good faith noncompliance with such Legal Requirement during such contest shall not be deemed a breach of this Lease.

### **13.3 Compliance with Insurance Requirements**

Neither Tenant nor Landlord, in connection with the exercise of its rights or the performance of its obligations hereunder, shall permit to be done any act or thing upon the Premises which would invalidate or be in conflict with the terms of any fire and/or casualty insurance policies covering the Premises and the fixtures and personal property thereon. Each of Tenant and Landlord shall comply or cause compliance with all present and future Insurance Requirements, (provided that Landlord shall not be required to expend funds to comply with the Insurance Requirements except as otherwise provided in this Lease), and neither shall knowingly do or permit to be done in or upon the Premises, or bring to keep anything therein or use the same in any manner, which could result in the denial of such fire and casualty insurance coverage.

### **13.4 Contest of Insurance Requirements**

If any Insurance Requirement shall require Tenant to perform any work or meet any condition which Tenant in good faith may deem unfair, unreasonable, or otherwise improper, Tenant may contest the validity of such Insurance Requirement, provided that noncompliance therewith shall not adversely affect the Premises, or result in the cancellation or interruption of any insurance coverage required hereunder. Tenant's good faith noncompliance with such Insurance Requirement during such contest shall not be deemed a breach of this Lease.

## **ARTICLE 14 UTILITIES AND SERVICES**

### **14.1 Utilities and Services**

Landlord shall pay or cause to be paid all service charges for water, sewer, electricity, power and all other utilities or services used, rendered or supplied to, upon or in connection with the Premises, if any. Landlord and Tenant agree to meet annually to establish a utility utilization plan to provide for the Tenant's efficient and energy conscious use of electricity and other utilities. Subject to the limitation that adequate lighting must be provided to insure adequate security and as necessary for Public Events, Special Events, and Filming, Tenant agrees to accommodate Landlord's reasonable request to modify utilization of utilities so as to reduce costs of utilities.



**ARTICLE 15**  
**INSURANCE AND LIABILITY**

**15.1 Insurance Required**

During the Term hereof Tenant shall furnish all insurance as required in the Maintenance Standards and Security Plan. During the Term hereof, Tenant shall furnish or cause to be furnished to Landlord duplicate originals or appropriate certificates of the insurance coverage required pursuant to this Lease and shall cause Landlord and the City to be listed as additional insured parties in each such insurance policy. In the event during the Term hereof Tenant finds that commercial general liability insurance required hereunder or deemed necessary for Tenant in the operation of the Premises is not obtainable at commercially reasonable rates or subject to commercially reasonable deductibles, then Tenant may give Landlord notice of such occurrence and Landlord may elect to (a) provide such insurance or (b) fully and unconditionally indemnify Tenant, or Tenant can terminate this Lease. If Landlord has not responded to Tenant's notice within the earlier of (i) the date upon which required insurance terminates or (ii) ninety (90) days from receipt of said notice from Tenant, this Lease shall terminate. Insurance required hereunder shall be in companies duly licensed to transact business in California and maintaining during the policy term a Best's Key Rating Guide published by A.M. Best Company "general policyholder's rating" of at least B+ and being in a financial size category of VI or greater, or such other rating as may be approved from time to time by Landlord.

**15.2 Waiver of Subrogation**

Without affecting any other rights or remedies, Landlord and Tenant each hereby release and relieve the other, and waive their entire right to recover damages (whether in contract or in tort) against the other, for the loss of or damage to either party's property arising out of or incident to the perils required to be insured against under this Section 15. The effect of such releases and waivers of the right to recover damages shall not be limited by the amount of insurance carried or required, or by any deductibles applicable thereto.

**15.3 Proceeds of Insurance**

All insurance proceeds received under the policy insuring loss or damage to the Improvements, if any, shall be paid to the Tenant, provided that Tenant shall apply such proceeds, to the extent possible, for reconstruction or repair in a manner consistent with the provisions of Section 10.2 of the Lease.

**15.4 Release**

To the fullest extent permitted by law, and except as to liability arising out of the gross negligence or willful misconduct of the Released Parties (as defined below), and except for liability to the extent actually covered by proceeds from insurance carried by Tenant, Landlord will release all and each of Tenants, its officers, directors, and/or employees (whether paid or unpaid) (collectively, "Released Parties") from and against any and all losses, damages, claims, penalties, expenses (including without limitation reasonable attorneys' fees), injuries and liabilities incurred by Landlord arising out of or in any way related to, or claimed or alleged to arise out of or be in any way related to:

(1) The failure or alleged failure of the contractors, to perform work and/or services in a safe and proper manner, or so as to comply with all laws, ordinances and regulations related to health and/or safety referring to or governing such work and services (such as, though not limited to, OSHA) and rules and regulations promulgated under any of the foregoing; or

(2) Damage, destruction or injury of any kind or nature to tangible property, and to property adjoining the Park; or

(3) Liability imposed or sought to be imposed, by statute or otherwise, because of damage to or destruction of tangible property, caused or occasioned directly or indirectly by contractors, or their agents or employees, in the performance of work or services contemplated hereunder, or claimed to have been caused by or through the performance by the contractors of such work or services or to have arisen out of the work or services performed by the contractors or to have occurred in connection therewith, or resulting from the use by the contractors of any materials, tools, hoists, ladders, implements, appliances, scaffolding, works, machinery or other device or any property of any of the Released Parties; or

(4) Liability imposed or sought to be imposed, by statute or otherwise, because of bodily injuries, including death at any time resulting therefrom, sustained by any person whatsoever (including any employee of contractors) while at or on the premises where work or services contemplated hereunder is conducted, or elsewhere while engaged in the performance of such work or services, whether attributable to a breach of statutory duty or administrative regulation or otherwise, and such injuries for which liability is imputed to the Released Parties or any of them.

(a) Each failure, damage, destruction, injury, liability, lien, claim and demand, and allegations thereof, set

forth in any one or more of the four parts above (labeled 1 through 4) is and constitutes a separate and distinct matter as to which the Released Parties are entitled to be released, and the invalidity or unenforceability of this Section 15.4, or any part hereof, shall not in any way render the Landlord's releases with respect to any other section herein, or part thereof, invalid or unenforceable.

(b) The provisions of this Section 15.4 are in addition to, and not in derogation of, any rights which any of the Released Parties may otherwise have by virtue of any agreement, arrangement or understanding, or by virtue of statute, rule or regulation, or at law or in equity.

(c) Nothing in this Section 15.4 shall be interpreted or deemed in any way to limit the insurance coverage maintained by Tenant for its benefit or for the benefit of Landlord.

#### **15.5 Limitation of Liability**

Notwithstanding anything to the contrary contained herein, except in the case of Tenant's gross negligence or wilful misconduct, any failure by any contractor to carry required insurance, any failure to obtain the insurance specified in this Lease or any failure of such insurance to cover any loss, damage or liability, shall not affect the limitation on the liability of Tenant hereunder.

#### **15.6 Survival**

With respect to loss, damage, liability, and claims arising during the term of this Lease, or otherwise related to this Lease or the performance hereof, the provisions of Sections 15.4 and 15.5 shall survive the termination of this Agreement.

### **ARTICLE 16** **LEASE TRANSFER**

#### **16.1 Consent Requirement for Lease Transfer**

Except as otherwise provided in this Article 16, no Lease Transfer shall be valid. For the purposes of this Lease, the term "Lease Transfer" shall mean any assignment, sublease, license agreement, concession agreement, management agreement, mortgage, deed of trust, pledge, encumbrance or any other agreement or instrument pursuant to which Tenant or Landlord, or any Person comprising Tenant or Landlord, attempts to transfer to any other Person any interest in the Premises or any portion thereof, or any right to use or occupy the Premises or any portion thereof. Notwithstanding the preceding sentence, the term "Lease Transfer" shall not include any licenses or permits granted in connection with Filming, Special Events, Public

Events, or as described in Section 16.3 below. Any Lease Transfer in violation of this Article 16 shall be void and of no effect.

## **16.2 Permitted Assignments**

### **16.2.1 Landlord**

Landlord may assign its interest under this Lease to (i) the City of Los Angeles or (ii) any other entity which succeeds to all of the Landlord's assets in the event Landlord ceases to exist. Landlord may not participate in any other Lease Transfer without first obtaining Tenant's consent to such Lease Transfer, provided that if Tenant does not consent to such Transfer, Tenant's sole remedy shall be termination of this Lease.

### **16.2.2 Tenant**

Tenant may assign its interest under this Lease to a Permitted Assignee without Landlord's consent, but only after prior good faith consultation with Landlord. Except as provided in the preceding sentence and Section 16.3 below, Tenant may not participate in any Lease Transfer without first obtaining Landlord's consent to such Lease Transfer, which consent may be granted or withheld in the Landlord's sole and absolute discretion.

## **16.3 Performance Agreements; Concessions**

At any time during the Term of this Lease, Tenant may enter into agreements or amendments thereof, from time to time, with caterers or restaurant operators or vendors for purposes of providing food and beverage services in appropriate areas of the Grand Hope Park, and any agreements and amendments described in this Section 16.3 shall not be deemed to be Lease Transfers, provided that any such agreements with a term in excess of one year must be approved by Landlord in its reasonable discretion. Any revenues derived pursuant to this Section 16.3 shall be used in the same manner as the Annual Assessment Fees for purposes of maintenance and operation.

## **16.4 Standards and Conditions for All Assignments**

Any assignment of this Lease whether with consent as required or as otherwise permitted under Section 16.2 shall be in writing, in form and substance reasonably satisfactory to the non-assigning party, and shall be executed by the assignee who shall therein and thereby assume this Lease and all of the agreements, terms, obligations, liabilities, covenants and conditions hereof on the part of the assigning party to be performed after the effective date of such assignment until

expiration of the Term, and a duplicate original of such assignment and assumption, in recordable form, shall be delivered to the non-assigning party before the same shall be effective. An assignment and assumption agreement meeting the requirements of this Section 16.4 is referred to herein as a "Lease Assignment." This Article 16 shall apply to each assignee of this Lease, and each assignee shall have the right to assign this Lease only in accordance with the provisions of this Article 16.

#### **16.5 Release of Tenant**

Upon the closing of any assignment of Tenant's entire interest under this Lease permitted or approved by Landlord pursuant to Section 16.2.2 above, and the delivery to Landlord by Tenant and the assignee of an executed counterpart of the Lease Assignment required by Section 16.4 above, and, subject to Legal Requirements, the Tenant shall assign and transfer to the assignee any available funds including, but not limited to insurance proceeds or rights thereto the Tenant's Repair and Replacement Fund, and any unexpended Annual Assessment Fees, Shortfall Funding, or South Park Open Space Management fees, in excess of obligations or commitments. Tenant shall thereafter be released and relieved of all further liability under this Lease that arises out of or relates to any act or omission occurring from and after the effective date of such Lease Assignment, and each subsequent assignee, upon making a further Lease Assignment in compliance with the conditions set forth in this Article 16, shall be released and relieved of all further liability under this Lease that arises out of or relates to any act or omission occurring from and after the effective date of such further Lease Assignment. Any such release shall be self-operative, provided, however, that Landlord, at the written request of Tenant (or its then successor as subtenant under this Lease), shall, within fifteen (15) Business Days after written request therefor, deliver to such requesting party an Officer's Certificate acknowledging such release (but excluding from such release any claims pending or unknown as of the effective date of such Sublease Assignment) upon compliance by such requesting party with the conditions of this Article 16.

#### **16.6 No Waiver**

The consent by one party to any Lease Transfer hereunder shall not in any way be construed to relieve the assigning party's permitted assignee from obtaining the express consent in writing of the other party to any further Lease Transfer.

#### **16.7 No Release of Landlord**

Unless Tenant otherwise agrees in its sole and absolute discretion, (a) a Lease Transfer by Landlord shall not release or

relieve Landlord of its obligations hereunder whether arising before or after such Lease Transfer, and (b) Landlord shall at all times be liable as a primary party for such obligations and not just as a guarantor.

**ARTICLE 17**  
**ENTRY BY LANDLORD**

Landlord and its agents and independent contractors shall have the right, during reasonable hours and upon reasonable notice to Tenant (except in case of any emergency or a security-related matter, or at such time as the Premises are otherwise open to the public, in which event no time restriction shall apply), to enter the Premises to inspect them for the purpose of determining whether Tenant is in compliance with the terms of this Lease; provided, however, that such entry shall not interfere with any use of Grand Hope Park or unnecessarily or unreasonably interfere with any activities in Grand Hope Park or any other business being conducted on the Premises (except in case of any emergency or a security-related matter, in which case such limitation shall not apply to the extent the emergency situation requires that such interference occur). Tenant shall provide Landlord with a spare set of keys to all locks on the Premises.

**ARTICLE 18**  
**EVENTS OF DEFAULT: TERMINATION**

**18.1 Tenant Events of Default**

Each of the following events ("Tenant Events of Default") shall constitute events of default hereunder by Tenant and a breach of this Lease:

**18.1.1 Lease Transfer**

Tenant shall participate in any Lease Transfer that is not expressly permitted under the provisions of Article 16 of this Lease.

**18.1.2 Insurance**

Tenant shall allow required insurance to lapse or expire, or Tenant shall fail to carry required insurance except as otherwise expressly permitted in this Lease or the Maintenance Standards and Security Plan.

**18.1.3 Failure to Perform**

Tenant shall fail to perform or comply with any of the other agreements, terms, covenants or conditions hereof on Tenant's part to be performed or complied with, including without

limitation its obligations to maintain and operate the Premises in accordance with Article 7 hereof, and such non-performance or noncompliance shall continue for a period of thirty (30) days after Notice from Landlord or, if such performance cannot reasonably be completed within such thirty (30) day period, then subject to Unavoidable Delays, Tenant shall not have commenced such performance in good faith within such thirty (30) day period or shall not diligently and continuously proceed therewith to completion of such performance within a reasonable period after its receipt of such Notice.

## **18.2 Landlord's Remedies**

### **18.2.1 Termination**

Upon the occurrence of a Tenant Event of Default, and at any time thereafter until Tenant shall have cured such Tenant Event of Default, Landlord shall have the right to terminate this Lease and Tenant's right to possession of the Premises by giving Notice of such termination to Tenant, which Notice shall specify the Tenant Event of Default claimed and the date for termination, and upon such date this Lease and Tenant's leasehold estate and right to possession of the Premises under this Lease shall terminate, as if the date of termination were the Expiration Date of the Term.

### **18.2.2 Passage of Title to Landlord**

If this Lease shall be terminated as provided above all of the right, title, estate and interest of Tenant in and to (a) the Premises, including, without limitation, the Improvements and any Alteration thereto, (b) all insurance policies (except blanket policies) with respect to the Improvements, and all proceeds thereof, and (c) all personal property located at and/or used in connection with the Premises shall automatically pass to, vest in and belong to Landlord without further action on the part of either party, free of any claim thereto by Tenant. Landlord may remove any or all persons then in possession of the Premises, and take possession thereof, and Tenant shall, subject to Legal Requirements, assign and transfer Tenant's Repair and Replacement Fund and any unexpended or unobligated Annual Assessment Fees, Shortfall Funding, and South Park Open Space Management fees or other of Tenant's funds, in excess of commitments, to Landlord, for use only in the maintenance and operation of the Premises. In the event Landlord terminates this Lease, Landlord acknowledges that it is required to establish a new maintenance mechanism which satisfies the FIDM and Grand Phoenix CC&Rs.

### **18.2.3 Landlord's Right to Cure**

Subject to any applicable conditions and limitations set forth elsewhere in this Lease, at any time that a Tenant

Event of Default shall have occurred and be continuing, Landlord may, if it so desires in Landlord's sole and absolute discretion and without any obligation whatsoever to do so, perform or cause to be performed any of Tenant's unperformed obligations hereunder. Landlord may enter the Premises for the purpose of correcting or remedying any default and remain therein until such Tenant Event of Default has been corrected or remedied, but such performance by Landlord shall not be deemed either to waive or release any Tenant Event of Default or the right of Landlord to take any action provided herein in the case of such default. No such action by Landlord shall terminate this Lease or Tenant's right to possession.

#### **18.2.4 Suit for Damages**

At any time that a Tenant Event of Default shall have occurred and be continuing, or at any time after termination of this Lease pursuant to Section 18.2.1 above, Landlord may sue to recover from Tenant any and all damages necessary to compensate Landlord for the detriment proximately caused by Tenant's failure to perform its obligations under this Lease, including, but not limited to, (a) all amounts payable hereunder which are due, owing and unpaid by Tenant to Landlord at the time any such suit is brought, and (b) in the case of termination, such costs and expenses as Landlord may incur in recovering possession of the Premises, removing persons or property therefrom, and in connection with the appointment of and the performance by a receiver to protect the Premises. Suit or suits for the recovery of any deficiency or damages may be brought by Landlord from time to time at Landlord's election.

#### **18.2.5 Remedies Cumulative**

In the event of a breach of this Lease by Tenant, Landlord shall have the right of injunction to restrain the same and the right to invoke any remedy allowed by law or in equity, as if specific remedies, indemnity or reimbursement were not herein provided. The provision in this Lease for any remedy shall not preclude Landlord from any other remedy at law or in equity, and the rights and remedies given to Landlord in this Lease are distinct, separate and cumulative, and no one of them, whether or not exercised by Landlord, shall be deemed to be in exclusion of any other right or remedy provided herein, by law or equity, or pursuant to any other agreement between Landlord and Tenant.

#### **18.3 Landlord Events of Default**

Each of the following events ("Landlord Events of Default") shall constitute events of default hereunder by Landlord and a breach of this Lease.



### **18.3.1 Lease Transfer**

Landlord shall participate in any Lease Transfer that is not expressly permitted under the provisions of Article 16 of this Lease.

### **18.3.2 Maintenance and Operation**

With respect to Landlord's obligations to collect fees and fund the cost of maintenance and operation of the Premises as provided in Article 7 above, if Landlord shall fail to make any payment owed Tenant, and such noncompliance shall continue for a period of ten (10) days after Notice from Tenant.

### **18.3.3 Restoration**

With respect to Landlord's election to provide for the cost of Restoration in accordance with Section 10.2 above, if Landlord shall elect to provide the funds for such Restoration but shall fail to make a payment for such Restoration and such noncompliance shall continue for a period of thirty (30) days after notice from the Tenant.

### **18.3.4 Collection of Open Space Fees**

With respect to Landlord's obligation to collect Southpark Open Space Maintenance Program fees in accordance with Resolution No. 3963, if Landlord shall fail to require participation from developers in Southpark as required in Section 7.2.

### **18.3.5 Failure to Perform**

Landlord shall fail to perform or comply with any of the agreements, terms, covenants or conditions hereof on Landlord's part to be performed or complied with hereunder other than those described in Sections 18.3.1, 18.3.2, 18.3.3 and 18.3.4 above, and such non-performance or noncompliance shall continue for a period of thirty (30) days after Notice from Tenant (twenty one (21) days in the case of a failure to make any payment owed to Tenant) or, if cure of a non-monetary default cannot reasonably be completed within such thirty (30) day period, then subject to Unavoidable Delays, Landlord shall not have commenced such performance in good faith within such thirty (30) day period or shall not diligently and continuously proceed therewith to completion of such performance within a reasonable period after its receipt of such Notice.

## **18.4 Tenant Remedies**

### **18.4.1 Termination**

At any time that a Landlord Event of Default shall have occurred and be continuing, or Tenant makes an election pursuant to Sections 7.4, 12.2, 15.1, or 16.2.1 of this Lease, or the Work Letter, Tenant shall have the right to terminate this Lease by giving Notice from the Tenant of such termination to Landlord, which Notice shall specify the Landlord Event of Default or election claimed and the date for termination, and upon such date this Lease and Tenant's leasehold estate and right to possession of the Premises under this Lease shall terminate, as if the date of termination were the Expiration Date of the Term. In the event Tenant terminates this Lease, Landlord acknowledges that it is required to establish a new maintenance and operation mechanism which satisfies the FIDM and Grand Phoenix CC&Rs.

### **18.4.2 Tenant's Right to Cure**

At any time that a Landlord Event of Default shall have occurred and be continuing, Tenant may, if it so desires in Tenant's sole and absolute discretion and without any obligation whatsoever to do so, perform or cause to be performed any of Landlord's unperformed obligations hereunder. Such performance by Tenant shall not be deemed either to waive or release or excuse any Landlord Event of Default or the right of Tenant to take any action provided herein or permitted by law in the case of such Landlord Event of Default. The amount of any cost, expense or expenditure incurred by Tenant in connection therewith together with interest thereon from the date paid by Tenant shall be payable by Landlord to Tenant on demand. No such action by Tenant shall terminate this Lease or Tenant's right to possession hereunder.

### **18.4.3 Suit for Damages**

At any time that any Landlord Event of Default shall have occurred and be continuing, or at any time after termination of this Lease pursuant to Section 18.4.1 above as a result of a Landlord Event of Default, Tenant may sue to recover damages from Landlord, provided that Tenant's right to recover damages from Landlord shall be limited to all monetary amounts payable hereunder which are due, owing and unpaid by Landlord to Tenant at the time any such suit is brought, including, without limitation, recovering the cost incurred by Tenant of performing Landlord's obligations in default hereunder, or with respect to costs, losses, damages or claims brought by a third party against Tenant, which costs, losses, damage or claims were proximately caused by the Event of Default. Suit or suits for the recovery of any deficiency or damages may be brought by Tenant from time to time at Tenant's election.

#### 18.4.4 Remedies Cumulative

At any time that a Landlord Event of Default shall have occurred and be continuing, Tenant shall have the right of injunction, declaratory relief, and specific performance to restrain the same. The rights and remedies given to Tenant in this Lease are the sole remedies available to Tenant provided that no one of them, whether or not exercised by Tenant, shall be deemed to be in exclusion of any other right or remedy provided herein, or pursuant to any other agreement between Tenant and Landlord. Except as provided herein Tenant waives any and all other rights and remedies, at law or in equity, which Tenant may have against Landlord.

#### ARTICLE 19 ESTOPPEL CERTIFICATES

Each party will execute, acknowledge and deliver to the other party within ten (10) Business Days after a written request therefor, an Officer's Certificate certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and stating the modifications), and (b) (i) in the case of such a certificate delivered by Tenant, that no notice has been (x) given by Tenant of any Landlord Event of Default which has not been cured, or (y) received by Tenant of any Tenant Event of Default which has not been cured, except defaults specified in said certificate and that, to Tenant's knowledge, there are then existing no facts which, with the passage of time or delivery of notice, or both, would constitute a Landlord Event of Default or a Tenant Event of Default hereunder, or (ii) in the case of such a certificate delivered by Landlord, that no notice has been (xx) given by Landlord of any Tenant Event of Default which has not been cured, or (yy) received by Landlord of any Landlord Event of Default which has not been cured, except defaults specified in said certificate and that, to Landlord's knowledge, there are then existing no facts which, with the passage of time or delivery of notice, or both, would constitute a Tenant Event of Default or a Landlord Event of Default hereunder.

#### ARTICLE 20 END OF GROUNDLEASE TERM

Upon the Expiration Date or earlier termination of this Lease for any reason whatsoever, Tenant shall peaceably and quietly quit, surrender and yield up to Landlord the Premises and all personal property located thereon and used in connection therewith, including, without limitation, all operating equipment and Tenant shall comply with Section 18.2.2 in the transfer of its funds.

**ARTICLE 21**  
**NOTICES**

Any notice, demand, request, consent, approval or communication (each of which is herein referred to as a "Notice") which either party hereto desires or is required or permitted to give or cause to be given to the other shall be in writing and shall be delivered or addressed to such other party at the address set forth below or to such other address as that party may from time to time direct by Notice given in the manner herein prescribed, and such Notice shall be deemed to have been given or made when communicated by personal delivery or by independent courier service or by facsimile transmission, or if by mail then the earlier to occur of when actually received or on the third (3rd) Business Day after the deposit thereof in the United States Mail in Los Angeles Landlord, California, postage prepaid, registered or certified, addressed as hereinafter provided. If a consent, approval, action or agreement must be given or taken within a particular time, in order for the Notice to be effective, the Notice shall so state such time period. All Notices shall be addressed as follows:

If to Landlord: The Community Redevelopment Agency  
of the City of Los Angeles  
354 South Spring Street. Suite 800  
Los Angeles, California 90013  
Attn: Administrator  
Facsimile No.: 213/617-0966

If to Tenant: Grand Hope Park, Inc.  
c/o FIDM Building  
919 South Grand Avenue, Suite 102P  
Los Angeles, CA 90015-1426  
Facsimile No.: 213-624-9354

With a copy to: Gibson, Dunn & Crutcher  
333 South Grand Avenue  
Los Angeles, California 90071  
Attn: Jane L. Wingfield, Esq.  
Facsimile No.: (213) 229-7520

With a copy to: Annie Johnson  
FIDM Realty, Inc.  
919 South Grand Avenue, Suite 220F  
Los Angeles, California 90015-1426  
Facsimile No." 213/624-9354

With a copy to: Forest City Southpark, Inc.  
dba Metropolitan  
11601 Wilshire Boulevard, Suite 1900  
Los Angeles, California 90025  
Facsimile No.: 310/479-6398

With a copy to: Grand Phoenix Corporation  
4510 E. Pacific Coast Highway,  
Suite 600  
Long Beach, California 90804  
Attn: Paul Jacobs Facsimile No.:  
320/985-0692

**ARTICLE 22**  
**GENERAL PROVISIONS**

**22.1 Entire Agreement; Conflicting Provisions**

This Lease sets forth all of the agreements, conditions and understandings between Landlord and Tenant relating to the leasing of the Premises by Tenant, and the maintenance and operation of the Improvements, and there are no promises, agreements, conditions, understandings, warranties or representations, oral or written, expressed or implied, between the parties other than as set forth or referred to herein.

**22.2 No Oral Modification**

No statement, action or agreement hereafter made shall be effective to amend, waive, modify, discharge, terminate or effect an abandonment of this Lease in whole or in part unless such agreement is in writing and signed by the party against whom such amendment, waiver, modification, discharge, termination or abandonment is sought to be enforced.

**22.3 Successor and Assigns**

Except as specifically set forth herein, the covenants and agreements herein contained shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

**22.4 Table of Contents and Section Readings**

The table of contents and Article and Section headings are inserted herein only for convenience and are in no way to be construed as part of this Lease, or as indicative of the meaning of the provisions of this Lease or the intention of the parties, or as a limitation in the scope of the particular Articles or Sections to which they refer.

**22.5 No Partnership or Joint Venture**

Nothing in this Lease shall be deemed to create a partnership or joint venture between the parties or to render either party liable in any manner for the debts or obligations of the other.

## **22.6 Short Form Groundlease**

At the request of either party hereto, both parties shall execute, cause to be acknowledged and deliver the Short Form Groundlease and the requesting party shall cause, at its sole cost and expense, said Short Form Groundlease to be recorded in the Official Records in the office of the County Recorder for Los Angeles County.

## **22.7 Attorneys' Fees**

In case suit shall be brought for an unlawful detainer of the Premises, or any other amount due under the provisions of this Lease, or to enforce this Lease or because of the breach of any covenant or condition herein contained on the part of Tenant or Landlord to be kept or performed, the prevailing party shall be entitled to reasonable attorneys' fees in addition to court costs and any and all other costs recoverable in said action. Such attorneys' fees shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgment. In any case where this Lease provides that either party is entitled to recover its attorneys' fees from the other, the party so entitled shall be entitled to recover an amount equal to the fair market value of services provided by attorneys employed by it as well as any reasonable attorneys' fees actually paid by it to third parties. Any reference in this Lease to attorneys' fees shall be deemed to include attorneys' disbursements as well.

## **22.8 Exhibits**

All exhibits attached hereto and/or referred to in this Lease are incorporated herein as though set forth herein in full.

## **22.9 Construction**

The parties agree that each party and its counsel have reviewed and revised this Lease and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Lease or any amendments or exhibits hereto.

## **22.10 Governing Law**

This Lease shall be governed exclusively by the provisions hereof and by the laws of the State of California. All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable law, and are intended to be limited to the extent necessary so that they will not render this Lease invalid, unenforceable or unrecoverable under any applicable law.

### **22.11 Counterparts**

This Lease may be executed in several counterparts, each of which shall be deemed an original, and such counterparts shall constitute but one and the same instrument.

### **22.12 Quiet Enjoyment**

Landlord covenants and agrees that upon Tenant's paying the Base Rent reserved herein and timely performing and observing all of the covenants and provisions of this Lease on Tenant's part to be performed and observed, Tenant shall peaceably and quietly enjoy the Premises without disturbance by anyone (subject to any Taking or Partial Taking), in accordance with the terms and conditions of this Lease.

### **22.13 Landlord's Approvals and Consents**

Except as otherwise expressly provided herein, all approvals, elections, consents, agreements, determinations, options and actions of Landlord required pursuant to this Lease shall be granted in Landlord's sole and absolute discretion unless otherwise specifically provided for in this Lease, and shall be given or taken by the Administrator of the CRA (or such other person as the Administrator may designate in a Notice delivered to Tenant) on behalf of Landlord, and shall be deemed binding upon Landlord.

### **22.14 Limitation of Liability**

No member, official or employee of either party shall be personally liable to any other party, or any successor in interest, in the event of any default or breach by Tenant or Landlord or for the performance of any obligation or payment which shall become due or owing hereunder.

### **22.15 No Waiver**

No failure by either party to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or of any such term. No waiver of any breach shall affect or alter this Lease, which shall continue in full force and effect, or the respective rights of either party with respect to any other then existing or subsequent breach.

### **22.16 Third Party Beneficiaries**

There are no third party beneficiaries to this Lease.

## **22.17 Severability**

The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision, or the application thereof to any other Person or circumstance, and the same shall remain in full force and effect, unless enforcement of this Lease as so invalidated would be so unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Lease.

## **22.18 Time of the Essence**

Time is of the essence with respect to the performance of all obligations to be performed or observed by the parties under this Lease.

## **22.19 No Right to Holdover**

Tenant has no right to retain possession of the Premises or any part thereof beyond the expiration or earlier termination of this Lease.

## **ARTICLE 23 NONDISCRIMINATION**

Tenant herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this Lease is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, age, physical handicap, medical condition, sex, marital status, sexual preference, national origin or ancestry, Acquired Immune Deficiency Syndrome, acquired or perceived, or for having filed a discrimination complaint in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Premises herein leased, nor shall Tenant itself, or any person claiming under or through it, establish or permit such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of Tenant, lessees, sublessees, subtenants, licensees or vendees in the Premises herein leased. Tenant agrees to include in each license and other contract entered into by it with respect to the Premises, a covenant by the licensee or other contracting party to the same effect as Tenant is obligated in the preceding sentence. Tenant shall not discriminate against any employees or applicant for employment because of race, color, religion, creed, national origin, ancestry, sex, sexual orientation, age, disability, medical condition, marital status, Acquired Immune Deficiency Syndrome, acquired or perceived, or for having filed a discrimination complaint.



**ARTICLE 24**  
**ANTI-APARTHEID**

Tenant hereby acknowledges the forceful measures taken by the Landlord and the City to express their repugnance to the system of apartheid in South Africa and to limit all of Landlord's contractual relations to only those entities having no connection with South Africa. In this regard, and as additional consideration for this Lease, Tenant has completed and submitted to Landlord the Landlord's "Statement Regarding South African Business Connections" (the "Statement"). The answers set forth in this Statement, given under oath, demonstrate that the signatories do not have business relations with South Africa. Tenant agrees that the submission of any incorrect information in the Statement by the party executing it shall constitute a material breach of this Lease, entitling the Landlord to all the rights and remedies provided in this Lease and/or otherwise available at law or equity.

Tenant shall be under a continuing obligation to promptly notify Landlord if the responses set forth in the Statement have changed, and such signatories (including any successor in interest) shall have an obligation to immediately divest themselves of any and all South African Business connections. Failure of Tenant to promptly notify the Landlord of any changes or failure of any such signatories to divest themselves of South African business connections shall constitute a material breach of this Lease, entitling the Landlord to all of the rights and remedies provided in this Lease and/or otherwise available at law or equity.

IN WITNESS WHEREOF, the parties hereto have executed  
this Lease as of the 28<sup>th</sup> day of February ~~1994~~ 1994.

THE COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF LOS ANGELES,  
CALIFORNIA

By   
Edward Avila, Administrator

GRAND HOPE PARK, INC.

By   
President

APPROVED AS TO FORM:  
James K. Hahn, City Attorney

By   
Agency General Counsel

BUCHALTER, NEMER, FIELDS & YOUNGER

By   
Agency Special Counsel

EXHIBIT A  
GRAND HOPE PARK PARCEL

MOLLENHAUER, HIGASHI & MOORE, INC.

LAND SURVEYORS  CIVIL ENGINEERS

411 West Fifth Street, Los Angeles, California 90013


Phone (213) 694-8881

AUGUST 17, 1988

THE PARK

1 That portion of Lot A of Tract No. 2841, in the City of Los Angeles,  
2 County of Los Angeles, State of California, as per map recorded in Book  
3 34, Page 8 of Maps, in the office of the County Recorder of said County;  
4 that portion of Lot A of Tract No. 2655, in said City, County and State,  
5 as per map recorded in Book 34, Page 6 of said Maps; that portion of Lot A  
6 of Tract No. 2121, in said City, County and State, as per map recorded in  
7 Book 22, Page 151 of said Maps; that portion of Lot A of Tract No. 1896,  
8 in said City, County and State, as per map recorded in Book 21, Page 111  
9 of said Maps; that portion of the Property of George Durfee, in said City,  
10 County and State, as per map recorded in Book 39, Page 63 of Miscellaneous  
11 Records, in said office of the County Recorder; those portions of Lots 1,  
12 2, 3, 6, 9, 10, 15, 16, 17, and 18, together with a portion of the 20 foot  
13 wide Alley, all in Mills Subdivision of Block 63 of Ord's Survey, in said  
14 City, County and State, as per map recorded in Book 4, Page 547 of said  
15 Miscellaneous Records; and that portion of Block 63 of Ord's Survey, in  
16 said City, County and State, as per map recorded in Book 53, Pages 66 to  
17 73 of said Miscellaneous Records, described as a whole as follows:

18  
19 Beginning at the intersection of a line parallel with and distant 172.00  
20 feet northeasterly, measured at right angles, from the Los Angeles City  
21 Engineer's transit line in Olympic Boulevard, with a line parallel with  
22 and distant 50.00 feet northwesterly, measured at right angles, from the  
23 Los Angeles City Engineer's centerline in Grand Avenue; thence  
24 northeasterly along said first mentioned parallel line 321.67 feet to a  
25 line parallel with and distant 45.00 feet southeasterly, measured at right  
26 angles, from the Los Angeles City Engineer's centerline in Hope Street;  
27 thence northeasterly along said last mentioned parallel line to a point  
28 distant 15 feet southwesterly, measured along said last mentioned parallel  
29 line, from a line parallel with and distant 45.00 feet southwesterly,  
30 measured at right angles, from the Los Angeles City Engineer's centerline  
31 in Ninth Street; thence easterly in a direct line to a point in said last  
32 mentioned parallel line distant southeasterly thereon 15 feet from said

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411 West Fifth Street, Los Angeles, California 90013  
Phone (213) 624-3881

AUGUST 17, 1988

THE PARK (CONTINUED)

1 line that is parallel with and distant 45.00 feet southwesterly from said  
2 centerline of Hope Street; thence southeasterly along said line that is  
3 parallel with and distant 45.00 feet southwesterly from said centerline of  
4 Ninth Street, to a point distant 135 feet northwesterly, measured along  
5 said last mentioned parallel line, from said line that is parallel with  
6 and distant 50.00 feet northwesterly from said centerline of Grand Avenue;  
7 thence southeasterly parallel with said centerline of Grand Avenue 320  
8 feet; thence southeasterly parallel with said centerline of Ninth Street  
9 135 feet to said line that is parallel with and distant 50.00 feet  
10 northwesterly from said centerline of Grand Avenue; thence southwesterly  
11 along said last mentioned parallel line to the point of beginning.


12  
13 Said transit line and said centerlines being established as shown in the  
14 Los Angeles City Engineer's Field Books 50113, Pages 21, 22 and 23 and  
15 50114, Pages 47, 48 and 49, on file in the office of said City Engineer.

16  
17 Portions of the above described land are subject to street easements until  
18 such time as said Alley is vacated.

19  
20 EXCEPT THEREFROM that portion of said land lying below horizontal planes  
21 connecting the points of elevation marked "U.E." (Upper Elevation) on  
22 EXHIBIT "A" attached hereto and made a part hereof (said elevations are  
23 based on City of Los Angeles Bench Mark No. 12-09248, having an elevation  
24 of 254.954 feet - 1980 Adjustment, as on file in the office of the City  
25 Engineer of said City), described as a whole as follows:

26  
27 (EXCEPTION PARCEL A)

28 Beginning at the intersection of a line parallel with and distant 172.00  
29 feet northwesterly, measured at right angles, from the Los Angeles City  
30 Engineer's transit line in Olympic Boulevard, with a line parallel with  
31 and distant 50.00 feet northwesterly, measured at right angles, from the  
32 Los Angeles City Engineer's centerline in Grand Avenue; thence

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LAND SURVEYORS  CIVIL ENGINEERS  
411 West 4th Street, Los Angeles, California 90013  
Phone (213) 234-2881

AUGUST 17, 1988

THE PARK (CONTINUED)

1 northeasterly along said last mentioned parallel line, 40.17 feet; thence  
2 northwesterly perpendicular to said centerline of Grand Avenue 45.83  
3 feet; thence southwesterly parallel with said centerline of Grand Avenue  
4 15.00 feet; thence northwesterly perpendicular to said centerline of Grand  
5 Avenue 96.00 feet; thence continuing northwesterly perpendicular to said  
6 centerline of Grand Avenue 10.92 feet; thence southwesterly parallel with  
7 said centerline of Grand Avenue 25.95 feet to a point in said line that is  
-8 parallel with and distant 172.00 feet northeasterly from said transit line  
9 in Olympic Boulevard; thence southeasterly along said last mentioned  
10 parallel line 152.75 feet to the point of beginning.

11  
12 ALSO EXCEPT THEREFROM that portion of said land lying below a horizontal  
13 plane having an elevation of 243.5 feet (said elevation is based on City  
14 of Los Angeles Bench Mark No. 12-05248, having an elevation of 254.954  
15 feet - 1980 Adjustment, as on file in the office of the City Engineer of  
16 said City), described as follows:

17  
18 (EXCEPTION PARCEL B)

19 Commencing at the intersection of a line parallel with and distant 172.00  
20 feet northeasterly, measured at right angles, from the Los Angeles City  
21 Engineer's transit line in Olympic Boulevard, with a line parallel with  
22 and distant 50.00 feet northwesterly, measured at right angles, from the  
23 Los Angeles City Engineer's centerline in Grand Avenue; thence north-  
24 easterly along said last mentioned parallel line, 40.17 feet; thence  
25 northwesterly perpendicular to said centerline of Grand Avenue 45.83 feet;  
26 thence southwesterly parallel with said centerline of Grand Avenue 15.00  
27 feet; thence northwesterly perpendicular to said centerline of Grand  
28 Avenue 96.00 feet to the true point of beginning; thence northeasterly  
29 parallel with said centerline of Grand Avenue 15.00 feet; thence  
30 northwesterly perpendicular to said centerline of Grand Avenue 123.92  
31 feet; thence southwesterly parallel with said centerline of Grand Avenue  
32 33.33 feet; thence southeasterly 31.14 feet to a point in said line that

MOLLENHAUER, HIGASHI & MOORE, INC.

LAND SURVEYORS  CIVIL ENGINEERS

411 WEST PARK STREET, LOS ANGELES, CALIFORNIA 90013

Phone (213) 624-8881

AUGUST 17, 1988

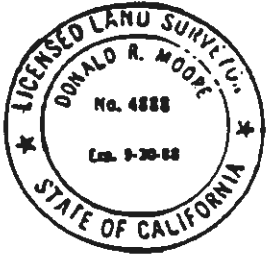
THE PARK (CONTINUED)

1 Avenue 56.09 feet to a line parallel with and distant 45.00 feet  
2 southeasterly, measured at right angles, from the Los Angeles City  
3 Engineer's centerline in Hope Street; thence southeasterly along said last  
4 mentioned parallel line 41.82 feet to a point in said line that is  
5 parallel with and distant 172.00 feet northeasterly from said transit line  
6 in Olympic Boulevard; thence southeasterly along said last mentioned  
7 parallel line to a point distant northeasterly along said parallel line  
8 235.67 feet from said hereinabove described point of commencement; thence  
9 northeasterly 31.14 feet to a point in a line parallel with said  
10 centerline of Grand Avenue which parallel line passes through the true  
11 point of beginning, said last mentioned point being distant southeasterly  
12 along said parallel line 33.33 feet from the true point of beginning;  
13 thence northeasterly along said last mentioned parallel line 33.33 feet to  
14 the true point of beginning.

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31  
32



Donald R. Moore, L.S. 4888



MOLLENHAUER, HIGASHI & MOORE, INC.

LAND SURVEYORS  CIVIL ENGINEERS

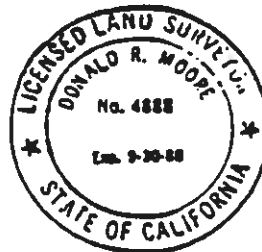
411 WEST PARK STREET, LOS ANGELES, CALIFORNIA 90013

Phone DT3 694-8887

AUGUST 17, 1988

THE PARK (CONTINUED)

1 Avenue 36.09 feet to a line parallel with and distant 45.00 feet  
2 southeasterly, measured at right angles, from the Los Angeles City  
3 Engineer's centerline in Hope Street; thence southeasterly along said last  
4 mentioned parallel line 41.82 feet to a point in said line that is  
5 parallel with and distant 172.00 feet northeasterly from said transit line  
6 in Olympic Boulevard; thence southeasterly along said last mentioned  
7 parallel line to a point distant northeasterly along said parallel line  
8 235.67 feet from said hereinabove described point of commencement; thence  
9 northeasterly 31.14 feet to a point in a line parallel with said  
10 centerline of Grand Avenue which parallel line passes through the true  
11 point of beginning, said last mentioned point being distant southeasterly  
12 along said parallel line 33.33 feet from the true point of beginning;  
13 thence northeasterly along said last mentioned parallel line 33.33 feet to  
14 the true point of beginning.



*Donald R. Moore*

Donald R. Moore, L.S. 4888

EXHIBIT B

RESOLUTION NO. 712

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES,  
CALIFORNIA

WHEREAS, one of the primary objectives of the Central City Community Plan (the "Community Plan") and the Redevelopment Plan (the "Redevelopment Plan") for the Central Business District ("CBD") is to provide housing close to employment and available to all ethnic and social groups; and

WHEREAS, the Redevelopment Plan provides for the development of additional community facilities and services in the CBD, including recreational facilities and open space, to insure that these systems will provide adequate service to both existing and new Project area residents as well as residents of adjacent areas, in light of any growth induced by the Project; and

WHEREAS, the Community Plan and the Redevelopment Plan designate the South Park area of the CBD to be a predominantly residential areas; and

WHEREAS, the Redevelopment Plan provides that open space, including neighborhood parks, tot lots, miniparks and neighborhood recreational facilities, is an appropriate land use in the South Park area of the CBD; and

WHEREAS, the Agency is developing parks and other open space amenities as part of the redevelopment of the South Park area of the CBD to provide adequate recreational service to the growing residential community and to mitigate impacts caused by commercial development; and

WHEREAS, the Agency finds that the success of the South Park community as well as future efforts to develop public open space rests heavily on the success of Grand Hope Park; and

WHEREAS, under prior Disposition and Development Agreements with South Park developers, said developers have agreed to annual assessments for the maintenance of Grand Hope Park and have the option of forming a non-profit management association for the maintenance and operation of Grand Hope Park; and

WHEREAS, the Agency finds that it is necessary and appropriate to look to private developers of property in the South Park area of the CBD to provide the funds necessary to operate and maintain open space amenities in South Park, in order to carry out the objectives of the Redevelopment Plan.

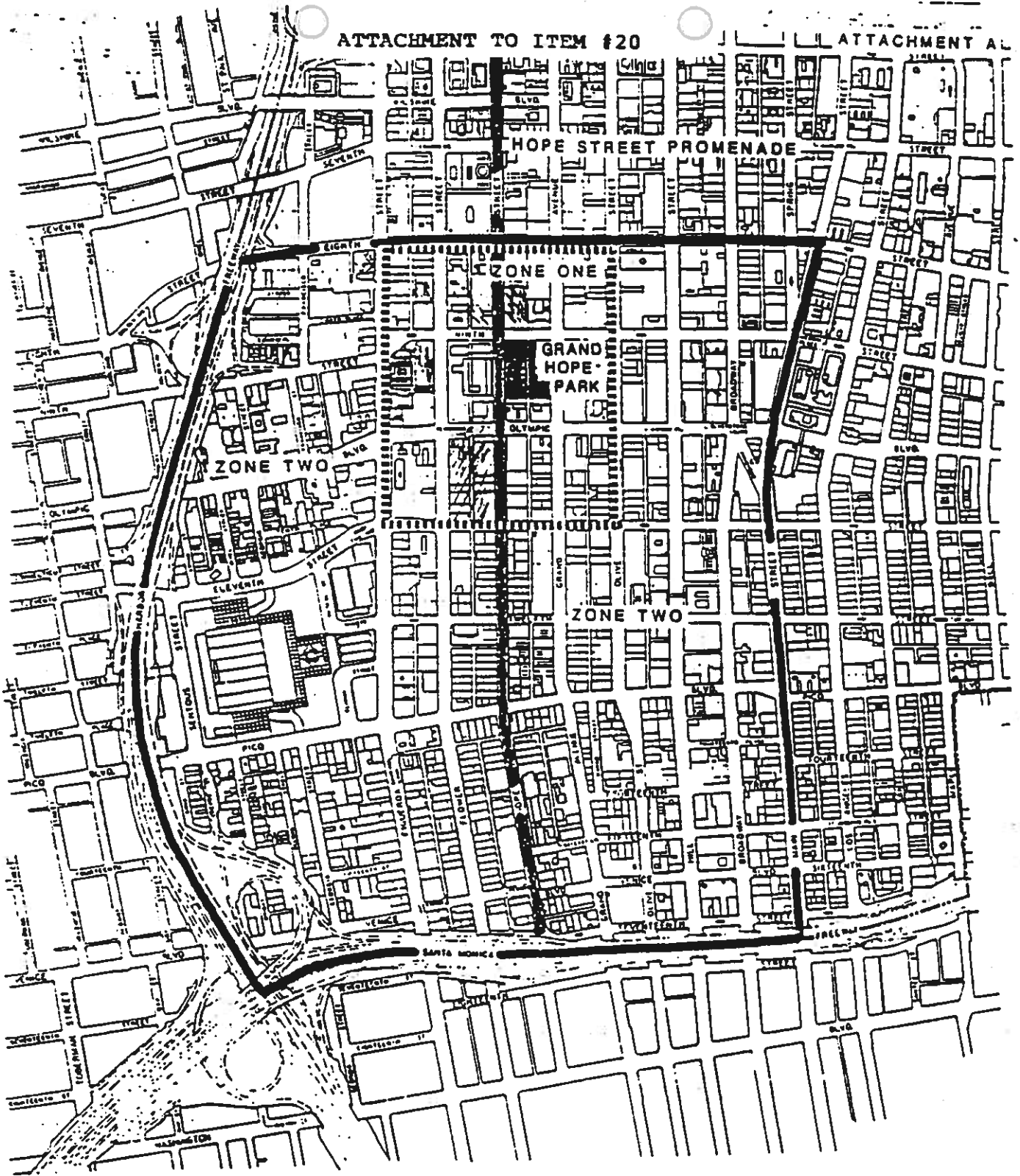


NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Agency hereby adopts as policy that private developers in South Park shall contribute to a South Park Open Space Maintenance Program, to provide funding for adequate operation, maintenance and security for parks and open space amenities developed in the South Park area of the CBD.
2. The South Park Open Space Maintenance Program shall remain in effect until such time as a benefit assessment district or other appropriate mechanism is put into effect to ensure the continued funding of maintenance and operation of the parks and open space amenities to be developed in South Park.
3. The Agency Administrator is hereby authorized to implement this policy through the inclusion of appropriate provisions in Owner Participation Agreements, Disposition and Development Agreements and other similar Agency contracts with developers relating to the development of property in South Park. The Administrator shall assess reasonable annual fees to be charged to developers sufficient to meet the annual cost of maintaining and operating Agency-approved South Park open space. The annual maintenance fee assessed to each developer shall not exceed \$170 per dwelling unit and \$.20 per square foot of commercial space. Funds not expended shall be allocated to the South Park open space maintenance costs for the following year and the assessment rate for the following year shall be adjusted accordingly.
4. All of the fees collected from developers located within the area bounded by Eighth Street, Olive Street, Eleventh Street and Figueroa Street (Zone One) shall be allocated to Grand Hope Park and the three blocks of the Hope Street Promenade located in Zone One. The priority for funds collected shall be to fund the annual operation of Grand Hope Park.
5. Not less than twenty-five percent of the fees collected in the rest of South Park (Zone Two), not including the fees collected from developers in Zone One, shall fund the annual maintenance expenses of Grand Hope Park and the three blocks of the Hope Street Promenade; the balance of funds collected shall be used to maintain and operate other Agency-approved public open space within South Park.
6. The assessment of fees for each development shall commence not later than the issuance of the Certificate of Occupancy by the City of Los Angeles or the issuance of the Certificate of Completion by the Agency, whichever comes first.

7. The following uses shall be exempt from this requirement: commercial projects of less than 5,000 square feet; projects developed or owned by non-profit entities; and that portion of any project which provides housing for low- or moderate-income individuals and families.

**ADOPTED:**



# SOUTH PARK OPEN SPACE

## APPROVED PROJECTS

**CRALA**

Community  
Redevelopment  
Agency  
of the City  
of Los Angeles

254 South Spring Street  
Suite 610  
Los Angeles  
California 90012

# Central Business District Redevelopment Project

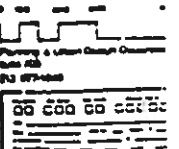


EXHIBIT C

WORK LETTER

In consideration of mutual covenants contained in the Lease, Landlord and Tenant hereby agree that the Tenant shall construct a fence around the perimeter of the Premises pursuant to the following terms and conditions.

1. Tenant Improvement Allowance. Subject to approval of final plans, specifications and working drawings as hereinafter provided, Tenant agrees to construct a fence ("Fence") around the perimeter of the Premises in accordance with the Approved Plans (hereinafter defined). Landlord hereby agrees to provide Tenant with a cash allowance ("Tenant Improvement Allowance") in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) for the fabrication, construction and installation of the Fence in accordance with the following terms and conditions of this Work Letter. Subject to Paragraph 3.4 below, Tenant shall pay all costs and expenses related to the fabrication, construction and installation of the Fence in excess of the Tenant Improvement Allowance. The Landlord shall reimburse Tenant for the cost of fabrication, construction and installation of the Fence in accordance with the provisions of Paragraph 4, below.

2. Final Plans and Approved Plans.

2.1 Concurrently with approval of the Lease, Landlord and the City approved the schematic drawings and preliminary plans prepared by Lawrence Halprin (the "Schematics") submitted by Tenant to Landlord for construction of the Fence. Subject to Unavoidable Delays, on or before fourteen (14) days following the execution of this Lease, Tenant shall deliver to Landlord for its review and approval a set of final plans, specifications and working drawings ("Final Plans") for the construction of the Fence, which Final Plans shall be based upon the Schematics.

2.2 For a period of ten (10) business days following Landlord's receipt of the Final Plans, Landlord shall have the right to accept and approve the Final Plans or reject them; provided, however, that Landlord may not withhold acceptance and approval of the Final Plans if the Final Plans are the same as or are the Logical Evolution of the Schematics. For the purposes of this Lease, a "Logical Evolution" is defined as a refinement or amplification of the previously approved phase of the plans that is not inconsistent with and flows naturally and foreseeably from the previously approved phase of the plans and is in accordance with the custom and practice in the field of architecture and

engineering design and the construction industry in Southern California, code requirements, applicable plan check and permit conditions. Acceptance or rejection of the Final Plans shall be signified by Landlord delivering to Tenant, within said ten (10) business day period, the Final Plans with each page marked "approved" or "rejected", as the case may be, and signed by Landlord. If Landlord shall not have delivered the Final Plans marked "approved" or "rejected", as the case may be, to Tenant within said period of time, Landlord shall be deemed to have accepted same. Once approved, the Final Plans shall be referred to as the "Approved Plans."

2.3 If Landlord shall reject the Final Plans as being neither the same as nor the Logical Evolution of the Schematics, and if the Final Plans cannot be modified so as to be acceptable to Landlord and Tenant within thirty (30) days following the rejection of said Final Plans, then upon notice from either party, this Lease shall terminate and neither party shall thereafter be obligated to the other party for any reason whatsoever having to do with this Lease.

2.4 Tenant shall not make any changes to the Approved Plans without obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld if the change is a Logical Evolution of the Approved Plans. If Landlord does not disapprove changes to the Approved Plans within ten (10) business days following receipt, then such change, as submitted by Tenant, shall be deemed approved by Landlord and shall become a part of the Approved Plans.

### 3. Construction.

3.1 Landlord hereby grants Tenant a license to enter upon the Premises to construct the Fence which shall terminate upon the earlier of the termination of this Lease, or the Commencement Date. Tenant shall construct the Fence, or cause it to be constructed, in accordance with the Approved Plans and all Legal Requirements. It is anticipated the Fence shall be constructed in two stages. The first ("Phase I") shall consist of the permanent fencing around the park perimeter, but shall connect to the Renaissance Towers development on a temporary basis. The second ("Phase II") shall consist of the permanent connections of the fence to the Renaissance Towers buildings. All acts performed by Tenant in construction shall be done in a careful and reasonable manner, and Tenant will not suffer or permit any dangerous condition to be created, exist or continue on the Premises during and in connection with construction of the Fence. During any construction of the Fence, the Fence shall be maintained and protected entirely as Tenant's own responsibility, at its own risk, and the Premises in the area of the construction will be maintained free and clear of all debris, weeds, litter or

Hazardous Material. The Fence shall become the property of Landlord, subject to the rights of Tenant under the Lease, as and to the extent that it is installed and constructed at the Premises.

3.2 The Premises are currently enclosed by a temporary fence. During the construction of the Fence, Tenant shall instruct its contractor to remove on a daily basis only that portion of the temporary fence that will be replaced by the permanent Fence so that at the end of each day the Premises are completely enclosed by a fence. Tenant, or its contractor, shall contact and coordinate the removal of the temporary fence with contractor that installed the temporary fence.

3.3 Tenant shall diligently prosecute, or cause the prosecution of the construction of the Fence to completion in accordance with the Approved Plans. Tenant shall substantially complete the construction of Phase I of the Fence on or before the ninth (9th) month following the date on which the Final Plans are approved by Landlord ("Required Completion Date"). If Phase I of construction of the Fence is not substantially completed before the Required Completion Date, then Landlord, may elect to terminate the Lease. If the Lease is so terminated by Landlord, then neither party shall thereafter have any liability to the other arising out of or related to this Lease, except that Landlord shall reimburse Tenant for expenses incurred in the design and construction of the Fence, as provided in Paragraph 4 of this Work Letter.

3.4 In the event that the Fence as contemplated by the Approved Plans cannot be constructed and installed for less than Two Hundred Fifty Thousand Dollars (\$250,000), then, notwithstanding any other provision of this Lease, Tenant may redesign the Fence in such a manner as to insure that the cost of construction and installation shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000). The redesign of the Fence shall be subject to Landlord's approval, which approval may be granted or denied in Landlord's reasonable discretion. If the Fence cannot be redesigned in a manner which is acceptable to both Landlord and Tenant within thirty (30) days after Landlord's notification of its disapproval of Tenant's proposed redesign, then this Lease shall terminate and neither party shall thereafter be obligated to the other party for any reason whatsoever having to do with this Lease, except that Landlord shall reimburse Tenant in accordance with the provisions of Paragraph 4 below for expenses incurred in the design or redesign of the Fence.

4. Payment of Fence Costs.

4.1 Tenant shall deliver to Landlord a copy of invoices and contracts for labor, materials and supplies, original copies of mechanic's and materialmen's lien releases and any other information that Landlord may reasonably require ("Payment Documentation"). Within twenty-one (21) days following receipt of the Payment Documentation, Landlord shall disburse to Tenant an amount equal to ninety percent (90%) of the cost incurred in constructing that portion of the Fence which Tenant adequately proves has been invoiced for and installed at the Premises. Upon completion of the Fence and submission of the final Payment Documentation, Landlord shall disburse to the Tenant the remaining balance due under the construction contract. In no event shall Tenant permit or suffer any mechanic's or materialmen's lien or similar lien to be recorded against the Premises in connection with construction of the Fence, and to the extent Tenant has received reimbursement from Landlord hereunder, Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, liens, demands, costs, expenses and liabilities relating to or arising in connection with construction of the Fence. Under no circumstances shall Landlord be required to reimburse Tenant for expenses other than those incurred in design, fabricating, constructing and installing the Fence which are payable to the contractor under its construction contract. Landlord shall not be required to disburse to Tenant costs incurred in excess of the Tenant Improvement Allowance. Landlord shall, at its election, make disbursements jointly payable to Tenant and the construction contractor.

5. Insurance. Prior to commencing work at the Premises, the contractor shall purchase the following insurance from an adequately capitalized insurance company that is lawfully authorized to do business in California:

(1) Builder's risk/course of construction insurance for the amount of the construction contract;

(2) Comprehensive general liability insurance, in an amount not less than \$1,000,000 per occurrence, utilizing the Insurance Service Office with Broad Form General Liability Endorsement (GLO404) or equivalent, and products and completed operations endorsements;

(3) Automobile liability insurance in an amount not less than \$1,000,000 per occurrence;

(4) Workers' compensation insurance as required by statutes; and

(5) Employers' liability coverage in an amount not less than \$1,000,000.

Landlord, Tenant, and City shall be named as additional insureds on all insurance obtained and maintained by the contractor. Prior to commencement of construction of the Fence, Tenant shall deliver to Landlord a certificate of insurance evidencing the above-required insurance policies. The construction contract with the contractor shall provide that throughout the construction period, the contractor shall defend, indemnify and hold the Landlord, Tenant and the City harmless from and against all liability, loss, damage, costs, claims or expenses (including attorneys' fees and court costs) arising from or as a result of the death of any person for any accident, injury, loss and damage whatsoever caused to any person or to the property of any person which shall occur on or adjacent to the Premises and which shall be directly or indirectly caused by any acts done thereon or any errors or omissions of the contractor and its agents, servants, employees, and subcontractors. All insurance policies required to be maintained under this Work Letter shall be for a term of not less than one (1) year and shall provide a waiver of all rights of subrogation to the extent permitted under such insurance policies against any named insured, and with respect only to the general liability insurance policy, an adequate cross liability provision insuring that the full amount of any losses sustained shall be payable notwithstanding any act, omission or negligence of the Landlord, Tenant or City which might otherwise result in forfeiture of such insurance, including, without limitation, a waiver by any insured prior to a loss, of any or all rights of recovery against any party for losses covered by such policies.



EXHIBIT D

FORM OF CERTIFICATE OF COMPLETION

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

The Community Redevelopment Agency  
of the City of Los Angeles, California  
354 South Spring Street, Suite 600  
Los Angeles, California 90013  
Attn: Real Estate Department

WITH A COPY TO:  
Grand Hope Park, Inc.  
c/o FIDM  
919 South Grand Avenue  
Los Angeles, CA 90015-1426

Free Recording Requested  
(Gov't Code Section 6103)

---

THE COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF LOS ANGELES, CALIFORNIA

CERTIFICATE OF COMPLETION

WHEREAS, THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA, a public body, corporate and politic (hereinafter referred to as the "Landlord") and GRAND HOPE PARK, INC., a California public benefit corporation (hereinafter referred to as the "Tenant"), have entered into that certain Groundlease dated as of \_\_\_\_\_, with respect to certain real property situated in the City of Los Angeles, California, described in Attachment A, which is attached hereto and incorporated herein by this reference (hereinafter referred to as the "Site"); and

WHEREAS, as provided in Article 5.4 of the Groundlease, the Landlord is to furnish the Tenant with a Certificate of Completion for the Site, upon the completion of construction and development of successive phases of the improvements to be completed by the Tenant for the Site, which Certificate of Completion is to be in such form as to permit it to be recorded in the Recorder's Office of Los Angeles County; and

WHEREAS, the Tenant has completed the construction and development of [Phase I or Phase II] of the improvements to be developed on the Site.

NOW, THEREFORE, LANDLORD CERTIFIED AS FOLLOWS:

1. As provided in the Groundlease, Landlord does hereby certify that [Phase I or Phase II] of the construction of the perimeter fence on the Site has been fully and satisfactorily performed and completed.

2. This Certificate shall not constitute evidence of compliance with or satisfaction of any obligation of the Tenant to any holder of a mortgage or any insurer of a mortgage, securing money loaned to finance the improvements or any part thereof.

3. This Certification is not a Certificate of Completion as referred to in Section 3090 of the California Civil Code.

IN WITNESS WHEREOF, the Landlord has executed this Certificate as of \_\_\_\_\_, 19\_\_\_\_.

THE COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF LOS  
ANGELES, CALIFORNIA

By: \_\_\_\_\_  
Edward J. Avila  
Administrator

Approved as to form  
and legality:

James K. Hahn, City Attorney

By: \_\_\_\_\_  
Agency General Counsel

Buchalter, Nemer, Fields & Younger

By: \_\_\_\_\_  
Agency Special Counsel

**EXHIBIT E**

**GRAND HOPE PARK**  
**MAINTENANCE STANDARDS AND SECURITY PLAN**

**SECURITY SERVICES:**

- A. **Scope of Work:** One full-time unarmed security guard will be on the Park premises twenty-four hours a day monitoring the Park and maintaining a safe and secure environment. The Park security personnel will coordinate closely with the Los Angeles Police Department and the private security personnel associated with the adjacent property owners to enhance the security services for the Park. To the extent reasonably feasible, the same security company shall be used to provide security services for Grand Phoenix, FIDM and Grand Hope Park. In the event it is shown, through substantial objective data and evidence, including input from the Los Angeles Police Department, that extra security is required to maintain the Park in a safe and inviting condition, this standard may be amended to provide for such security on a temporary or permanent basis, with Agency's consent in its sole and absolute discretion.
- B. **Work Force:** Security personnel shall be hired, trained, certified and/or licensed in accordance with all applicable Federal, local and state regulations and industry standards.
- C. **Resources:** Security personnel should be radio equipped and able to communicate with security staff of adjacent buildings. A security room has been provided by FIDM for use by Park security personnel.
- D. **Fence:** The Park shall be encircled by a perimeter fence which shall be closed and locked during the hours the Park is closed.

**MAINTENANCE SERVICES:**

- A. **Scope of Work:** Furnish all supervision, labor, material, equipment and transportation required to maintain the Park in a first class condition. All work and/or workers shall comply with applicable state, Federal, and local laws. Maintenance shall include the following:
  - 1. Landscape planting and irrigation system.
  - 2. Pavement cleaning and repair.
  - 3. Trash pick-up.

4. Fountain mechanical and electrical system.
  5. Site lighting.
  6. Site furnishing.
- B. **Work Force:** The Park maintenance foreman should be experienced in landscape maintenance and should have an education in ornamental horticulture. Workers are to be personably presentable at all times. There shall be at least one maintenance person on-site twice a week for 1/2 day each time. All maintenance personnel shall be in uniform at all times in order to be easily identifiable.
- C. **Materials:** All materials used shall be of the highest quality and shall be compatible with the materials used to construct the Park. The County Agricultural Commissioner's Office must be given a list of the control chemicals used. Any maintenance contractor shall also provide records and copies of all fertilizers, herbicides, insecticides, fungicides, and other materials, applied to the Park premises. Records shall indicate dates, amount applied and person making the application. All waste products must be disposed legally offsite.
- D. **General Tree and Shrub Care:** Maintain trees, vines and shrubs in a healthy growing condition by performing all necessary operations, including the following:
1. **Watering:** Plants should not be watered until a moisture check has been made of representative plants in the landscape. Use of a probe or other tool to check the moisture in the root ball as well as the soil surrounding the root ball. Maintain a large enough water basin around plants so that enough water can be applied to establish moisture through the major root zone. In the rainy season, open basins to allow surface drainage away from the root crown where excess water may accumulate. Use mulches to reduce evaporation and frequency of watering. Plants in terra cotta planters, if any, shall be hand irrigated.
  2. **Pruning Trees:**
    - a. Prune trees to select and develop permanent scaffold branches that are smaller in diameter than the trunk or branch to which they are attached, which have vertical spacing of from 18 to 48 inches and radial orientation so as to not overlay one another; to eliminate diseased or damaged growth; to eliminate narrow, V-

shaped branch forks that lack strength; to reduce toppling and wind damage by thinning out crowns; to maintain growth within space limitations; to maintain a natural appearance; to balance crown with roots.

- b. When pruning diseased wood, blades must be rinsed in a solution of 1/2 chlorine bleach, 1/2 water and soaked for 10 minutes minimum. The use of chain saws should not be allowed. Under no circumstances should stripping of lower branches (raising up) of young trees be permitted. Lower branches shall be retained in a "tipped back" or pinched condition with as much foliage as possible to promote caliper trunk growth [tapered trunk]. Lower branches can be cut flush with the trunk only after the tree is able to stand erect without staking or other support.
  - c. Evergreen trees shall be thinned out and shaped when necessary to prevent wind and storm damage.
  - d. The primary pruning of deciduous trees shall be done during the dormant season.
  - e. The London Plane trees around the turfed "square" shall be pleached once a year during the dormant season.
  - f. Damaged trees or those that constitute health or safety hazards shall be pruned at any time of the year as required. All pruning cuts shall be made to lateral branches, or buds or flush with the trunk. "Stubbing" will not be allowed. Use "tree seal" for all cuts 1 inch or greater in size.
3. Pruning Shrubs and Vines: The objectives of shrub and vine pruning are the same as for the trees. Shrubs or vines shall not be clipped into balled or boxed forms.
  4. Trees, vines and shrubs should be checked for possible pruning a minimum of once per month. Faded blossoms must be removed from trees and shrubs. All waste products must be legally disposed off site.
  5. Staking and Guying: When trees attain a trunk caliper of 4" consider removal of existing stakes and guys. If unstable at this time, replacement should be considered. Stakes and guys are to be

inspected at least twice per year to prevent girdling of trunks or branches, and to prevent rubbing that causes bark wounds. Eyescrews in specimen tree trunks are preferred to protective looped wire and hose.

6. **Weed Control:** Keep basins and areas between plants free of weeds. This will reduce damage to tree trunks and roots by machinery and by excess water. Use recommended, legally approved herbicides wherever possible to control growth in this open area. Avoid frequent soil cultivation that destroys shallow roots and breaks the seal of pre-emergent herbicides. Great care must be employed when using systematic herbicides not to damage plantings. Any plantings destroyed must be replaced with material of the same specific type and size as the dead plantings within a two week period. Weeds with spreading underground rootstocks, must be hand dug to remove all invading roots. All waste products must be legally disposed off site.

7. **Fertilization and Spraying**

- a. Apply fertilizer for shrubs and ground cover with no less than 18-8-4 two times yearly between early Spring and early Fall at rate of 10 lbs. per 1,000 sq. ft. Lawns shall be fertilized every 90 days at rate of 8 lbs per 1,000 sq. ft. with 16-6-8 or approved equivalent. Slow release materials may also be used per manufacturer's specifications is a good, healthy vigorous growth and good color are maintained.
- b. Apply insecticides as needed to protect all plant materials from damage, including slug and snail control.
- c. Apply the proper fungicide, herbicide and pesticides for the control of pests, weeds and plant diseases. Also treat cuts and breaks on exposed surfaces of trees.
- d. Chemicals and insecticides used shall conform to City standards.

8. **Specific Requirements for Palms:**

- a. Water shall be applied in sufficient amount at each irrigation to wet the soil to a depth of six to eight feet. frequency of irrigation shall be such to maintain this moisture. Until

sufficient experience is gained in irrigating these trees, soil moisture should be monitored not less than once weekly on Monday morning, the results logged, and irrigation adjusted accordingly. At no time shall palms be over or underwatered.

- b. The palms require four to six pounds of inorganic nitrogen per year. This nitrogen shall be applied in two or more applications during the growing season between March and August. The nitrogen may be applied to the surface followed by a normal water period to take it into the soil, or it may be applied deep by injection. In the ground cover areas the water must take the nitrogen beyond the ground cover's roots to prevent their roots from competing for the nitrogen.
- c. Pruning of the palms is for cosmetic purposes and to prevent fruit drop on the streets and walkways. Both flower stalks and unsightly fronds shall be removed by annual pruning. No more than one-third of the green fronds may be removed at one time. All pruning operations shall be done with reciprocal saws (no chain saws). The blades of these saws shall be immersed in a solution of 50% liquid household laundry bleach and 50% water for five minutes for sterilization. This sterilization shall be done before pruning commences on site and after pruning each tree before pruning the next.
- d. Palms should be checked annually (May - July) by a palm specialist.

E. Ground Cover Care:

- 1. Control weeds with pre-emergent weed herbicides and hand weeding. Do not damage plantings.
- 2. Apply four pounds of actual nitrogen per 1000 square foot per year in two to four applications during the first year of a new planting or if ground cover is nitrogen starved. One application should be in early Spring when growth begins. Reduce to three pounds actual nitrogen in following years or as needed to maintain vigorous growth and good color. Complete fertilizers are not desired unless soil test shows specific nutrient deficiencies.

3. Water enough that moisture penetrates throughout root zone, and only as frequently as necessary to maintain healthy growth.
4. A cleared circle 18" to 24" in diameter, should be maintained at the base of trees to reduce competition for nutrients by ground cover. A cleared strip 12" to 18" in width should be maintained at base of the palms.
5. Edge ground cover to keep in bounds and trim tip growth as necessary to achieve an overall even appearance. Great care should be taken not to damage adjacent plantings when mowing. Debris generated must be legally disposed off site.
6. Control rodents, insects and diseases as necessary, using legally approved materials.
7. Replace dead and missing plants. Plantings should be replaced with a time period of two weeks. All materials shall be of the same specific types and sizes as the ones destroyed. All dead plants shall be legally disposed of off-site.

F. Lawn Care:

1. The lawns will be kept weed free at all times.
2. Mowing and edging: Mow, edge and trim lawns weekly or as required to maintain an even, well groomed appearance.
3. Renovation: Renovate lawns by verticutting and serating as required.
4. Lawn clippings shall not be left on grass and shall be legally disposed of off-site.

G. Vine Care:

1. Pruning
  - a. Vines and espalier plants shall be checked and re-tied as required.
  - b. Do not use nails to secure vines.
  - c. Prune all vines on an annual basis using accepted horticultural practices.
  - d. Vines shall be pruned and maintained so as not to obstruct fixtures, signs, windows, etc.



2. Fertilize all vines with 1/4 lb. of 10-10-5, a minimum of two times per year.
3. Water as necessary to provide optimum growth.

#### H. Irrigation Systems:

1. Check and adjust sprinkle valves and heads as necessary.
2. Program or reprogram irrigation controller as necessary.
3. The irrigation system shall be kept in good working order and condition at all times. Any damages to the system caused by any contractor's operation shall be repaired without charge by that contractor. Repairs shall be made within one watering period.
4. Faulty electrical controllers should be replaced as soon as possible.
5. In late Winter, all systems should be checked for proper operations. Lateral lines shall be flushed out after removing the last sprinkler head or two at each end of the lateral. All heads are to be adjusted as necessary for unimpeded covered.
6. Set and program automatic controllers for seasonal water requirements. Watering schedule shall be arranged so as not to interfere with the public's use of the Park.
7. An accurate up-to-date log must be maintained of all irrigation repairs, starting date of repairs, specific location, and nature of repair.

#### I. Paving:

1. Keep all paved areas free from foreign matter, wastes and trash on a daily basis. Concrete walk and unit paver areas should be steam cleaned as necessary, but in no event less than once a month.
2. All paved areas should be cleaned of debris caused by maintenance operations or silting.
3. All plant growth should be prevented in cracks in walks or along paved areas within limits of service area.
4. Drains: All subsurface drains should be periodically flushed with clean water to avoid

building of silt and debris. Keep all inlets to subsurface drains clear of leaves, paper, and other debris to ensure unimpeded passage of water.

5. Patch, repair or replace damaged paving as determined by Tenant.
6. No blowers are allowed.

I. Trash Pick-up:

1. Pick-up litter throughout the park and empty trash containers at least once a day. Trash shall be legally disposed of off-site.

J. Fountains:

1. Daily regulation of fountain systems.
2. Routine maintenance of fountain mechanical and electrical system as well as lighting associated with fountain.
3. Maintain water purity as specified in the project manual.
4. Periodically drain the fountain and inspect mechanical and electrical system. Repair and replace equipment as necessary.
5. Leaves and loose trash shall be removed from the fountain at least once a day.
6. No part of the fountain shall be cleaned with any solvent. The fountain shall be cleaned with a cotton cloth and soap and water (a mild detergent is okay). No abrasive cleanser shall be used.

K. Site Lighting:

1. Maintain site lighting.
2. Replace lamps as necessary (spotlight bulbs: Q-150-CL-MC-12V quartz; the Q-100 bulbs in the small fountain can be obtained at any professional electric supply house.) In replacing bulbs in the fountain, the fountain and lights should be shut off at the main breaker. All water shall be drained from the tank. The cover and the glass shall be removed, the gaskets and all other surfaces cleaned, and the parts dried thoroughly and replaced.
3. Repair and replace damaged poles and luminaries.

**L. Site Furnishing:**

1. Clean and wipe trash containers and benches as often as necessary to keep clean and tidy, but no less than once a week. Maintain all site furnishings including but not limited to drinking fountains, play equipment, seating, bollards, pergolas, gateways, clock tower, in a clean condition.
2. Black granite on the site will be cleaned with "Limeaway" tile cleaner to remove build-up of water stains (no more than twice a year).
3. Sculptures. Every 60 days the coyotes should be washed with a mild soap and water and waxed with a paste wax such as treewax. The snake should be washed every four months with a mild soap and water and waxed with a paste wax such as treewax. The hawk should be washed once a year with mild soap and water and waxed with a paste wax such as treewax (Note: because the coyotes are near sprinklers and get wet twice a day, it is likely that the color of the bronze will become partially green.)
4. Pergolas, bird images and lettering. As colors begin to fade, it will be necessary to reapply paint to images and words. The painting should be hand-painted with a brush and paint, rather than stencil and spray paint technique. Repainting should occur at least every 10 years. (Paint brand is Benjamin Moore & Co./Moorgard Latex Housepaint, Low Lustre.)
5. Los Angeles Basin, circa 1876 in the children's play areas: The tile mural should be checked for grout deterioration at least annually. Repairs should be accomplished with grey sanded grout, any brand. The tiles should be waxed with Johnson & Johnson Paste Wax at least once a year.
6. Ancient Fossils bench in children's play area: The bench should be checked for grout deterioration and for missing glass mosaic tiles at least every year. Repairs shall be made with grey sanded grout, any brand, and glass mosaic available through any tile manufacturer. As mosaic application is random, any mosaic glass will do. The bench should be waxed with Johnson & Johnson Paste Wax or cranula non-silicon wax.
7. Mirage; fountain. At least once each year, the fountain should be checked for cracks in the mortar, replacement of mosaic tiles and replacement of lights. If there are cracks in the structure

masonry, repair should be made with mortar mixture appropriate for this purpose, common mortar mix should do. Repairs to the quartzite should be made as necessary. There are three types used in the construction, Snake is gold, crystal is white and the ground or base is silver. The quartzite material is readily available from any flagstone supplier in Los Angeles. Mosaic mural and tortoise shell should be repaired with grey sanded grout at least annually. Both items should be given a coat of silicon tile sealer, available at any tile supplier, any brand will do. Mosaic tile replacement is the same as the mosaic bench above.

M. Debris Removal:

1. All debris accumulated as a result of maintenance operations should be removed from the site.
2. All leaves, branches, paper and all foreign matter, etc. shall be removed from the premises on a daily basis.

N. Storage: Park maintenance equipment and supplies may be stored in the storage facility located in the garage of the FIDM building adjacent to the Park.

O. Graffiti Removal and Vandalism: All graffiti shall be removed from the Park within twenty-four (24) hours. Subject to applicable Lease provisions, vandalism shall be repaired as quickly as is practicable.

P. Corrective Action:

1. Weed control - Corrective actions on Tenant's complaints shall be made within three working days of receipt by the maintenance supervisor of such complaint.
2. Plant Material Pruning - Within the limitations of these specifications, corrective action on Tenant's complaints shall be made within three working days of receipt, by the maintenance contractor, of such complaint.
3. Plant Material Replacement - Dead and missing plants shall be promptly replaced. Damages due to any contractor's negligence shall be made without charge. Wherever possible planting should be replaced within a time period of no more than two weeks. All materials shall be of the same specific types and, where reasonably feasible, sizes as the ones destroyed.

**Q. Other Equipment:**

Unless otherwise set forth herein, other park equipment shall be maintained in accordance with manufacturers' warranties, manuals, and product specifications.

**R. Insurance Required**

Tenant shall obtain and keep in force a commercial general liability policy of insurance protecting against claims for bodily injury, personal injury and property damage based upon, involving or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than one million dollars (\$1,000,000) per occurrence, two million dollars (\$2,000,000) annual aggregate, with an "additional insured-managers or lessors of Premises" endorsement, a false imprisonment endorsement, and contain the "amendment of the pollution exclusion" for damage caused by heat, smoke or fumes from a hostile fire. The policy shall contain a separation of insured's provision, shall include coverage for liability assumed under the Lease, and shall provide an adequate cross-liability provision insuring that the full amount of any losses sustained shall be payable notwithstanding any act, omission or negligence of the Landlord, Tenant or City which might otherwise result in forfeiture of such insurance including, without limitation, a waiver by any insured prior to a loss, of any or all rights of recovery against any party for losses covered by such policy. During the Term hereof, and provided such insurance can be obtained at commercially reasonable rates, with commercially reasonable deductibles, Tenant shall also obtain and keep in force a policy or policies of insurance insuring loss or damage to the Improvements. The amount of such insurance, if any, shall be no less than ninety percent (90%) of the insurable value of the Improvements, as the same shall exist from time to time. Said policy or policies shall contain an agreed valuation provision in lieu of any co-insurance clause, a waiver of subrogation, and shall name the Landlord as a "loss payee/mortgagee." Subject to Section 15.1 of the Lease, in the first twenty years of the Term of this Lease the Landlord may, in its sole and absolute discretion, increase the required commercial general liability insurance to a \$5,000,000 combined single limit. After the first twenty years of the Term hereof, the Tenant shall be required to maintain whatever commercial general liability insurance is then generally required of other developers by Landlord.

## S. Contractors

Prior to commencing any work at the Premises, any maintenance or construction contractor shall purchase the following insurance from an adequately capitalized insurance company that is lawfully authorized to do business in California:

(1) Builder's risk/course of construction insurance for the amount of the construction contract;

(2) Comprehensive general liability insurance, in an amount not less than \$1,000,000 per occurrence, utilizing the Insurance Service Office with Broad Form General Liability Endorsement (GLO404) or equivalent, and products and completed operations endorsements;

(3) Automobile liability insurance in an amount not less than \$1,000,000 per occurrence;

(4) Workers' compensation insurance as required by statutes; and

(5) Employers' liability coverage in an amount not less than \$1,000,000.

Landlord, Tenant and City shall be named as additional insureds on all insurance obtained and maintained by the contractor. All insurance policies required to be maintained by contractors shall be for a term of not less than one (1) year and shall provide a waiver of all rights of subrogation against any named insured, and with respect only to the general liability insurance policy, an adequate cross liability provision insuring that the full amount of any losses sustained shall be payable notwithstanding any act, omission or negligence of the Landlord, Tenant or City which might otherwise result in forfeiture of such insurance, including, without limitation, a waiver by any insured prior to a loss, of any or all rights of recovery against any party for losses covered by such policies.

T. Licenses, Taxes and Bonds: Any landscaping contractor must have a C-27 State Landscape Contractor's License if more than \$250.00 of replacement landscaping is to be done. Any landscaping or maintenance contractor shall purchase all licenses required by applicable Federal, state and local laws. The contractor shall pay all applicable taxes, including sales taxes on materials supplied. Where required by Tenant, the contractor shall provide performance and payment bonds.

U. Maintenance Report: Written maintenance reports shall be furnished every 180 days to Tenant. These reports shall

be written by the person who professionally supervises the maintenance jobs, and shall be approved by the Tenant. Reports shall provide the results of a full inspection of the irrigation system for both operation and coverage.

LC931450.103 /17+

EXHIBIT F

Short Form Groundlease

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

The Community Redevelopment Agency  
of the City of Los Angeles, California  
354 South Spring Street, Suite 800  
Los Angeles, California 90013

Attn:

Real Estate Department  
Free Recording Requested  
(Gov't Code Section 6013)

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MEMORANDUM OF GROUNDLEASE

THIS MEMORANDUM OF GROUNDLEASE ("Memorandum") is made as of this            day of            , 1994, by and between The Community Redevelopment Agency of the City of Los Angeles, California, a public body corporate and politic ("Lessor"), with an address at 354 South Spring Street, Suite 800, Los Angeles, California 90013 and GRAND HOPE PARK, INC., a California public benefit corporation ("Lessee") with an address care of Gibson, Dunn & Crutcher, 333 South Grand Avenue, Los Angeles, California 90071, Attn: Jane L. Wingfield, Esq.

RECITAL

WHEREAS, Lessor and Lessee are parties to that certain Grand Hope Park Groundlease of even date herewith (the "Lease"), pursuant to which Lessor leased to Lessee the real property more particularly described in Attachment A attached hereto and by this reference incorporated herein (the "Premises"); unless otherwise defined herein, all capitalized terms used in this Memorandum shall have the meanings set forth for such terms in the Lease; and

WHEREAS, Lessor and Lessee have agreed to enter into this Memorandum for purposes of giving notice of the execution and delivery of the Lease.

NOW, THEREFORE, Lessor leases to Lessee and Lessee leases from Lessor the Premises, upon the terms and conditions of the Lease, the provisions of which are hereby incorporated by reference. Lessor and Lessee hereby further state as follows:

1. Term. The term of the Lease commences on the first day after the initial construction of the Fence (the "Commencement Date") and expires on the day preceding the eighth (8th) anniversary of the Commencement Date, unless extended or



sooner terminated as provided in the Lease. The Lease contains options to extend the term until the day preceding the fiftieth (50th) anniversary of the date hereof.

2. Notice. The sole purpose of this Memorandum is to give notice of the Lease and certain terms set forth above and is not intended (i) to set forth all of the terms and conditions thereof, for which reference must be made to the Lease or (ii) to amend or otherwise modify the terms of the Lease. In the event of any inconsistency between this Memorandum and the terms of the Lease, the terms of the Lease shall govern.

3. Counterparts. This Memorandum may be executed in any number of counterparts and all such counterparts taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, Lessee and Lessor have executed this Memorandum as of the day first above written.

"Lessor"

THE COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF LOS ANGELES,  
CALIFORNIA

By \_\_\_\_\_

"Lessee"

GRAND HOPE PARK, INC.

By \_\_\_\_\_  
President

APPROVED AS TO FORM:

JAMES K. HAHN, City Attorney

By \_\_\_\_\_  
Agency General Counsel

BUCHALTER, NEMER, FIELDS & YOUNGER

By: \_\_\_\_\_  
Agency Special Counsel

Acknowledgments

STATE OF CALIFORNIA )  
COUNTY OF Los Angeles ) SS:

On January 25 1994, before me, Simon T Halff,  
the undersigned notary public, personally appeared  
Annie Johnson, personally known to me (or  
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.

WITNESS my hand and official seal.



Signature Simon T Halff (Seal)

STATE OF CALIFORNIA )  
COUNTY OF \_\_\_\_\_ ) SS:

On \_\_\_\_\_, before me, \_\_\_\_\_,  
the undersigned notary public, personally appeared  
\_\_\_\_\_, personally known to me (or  
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.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

Acknowledgments

STATE OF CALIFORNIA )  
 ) SS:  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
the undersigned notary public, personally appeared  
\_\_\_\_\_, personally known to me (or  
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.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

STATE OF CALIFORNIA )  
 ) SS:  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
the undersigned notary public, personally appeared  
\_\_\_\_\_, personally known to me (or  
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.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

STATE OF CALIFORNIA                    )  
  )  
COUNTY OF \_\_\_\_\_                  )    SS:

On \_\_\_\_\_, before me, \_\_\_\_\_,  
the undersigned notary public, personally appeared  
\_\_\_\_\_, personally known to me (or  
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.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

FOREST CITY SOUTH PARK TWO, INC.  
1601 Wilshire Boulevard, Suite 1900  
Los Angeles, CA 90025

\_\_\_\_\_, 1994

Mr. David R. Riccitiello  
The Community Redevelopment Agency of  
the City of Los Angeles, California  
354 South Spring Street, Suite 800  
Los Angeles, CA 90013

Re: Grand Hope Park Ground Lease

Dear Mr. Riccitiello:

Forest City Southpark Two, Inc. has reviewed that certain Grand Hope Park Ground Lease, dated February \_\_\_\_, 1994, by and between the Community Redevelopment Agency of the City of Los Angeles ("CRA"), as Landlord, and Grand Hope Park, Inc., as Tenant ("Lease"). The Lease provides for, among other things, a mechanism for the maintenance and operation of Grand Hope Park.

With this letter, Forest City Southpark Two, Inc. hereby approves the terms of said Lease and acknowledges that Grand Hope Park, as constructed, and the provisions of the Lease satisfy the CRA's obligations and requirements contained within that certain Owner Participation Agreement dated November 21, 1980 (the "Forest City DDA"), and certain First, Second, Third, Fourth, Fifth and Sixth Implementation Agreements, respectively dated September 9, 1981, June 14, 1984, November 1, 1985, December 16, 1985 and May 12, 1987, including, but not limited to, the obligations and requirements contained in Section 8.00 of the Fifth Implementation Agreement.

Forest City Southpark, Inc. acknowledges and understands that the CRA is relying upon this letter and would not execute and deliver the Lease if it did not receive this letter.

FOREST CITY SOUTHPARK TWO, INC.  
a California corporation

By \_\_\_\_\_  
Name Printed \_\_\_\_\_  
Title \_\_\_\_\_

By \_\_\_\_\_  
Name Printed \_\_\_\_\_  
Title \_\_\_\_\_

RSA/aa  
CRA.001

EXHIBIT "H"

GRAND PHOENIX CORPORAT. N  
4510 E. Pacific Coast Highway  
Suite 600  
Long Beach, CA 90804

\_\_\_\_\_, 1994

Mr. David R. Riccitiello  
The Community Redevelopment Agency of  
the City of Los Angeles, California  
354 South Spring Street, Suite 800  
Los Angeles, CA 90013

Re: Grand Hope Park Ground Lease

Dear Mr. Riccitiello:

Grand Phoenix Corporation, Inc., a California corporation has reviewed that certain Grand Hope Park Ground Lease, dated February \_\_\_\_, 1994, by and between the Community Redevelopment Agency of the City of Los Angeles ("CRA"), as Landlord, and Grand Hope Park, Inc., as Tenant ("Lease"). The Lease provides for, among other things, a mechanism for the maintenance and operation of Grand Hope Park.

With this letter, Grand Phoenix Corporation hereby approves the terms of said Lease and acknowledges that Grand Hope Park, as constructed, and the provisions of the Lease satisfy the CRA's obligations and requirements contained within that certain Disposition and Development and Loan Agreement, dated December 1, 1986, entered into by and between Olympic - 9th Associates, predecessor in interest to Grand Phoenix Corporation (the "Del Prado DDA") and that certain First Implementation Agreement dated June 11, 1987, that certain Second Implementation Agreement dated July 19, 1989, by and between Agency, Olympic - 9th Associates and Del Prado Hope, Ltd., and that certain Third Implementation Agreement, dated June 22, 1993, by and between Agency and Grand Phoenix Corporation, including, but not limited to, the obligations and requirements contained in Section 7.01 and Attachment 16 of the Del Prado DDA.

EXHIBIT "H"

Mr. David R. Ri...titiello  
The Community Redevelopment Agency of  
the City of Los Angeles, California  
\_\_\_\_\_, 1994

Page 2

Grand Phoenix Corporation acknowledges and understands  
that the CRA is relying upon this letter and would not execute  
and deliver the Lease if it did not receive this letter.

GRAND PHOENIX CORPORATION,  
a California corporation

By \_\_\_\_\_  
Name Printed \_\_\_\_\_  
Title \_\_\_\_\_

By \_\_\_\_\_  
Name Printed \_\_\_\_\_  
Title \_\_\_\_\_

RSA/aa  
CRA.03



FIDM REALTY COMPANY, INC.  
919 South Grand Avenue  
Los Angeles, CA 90015-1426

\_\_\_\_\_, 1994

Mr. David R. Riccitiello  
The Community Redevelopment Agency of  
the City of Los Angeles, California  
354 South Spring Street, Suite 800  
Los Angeles, CA 90013

Re: Grand Hope Park Ground Lease

Dear Mr. Riccitiello:

FIDM Realty Company, Inc. has reviewed that certain Grand Hope Park Ground Lease, dated February \_\_\_\_\_, 1994, by and between the Community Redevelopment Agency of the City of Los Angeles ("CRA"), as Landlord, and Grand Hope Park, Inc., as Tenant ("Lease"). The Lease provides for, among other things, a mechanism for the maintenance and operation of Grand Hope Park.

With this letter, FIDM Realty Company, Inc. hereby approves the terms of the Lease and acknowledges that Grand Hope Park, as constructed, and the provisions of the Lease satisfy the CRA's obligations and requirements contained within that certain Disposition and Development and Loan Agreement, dated July 13, 1987, (the "FIDM DDA") and that certain Implementation Agreement dated May 16, 1988, effectuating and modifying the FIDM DDA, including, but not limited to, the obligations and requirements contained in Section 7.02, 7.03 and Attachment No. 12 of the FIDM DDA.

FIDM Realty Company, Inc. acknowledges and understands that the CRA is relying upon this letter and would not execute and deliver the Lease if it did not receive this letter.

FIDM REALTY COMPANY, INC.,  
a California corporation

By \_\_\_\_\_  
Name Printed \_\_\_\_\_  
Title \_\_\_\_\_

By \_\_\_\_\_  
Name Printed \_\_\_\_\_  
Title \_\_\_\_\_

RSA/aa  
CRA.003

EXHIBIT "H"

\_\_\_\_\_, 1994

Mr. David R. Riccitiello  
The Community Redevelopment Agency of  
the City of Los Angeles, California  
354 South Spring Street, Suite 800  
Los Angeles, CA 90013

Re: Grand Hope Park Ground Lease

Dear Mr. Riccitiello:

R & T Development Corporation, a Delaware corporation, has reviewed that certain Grand Hope Park Ground Lease, dated February \_\_\_\_, 1994, by and between the Community Redevelopment Agency of the City of Los Angeles ("CRA"), as Landlord, and Grand Hope Park, Inc., as Tenant ("Lease"). The Lease provides for, among other things, a mechanism for the maintenance and operation of Grand Hope Park.

With this letter, R&T Development Corporation hereby approves the terms of said Lease and acknowledges that Grand Hope Park, as constructed, and the provisions of the Lease satisfy the CRA's obligations and requirements contained within that certain Owner Participation Agreement, dated April 20, 1990 (the "R&T OPA").

R&T Development Corporation acknowledges and understands that the CRA is relying upon this letter and would not execute and deliver the Lease if it did not receive this letter.

R & T DEVELOPMENT CORPORATION,  
a California corporation

By \_\_\_\_\_  
Name Printed \_\_\_\_\_  
Title \_\_\_\_\_

By \_\_\_\_\_  
Name Printed \_\_\_\_\_  
Title \_\_\_\_\_

RSA/aa  
CRA.004

EXHIBIT "H"

Recording Requested By:

When Recorded Mail To:

The Community Redevelopment Agency  
of the City of Los Angeles, California  
354 South Spring Street, Suite 600  
Los Angeles, California 90013  
Attn: Real Estate Department

Free Recording Requested (Gov't Code 6103)

-----Above Space for Recorder's Use-----

**REINSTATEMENT AND AMENDMENT OF COVENANTS,  
CONDITIONS AND RESTRICTIONS**

This Reinstatement and Amendment of Covenants, Conditions and Restrictions (this "Reinstatement"), dated as of February 28, 1994, is made and entered into by and among THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA, a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under Chapter 2 of the Community Redevelopment Law of the State of California (the "Agency"), GRAND PHOENIX CORPORATION, a California corporation ("Grand Phoenix"), and FIDM REALTY COMPANY, INC., a California corporation ("FIDM").

**RECITALS**

A. The Redevelopment Plan for the Central Business District Redevelopment Project (the "Redevelopment Plan") was approved and adopted by the City Council of the City of Los Angeles by ordinance No. 147480 on July 18, 1975. The Central Business District Redevelopment Project Area (the "Project Area") is located in the City of Los Angeles, California (the exact boundaries of which are specifically described in the Redevelopment Plan) and is governed by the Redevelopment Plan.

B. The Agency and FIDM have entered into that certain Disposition and Development Agreement, dated July 13, 1987 (the "FIDM DDA"), and that certain Implementation Agreement dated May 16, 1988, effectuating and modifying the FIDM DDA (the FIDM DDA and the Implementation Agreement collectively being referred to herein as the "FIDM DDA, as amended"). The FIDM DDA, as amended, provides for the development of certain real property within the Project Area, more particularly described on Exhibit A attached hereto, as classroom,

administrative, and retail space for an advanced educational institute (the "FIDM Building").

C. The Agency and Olympic-9th Associates, predecessor in interest to Grand Phoenix, have entered into that certain Disposition and Development Agreement and Loan Agreement, dated December 1, 1986 (the "Del Prado DDA"), and that certain First Implementation Agreement dated June 11, 1987, effectuating and modifying the Del Prado DDA. Agency and Del Prado have also entered into that certain Second Implementation Agreement dated July 19, 1989, effectuating and modifying the Del Prado DDA and assigning to Del Prado Hope, Ltd., a California limited partnership, the rights, obligations and interests of Olympic-9th Associates. Pursuant to that certain Third Implementation Agreement entered into by and between Agency and Grand Phoenix, the rights of Del Prado Hope, Ltd. were assigned to Grand Phoenix (the Del Prado DDA, the First Implementation Agreement, the Second Implementation Agreement, and the Third Implementation Agreement are collectively being referred to herein as the "Grand Phoenix DDA"). The Grand Phoenix DDA provides for the development of certain real property within the Project Area, more particularly described on Exhibit B attached hereto, as 192 units of rental housing to be known as the "Renaissance Towers" (the "Renaissance Towers").

D. In connection with the FIDM DDA and the Grand Phoenix DDA, a Grant of Reciprocal Easements and Declaration of Covenants, Conditions and Restrictions has been executed by the respective property owners and recorded. The CC&Rs associated with the FIDM DDA were recorded on August 31, 1988, in the Official Records of the County of Los Angeles (the "Official Records"), as Instrument No. 88-1388939 (the "FIDM CC&Rs"). The CC&Rs associated with respect to the Grand Phoenix DDA were recorded on October 26, 1989, as Instrument No. 89-1730606 (the "Grand Phoenix CC&Rs") (collectively, the FIDM CC&Rs and the Grand Phoenix CC&Rs are referred to as the "CC&Rs"). The CC&Rs provide, among other things, for the Agency's development of Grand Hope Park on the Park Parcel, more particularly described on Exhibit C attached hereto, as public open space. Capitalized terms not otherwise defined herein shall have the meaning set forth in the FIDM CC&Rs or Grand Phoenix CC&Rs, as applicable.

E. Section 5.2 of the FIDM CC&Rs provides that the CC&Rs shall terminate if Grand Hope Park had not been constructed within two years from the date the FIDM Building is occupied. The FIDM Building was occupied on June 21, 1990, and Grand Hope Park was not constructed by June 21, 1992. Therefore, by their terms the FIDM CC&Rs have terminated.

F. The Agency has now completed construction of Grand Hope Park. To provide for the maintenance and operation of Grand Hope Park in accordance with standards prepared in accordance with the CC&Rs, Grand Hope Park, Inc., a California public benefit corporation ("Tenant"), has been formed to lease Grand Hope Park from Agency, as landlord, pursuant to that certain Grand Hope Park Ground Lease, dated as of February \_\_, 1994 by and between Tenant and Agency (the "Ground Lease").

G. The parties recognize that it is to their mutual benefit to reinstate the FIDM CC&Rs and amend the CC&Rs to be consistent and compatible with the provisions of the Ground Lease.

NOW, THEREFORE, in consideration of the above recitals and the covenants herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

#### AGREEMENT

#### 1. Reinstatement of FIDM CC&R's

The Agency and FIDM hereby declare and agree that the FIDM CC&Rs shall be reinstated and restored to full force and effect, except as modified in this Reinstatement. The Agency and FIDM further agree that Section 5.2 of the FIDM CC&Rs is hereby deleted in its entirety and restated to read as follows:

5.2 Duration and Recordation. The REA, as modified by the Reinstatement, shall be reinstated and restored effective and binding upon the parties and their respective successors in interest in accordance with the provisions of this Article V upon recordation of the Reinstatement in the Office of the County Recorder of Los Angeles County, and shall continue in full force and effect for so long as the Park is used, operated and maintained as public open space subject to any Permitted Temporary Closure Period (as defined in Section 5.3), provided that if the REA terminates for any reason, the Maintenance Easement shall not be terminated or released without adequate provision of alternate means of temporary access over the Park Parcel to the FIDM Site for construction and maintenance. The covenants and restrictions contained in Section 2.2b (the Temporary Construction Easements) are hereby terminated.

#### 2. Temporary Closures of Grand Hope Park

The Agency, Grand Phoenix, and FIDM further agree that a new Section 5.3 shall be added to each of the Grand Phoenix CC&Rs and the FIDM CC&Rs as follows:

5.3 Temporary Closures of the Park. This REA, as modified by the Reinstatement, shall continue in full force and effect during reasonable temporary closures of Grand Hope Park, provided that in the event any such closure exceeds five months, either party may at any time thereafter give notice to the other of termination of this REA, and such termination shall be effective thirty (30) days following the delivery of said notice, unless the Park is permanently reopened to the public prior to the expiration of said thirty (30) day period, in which event this REA shall not be terminated. As used in this Section 5.3, the term "permanently reopened" means to be open, maintained and operated in accordance with the use and maintenance provisions of this REA for a continuous period of at least twelve (12) months. If, following a temporary closure in excess of five months, and the giving by one party of notice of its intention to terminate this REA, the Park is reopened but does not remain open for a continuous period of at least 12 months in accordance with the terms hereof, then either party may, at any time during said twelve month period terminate this REA upon delivery to the other party of a notice of termination. The period of time during which there is a reasonable temporary closure of the Park, prior to termination of this REA as permitted in this Section 5.3, is the "Permitted Temporary Closure Period."

### **3. Maintenance of Grand Hope Park**

The Agency, Grand Phoenix, and FIDM hereby agree that section 2.7 of the Grand Phoenix CC&R's and Section 2.7 of the FIDM CC&R's, are hereby deleted in their entirety and amended to read as follows:

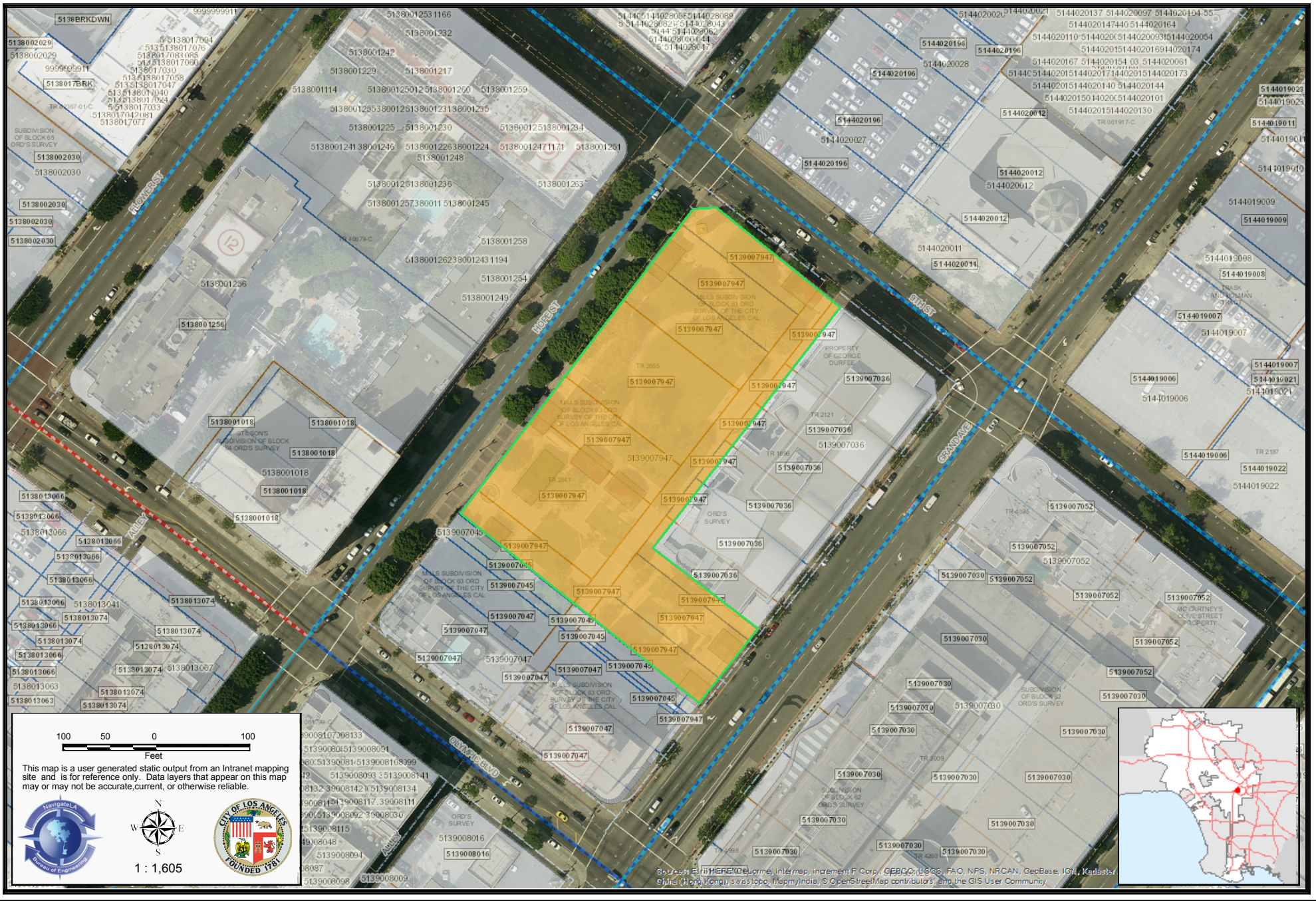
**2.7 Park Maintenance and Repair.** So long as the Ground Lease is in full force and effect, performance by Agency and Tenant thereunder shall satisfy any obligation on the Agency's part to maintain and operate the Park. If, for any reason, the Ground Lease is terminated or expires, then effective upon such termination or expiration, the Agency shall maintain the Park, or cause it to be maintained as public open space and in accordance with the standard of maintenance required of Tenant as contained in the Maintenance Standards and Security Plan provided for in the Ground Lease and attached hereto as Exhibit D (the "Maintenance Standards and Security Plan"), as the same may be or have been amended or modified, from time to time, in accordance with the terms of the Ground Lease, provided that the Agency may satisfy any insurance requirements contained therein with self-insurance. (The Maintenance Standards and Security Plan shall be assumed to be unmodified, and the party claiming that the Maintenance Standards and Security Plan have been modified in accordance with the Ground Lease shall bear the burden of proof in determining the same.) Notwithstanding the foregoing, upon termination or

expiration of the Ground Lease, if the Agency determines that there are insufficient funds from the Annual Assessment Fees and other sources, to maintain the Park in accordance with the otherwise applicable Maintenance Standards and Security Plan, the Agency shall have the unilateral right to remove Park improvements and artwork (but not the children's play area), change the hours of operation to 10 a.m. - 6 p.m., close or remove the fountains and replace the same with grass or concrete, remove artwork, and reduce graffiti removal and litter removal services to no less frequently than once every forty-eight (48) hours, provided that the Agency may not make any other changes to the Maintenance Standards and Security Plan without meeting with the Developer and obtaining the written consent of the Developer to such changes. In order to help provide sufficient funds to maintain the Park in accordance with the Maintenance Standards and Security Plan, the Developer, its successors and assigns to the Site or any portion thereof and all persons claiming under or through it, shall pay to the Agency beginning the first year that the Park is completed and opened for public use, an Annual Assessment Fee in the amount of Fifty Thousand Dollars (\$50,000) (the "Annual Assessment Fee") to be used solely for the maintenance and operation of the Park. Notwithstanding the foregoing, throughout the term of the Ground Lease, the Developer shall have the right to make its payment of the Annual Assessment Fee directly to Tenant, and payment to the Agency shall be deemed satisfied during the period the Ground Lease is in full force and effect, to the extent that such payments of the Annual Assessment Fee are actually made to Tenant. The Annual Assessment Fee with respect to the year in which the Park is completed and opened for public use, shall be paid by the Developer on a pro rata basis from the day on which the term of the Ground Lease commences. Thereafter, throughout the term of the Ground Lease the Developer shall pay the Annual Assessment Fee on a quarterly basis or as otherwise agreed to by Tenant. If, for any reason the Ground Lease terminates, the Annual Assessment shall be paid annually on July 1.

#### **4. Fence Easements**

**4.1 FIDM's Grant of Easement.** FIDM hereby grants to Agency, and its successors and assigns, an easement (the "FIDM Fence Easement") over and across the FIDM Site (as defined in the FIDM CC&R's) and upon the FIDM Building (as defined in the FIDM CC&R's) for the purpose of constructing, locating, maintaining, and attaching a perimeter fence around the Park (the "Park Fence"). The approximate location of the FIDM Fence Easement is indicated on Exhibit E attached hereto. The provisions of Sections 2.3 and 2.4 of the FIDM CC&R's shall apply to the construction of the Park Fence. FIDM hereby agrees to use all reasonable

# Parcel 947



Source: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster  
 Ejnd, Heliopos, Mapbox, Swisstopo, Mapbox, © OpenStreetMap contributors, and the GIS User Community





919 South Grand Avenue  
Suite 102-P  
Los Angeles  
California  
90015-1421  
213.624.0555

July 5, 2022

Office of Board of Commissioners  
Los Angeles City Recreation and Parks Department  
P.O. Box 86328  
Los Angeles, CA 90086-0328

VIA EMAIL: [rap.commissioners@lacity.org](mailto:rap.commissioners@lacity.org)

Dear Commissioners:

I am writing to you in my capacity as president of the board of directors of Grand Hope Park, Inc., the non-profit organization that leases Grand Hope Park, located at 919 South Grand Avenue, in the Southpark district of Downtown Los Angeles, to request a modification of the park's operating hours.

Presently, the park is open to the public until 8:00pm during Daylight Savings Time, and 6:00pm during Pacific Standard Time. This means that for a period of time each day throughout the year, the park is operating in the dark. Over the past several months, the park has seen an uptick in criminal activity, particularly during the early evening as night approaches. While there is some lighting, Grand Hope Park is located in a uniquely urban setting directly bordering a college campus that necessarily requires additional security considerations. Having the park open after dark complicates our ability to ensure a safe and secure experience for the park's patrons.

Accordingly, the Grand Hope Park board would like to close the park one hour earlier – 7:00pm PDT / 5:00pm PST, which will make it easier for us to ensure the park is a safe and secure space for all patrons.

We hope you, as the appointed representatives of our landlord, the City of Los Angeles, will approve our request. Please do not hesitate to contact me if you have questions. We appreciate your consideration and look forward to your reply.

Sincerely,

Belinda (Benni) Harding  
President  
Grand Hope Park, Inc.