

**LEASE AGREEMENT  
BETWEEN  
COUNTY OF LOS ANGELES  
AND  
BRUCE FAMILY LLC**

**LEASE SUMMARY**

**For information purposes only – not part of Lease Agreement**

**PREMISES:** Lots 8 and 9 of Block 5, located between 26th and 27th Street and the Strand and Ocean Drive, in the City of Manhattan Beach, County of Los Angeles, State of California.

**SQ. FEET:** Approximately 6,999 square feet of land.

**LANDLORD:** BRUCE FAMILY LLC, a California limited liability company.

**TENANT:** COUNTY OF LOS ANGELES

**USE:** The Premises (as defined in Section 3.1) are improved with a County building, which County operates as a lifeguard training center and governmental offices.

**TERM:** Commences on the Effective Date (as defined below) and expires on the date that is twenty-four (24) months after the Effective Date.

**BASE RENT:** Annual Rent in the amount of \$413,000. Annual Rent shall increase each year by the lesser of three percent (3%) and the adjustment of the CPI; provided, however, no such annual increase in Annual Rent shall be less than two percent (2%) or greater than three percent (3%) per year.

**OPERATING EXPENSES:** County shall be responsible for all costs associated with the maintenance and operation of Property, including the costs of repairs, maintenance, insurance, property taxes, and utilities.

County has a right to self-insure.

**SECURITY DEPOSIT:** None.

**PARKING:** County shall have the exclusive right to use all parking spaces contained within the Property, if any.

For information purposes only – not part of Lease Agreement

## TABLE OF CONTENTS

	<u>Page</u>
<b>ARTICLE 1</b>	<b>BASIC PROVISIONS .....</b>
<b>ARTICLE 2</b>	<b>NOTICES.....</b>
<b>ARTICLE 3</b>	<b>PREMISES .....</b>
<b>ARTICLE 4</b>	<b>USE.....</b>
<b>ARTICLE 5</b>	<b>TERM.....</b>
<b>ARTICLE 6</b>	<b>RENT .....</b>
<b>ARTICLE 7</b>	<b>CONDITION OF PREMISES .....</b>
<b>ARTICLE 8</b>	<b>MAINTENANCE AND REPAIRS.....</b>
<b>ARTICLE 9</b>	<b>SERVICES PROVIDED .....</b>
<b>ARTICLE 10</b>	<b>PARKING.....</b>
<b>ARTICLE 11</b>	<b>ASSIGNMENT AND SUBLETTING .....</b>
<b>ARTICLE 12</b>	<b>INSURANCE AND INDEMNIFICATION .....</b>
<b>ARTICLE 13</b>	<b>HAZARDOUS MATERIALS.....</b>
<b>ARTICLE 14</b>	<b>INSPECTION BY LANDLORD .....</b>
<b>ARTICLE 15</b>	<b>DAMAGE OR DESTRUCTION.....</b>
<b>ARTICLE 16</b>	<b>DEFAULT .....</b>
<b>ARTICLE 17</b>	<b>CONDEMNATION .....</b>
<b>ARTICLE 18</b>	<b>BUY-OUT OPTION .....</b>
<b>ARTICLE 19</b>	<b>COUNTY OPTION .....</b>
<b>ARTICLE 20</b>	<b>MISCELLANEOUS PROVISIONS.....</b>

### EXHIBITS

EXHIBIT A: PREMISES  
EXHIBIT B: BUY-OUT PSA  
EXHIBIT C: FORM OF OPTION EXERCISE NOTICE

## LEASE AGREEMENT

### ARTICLE 1 BASIC PROVISIONS

**1.1 Date and Parties.** This Lease Agreement (this “**Lease**”) is effective, as of \_\_\_\_\_, 2022 (the “**Effective Date**”), and is entered into by and between BRUCE FAMILY LLC, a California limited liability company (“**Landlord**”) and COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), upon the provisions and conditions contained in this Lease. Landlord is a California limited liability company, organized under the laws of the State of California, located at the address set forth in Section 2.2 below. County is a political subdivision of the State of California having corporate powers, with its principal office at the address set forth in Section 2.2 below. Each of Landlord and County are occasionally referred to herein as a “**Party**” and collectively as the “**Parties**.”

**1.2 Capacity of County.** Except where clearly and expressly provided otherwise in this Lease, the capacity of County in this Lease shall be as a tenant only, and any obligations or restrictions imposed by this Lease on County shall be limited to that capacity and shall not relate to or otherwise affect any activity of the County in its governmental capacity, including, but not limited to, enacting laws, inspecting structures, reviewing and issuing permits, and all other legislative, administrative, or enforcement functions of the County pursuant to federal, state, or local law.

### ARTICLE 2 NOTICES

**2.1 Notices.** All notices and demands that may be, or are required or permitted to be, given by either Party to the other hereunder shall be in writing. All notices and demands shall be personally delivered (including by means of professional messenger service), sent by United States registered or certified mail, postage prepaid, return receipt requested, or electronic mail, followed by hard copy sent by United States regular mail, in which case the receiving Party shall immediately confirm receipt of such notice. All notices are effective upon receipt. The County contract number for this Lease (i.e., County Lease No. \_\_\_\_ ) shall be included in all notices. For the purposes of such notices, the addresses for the parties are set forth in Section 2.2 below. Either Party may from time to time designate another person or place in a notice.

**2.2 Notices - Where Sent.** All notices given under this Lease that are mailed or telecopied shall be addressed to the respective Parties as follows:

If to Landlord:

Bruce Family LLC  
c/o Anthony Bruce  
6161 Memorial Highway #2214  
Tampa, Florida 33615

With a copy to:

Sidley Austin LLP  
c/o George Fatheree, Esq.  
555 West Fifth Street, 40th floor  
Los Angeles, California 90013  
gfatheree@sidley.com

If to County:

County of Los Angeles  
Chief Executive Office  
Real Estate Division  
320 West Temple Street, 7th Floor  
Los Angeles, California 90012  
Attention: Senior Manager

With a copy to :

County of Los Angeles  
Office of the County Counsel  
648 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012-2713  
Attention: Property Division

### ARTICLE 3 PREMISES

**3.1 Ownership and Authority.** Landlord hereby represents and warrants that, pursuant to that certain Transfer Agreement dated [REDACTED], by and between County and Landlord (the “**Transfer Agreement**”) Landlord: (i) is the fee owner of that certain real property (not including the improvements thereon) described as Lots 8 and 9 of Block 5, located between 26th and 27th Street and the Strand and Ocean Drive, in the City of Manhattan Beach, County of Los Angeles, State of California, a more particularly described in Exhibit A attached hereto (the “**Premises**”), and (ii) is legally authorized to enter into this Lease.

**3.2 Lease of Premises.** Landlord hereby leases to County, and County hereby leases from Landlord, the Premises.

### ARTICLE 4 USE

**4.1 Use by County.** County is the owner of certain improvements on the Premises, including an approximately 6,910 square foot building (the “**Building**” and together with the Premises, the “**Property**”), which the County operates as a lifeguard training facility and governmental offices (the “**Training Facility**”). County shall be permitted to use the Premises for the Training Facility and/or any other lawful purposes (the “**Permitted Use**”).

**4.2 Use by Landlord.** Landlord shall, at its own cost and expense, be permitted to use the Property for the purpose of hosting up to a maximum of twelve (12) private events per year (the “**Landlord Events**”), subject to the following: (a) Landlord provides County with not less than thirty (30) days’ prior written notice of its desire to use the Property for a Landlord Event, including a reasonably detailed description of the intended Landlord Event; and (b) Landlord applies for, and obtains, a standard day-use permit issued by County for the intended Landlord Event. Landlord shall, within thirty (30) days of receipt of an invoice from County, reimburse County for any actual costs reasonably incurred by County arising from any Landlord Events.

### ARTICLE 5 TERM

#### 5.1 Term.

5.1.1 Term. The term of this Lease (the “**Term**”) shall commence on the Effective Date and terminate at 11:59 p.m. on the day prior to the date that is twenty-four (24) months after the Effective Date (the “**Expiration Date**”).

**5.2 Holdover.** If County holds over after the expiration of the Term with the express written consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term. Such month-to-month tenancy shall be subject to every applicable term, covenant and agreement contained herein.

**5.3 Surrender of Premises.** On the expiration or earlier termination of the Term, County shall, subject to Section 5.4, peaceably and quietly surrender the Premises to Landlord, in “broom clean” condition, free and clear of all personal property, trash, effects and debris, ordinary wear and tear. In the event County does not demolish the Building pursuant to Section 5.4, then, on the expiration or earlier termination of the Term, the Building shall become property of Landlord, in their then- “as is” condition, with no warranty of any kind.

**5.4 Right to Demolish.** On the expiration or earlier termination of the Term, County may, in its sole and absolute discretion, elect to demolish and remove the Building. If County elects to demolish and remove the Building pursuant to this Section 5.4, then County shall:

5.4.1 Raze the then-existing Building;

5.4.2 Clear the Premises, including removal of all rubble, debris and Hazardous Material (as defined in Section 13.1.5) placed on the Premises by County between the Effective Date and the date upon which the Premises are surrendered to Landlord by County; and

5.4.3 Fill all holes, excavations and indentations resulting from any such razing and removal activities, with properly compacted backfill material containing no Hazardous Material.

## ARTICLE 6 RENT

### 6.1 Rent Obligations.

6.1.1 Annual Rent. Commencing on the Effective Date, and continuing through the Term, County shall pay Landlord, in advance, annual rent (“**Annual Rent**”) in the amount of four hundred thirteen thousand dollars (\$413,000).

6.1.1.1 Annual Rent shall be payable on the Effective Date and on each anniversary of the Effective Date each calendar year thereafter until this Lease is terminated or expires.

6.1.1.2 Annual Rent shall increase each year by the lesser of three percent (3%) and adjustment of the CPI; provided, however, in no event shall any annual increase in Annual Rent under the provisions of this Section 6.1 be less than two percent (2%) or greater than three percent (3%) per year. The term “**CPI**” means the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for All Urban Consumers (CPI-U)- Los Angeles-Long Beach- Anaheim, CA CBSA, All Items (1982-1984 = 100). On April 1, 2023, and on each April 1 thereafter (or as soon thereafter as available), the CPI figure for the preceding calendar year shall be determined, and the Annual Rent for the new year shall be increased or decreased by the same percentage as the percentage, if any, by which the CPI for the April of the preceding year shall have increased as compared with the CPI for the April of the current year. Landlord shall

provide written notice of the CPI adjustment to County. In the event that the adjustment has not been determined in time for any invoicing sent, then upon determination of the adjustment, Landlord shall send out adjustment invoice(s).

**6.2 Security Deposit.** None.

**6.3 Property Taxes.** County shall be responsible for all real property taxes, assessments and special assessments that may be levied or assessed against the Property, if any, during the Term, or any renewal or holdover period thereof.

**6.4 Personal Property Taxes.** Personal property owned by County is exempt from state taxation under California Revenue and Taxation Code Section 202(a)(4) and Section 3(b) of Article XIII of the California Constitution. County shall, at its own cost and expense, be responsible for any property taxes assessed on County's personal property.

## ARTICLE 7 CONDITION OF PREMISES

**7.1 General Condition.** County, in leasing the Premises, is relying solely on its own due diligence, investigation and inspection of the Premises, and acknowledges that the Premises will be leased to the County in its present "AS IS, WHERE IS" condition. County acknowledges that Landlord has not made any representations or warranty, expressed or implied, written or oral, concerning the Premises, including but not limited to the size or use thereof.

**7.2 Acceptance of Premises.** Except as otherwise provided in this Lease, County hereby accepts the Premises in its condition existing as of the Effective Date, subject to all applicable zoning, municipal, county, state, and other governmental laws, ordinances and regulations governing and regulating the use of the Premises, and any easements, covenants or restrictions of record, and accepts this Lease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto.

## ARTICLE 8 MAINTENANCE AND REPAIRS

**8.1 Maintenance and Repair of Premises.** Throughout the Term, County, at its sole cost and expense, shall keep and maintain the Premises in good condition and repair, and in compliance with all federal, state, county, or government agency laws, statutes, ordinances, standards, rules, requirements, or orders now in force or hereafter enacted, promulgated, or issued, including, without limitation, government measures regulating or enforcing public access, occupational, health, or safety standards for employers, employees, landlords, or tenants (collectively, "**Applicable Laws**"). County shall, at its sole cost and expense, be responsible for any capital improvements that County elects, in its sole and absolute discretion, to make to the Building.

**8.2 Alterations and Improvements.** County may make alterations and improvements to the Property ("**Alterations**") for the purposes of repairing, replacing, and/or maintaining the Premises for the Permitted Use. County shall obtain Landlord's prior approval of the plans and specifications for any Alterations, which Landlord approval shall not be unreasonably withheld, conditioned or delayed. Landlord shall not be obligated to pay for the cost of any Alterations.

**8.3 Manner of Construction.** County shall construct the Alterations, if any, in a good and professional manner, and in compliance with all Applicable Laws. Upon completion of any Alterations, County agrees at the request of Landlord to cause a Notice of Completion to be recorded in the office of the Recorder of the County of Los Angeles in accordance with Section 8182 of the California Civil Code or any successor statute.

**8.4 Ownership of Alterations.** All Alterations which may be installed or placed in or about the Property, from time to time, shall be at the sole cost of County. County may remove any Alterations at any time, provided County repairs any damage to the Premises caused by such removal. Subject to Section 5.4, any Alterations remaining at the Property after the vacation of the Premises by County shall be and become, at the election of Landlord, the property of Landlord.

**8.5 Personal Property.** All articles of personal property and all business and trade fixtures, machinery and equipment, furniture and movable partitions owned by County or installed by County at County's expense on the Premises (collectively, the "**Personal Property**") shall be, and remain, the property of County and may be removed by County at any time during the Term. If County fails to remove any of County's Personal Property from the Property upon termination or expiration of the Term, then, subject to Section 5.4, Landlord may, at Landlord's option any time after ten (10) calendar days' written notice to County, (i) assume ownership of a portion or all of such Personal Property, (ii) remove and dispose of a portion or all of such Personal Property in any manner that Landlord shall choose, and/or (iii) remove and store such Personal Property without liability to County for loss thereof.

**8.6 Liens.** County shall be solely responsible for all liens and encumbrances placed on the Property by County or County's officers, or employees, or as a result of the use of the Property by any of the foregoing.

## ARTICLE 9 SERVICES PROVIDED

**9.1 Access.** Subject to damage and destruction, County shall be permitted to access the Property at all times twenty-four (24) hours per day, seven (7) days a week, every day of the year.

**9.2 Utilities.** County shall, at its sole cost and expense, make arrangements for, and pay directly to the utility provider, all utilities used by County to operate the Property for the Permitted Use.

**9.3 Custodial and Security Services.** County shall, at its sole cost and expense, be responsible for all custodial and security services for the Property.

## ARTICLE 10 PARKING

County shall have the exclusive right to use, at no additional cost to County, all of the parking spaces within the Premises.

**ARTICLE 11 ASSIGNMENT AND SUBLETTING**

**11.1 Landlord's Consent.** County shall not voluntarily or by operation of law assign, transfer, mortgage, sublet or otherwise transfer or encumber all or any part of County's interest in this Lease or in the Premises, without Landlord's prior written consent, which shall not be unreasonably withheld, delayed or conditioned. Any attempted assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void, and shall constitute a material default and breach of this Lease.

**ARTICLE 12 INSURANCE AND INDEMNIFICATION****12.1 Indemnification.**

12.1.1 County shall indemnify, defend and hold harmless Landlord and Landlord's officers, agents, partners, employees, contractors, subcontractors, and assignees from and against any and all loss, liability, or expense for claims for injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including reasonable attorney and expert witness fees), to the extent arising or alleged to arise from (a) County's use, occupancy, or operation of the Property, or (b) any acts or omissions of County or County's officers, agencies, employees, contractors, agents, representatives in the occupancy or use of the Property to the extent such acts or omissions constitute a breach of this Lease or gross negligence or willful misconduct by County, all except to the extent of any gross negligence or willful misconduct by Landlord. Landlord shall notify County of any claims for which County may be liable under this Section.

12.1.2 Landlord shall indemnify, defend and hold harmless County and County's officers, officials, agents, partners, employees, contractors, subcontractors, and sublessees/assignees from and against any and all loss, liability, or expense for claims for injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including reasonable attorney and expert witness fees), to the extent arising or alleged to arise from (a) Landlord's use, occupancy, or operation of the Property, or (b) any acts or omissions of Landlord or Landlord's officers, agencies, employees, contractors, agents, representatives in the occupancy or use of Property to the extent such acts or omissions constitute a breach of this Lease or gross negligence or willful misconduct by Landlord, all except to the extent of any gross negligence or willful misconduct by County. County shall notify Landlord of any claim for which Landlord may be liable under this Section.

12.1.3 In the event of third Party personal injury claims made against both Parties in which liability is attributed to the negligence or wrongful act or omission of both County and Landlord, the ultimate financial responsibility of each Party shall be in accordance with its percentage of fault or as may otherwise be mutually agreed between County and Landlord.

**12.2 Liability Insurance - County.** Subject to County's right to self-insure (pursuant to Section 12.3), County shall, at its sole expense, procure and maintain in force during the Term general liability insurance against bodily injury (including death and property damage) arising from County's occupancy and use of Premises. Such insurance shall have a combined single limit



of not less than One Million Dollars (\$1,000,000) per occurrence and be in addition to and not in lieu of insurance carried by Landlord.

**12.3 Self-Insurance.** Notwithstanding anything to the contrary, at its sole option, County may satisfy its obligations under the insurance requirements of this Article by a combination of commercial insurance, formal risk pooling under California statutory provisions, and/or a self-funded loss reserve in whatever proportions are deemed appropriate by County's risk management staff. County shall furnish Landlord a certificate or other written evidence of its election to provide all or part of its coverage under a risk pooling, risk retention, or self-insurance program or combination thereof. In the event that County elects to satisfy any of its insurance requirements of this Article (or any portion(s) thereof) by self-insuring, no requirement relating to the form of insurance policies shall be applicable to such self-insurance, provided that any self-insurance shall be deemed to contain all of the terms and conditions applicable to such insurance as required by this Lease, including, without limitation, a waiver of subrogation. This provision shall apply to County only, and may not be assigned. In no event shall any self-insurance result in a detriment to Landlord or an increase in the amount payable by Landlord's insurance companies.

**12.4 Property Insurance.** County shall maintain in effect throughout the Term physical damage insurance in a commercially reasonable amount (but no in event less than the replacement cost value of the Building). Such insurance shall provide protection against any peril generally included within the classifications of fire, extended coverage, vandalism, malicious mischief, sprinkler leakage and loss of income. Subject to County's right to self-insure (pursuant to Section 12.3 above), County shall, at its sole option and expense, obtain physical damage insurance covering its Alterations, equipment, stored goods, other personal property, fixtures or tenant improvements. County shall provide Landlord with copies of the applicable certificates of insurance covering such property.

**12.5 Waiver of Subrogation.** Each Party hereto agrees to waive its rights of recovery against the other for any physical damage it may sustain to the extent that such damage is covered by valid and collectible property insurance. Each Party shall notify its respective insurers of such agreement. Further, each Party agrees to waive in advance its insurer's rights of subrogation to the extent that its insurance policies so permit. Notwithstanding the foregoing, all amounts which County pays or is required to pay and all loss or damage resulting from risks for which County has elected to self-insure shall be subject to this waiver of subrogation and the exercise by County of its right of self-insurance shall not in any manner limit any of County's indemnification obligations under this Lease.

**12.6 Form of Policies.** The minimum limits of policies of insurance required of County under this Lease shall in no event limit the liability of County under this Lease. Subject to County's right to self-insure (pursuant to Section 12.3 above), all insurance policies carried by County shall: (i) name Landlord, and any other Party the Landlord so specifies, as an additional insured, including Landlord's managing agent, if any; (ii) specifically cover the liability assumed by County under this Lease, including, but not limited to, County's obligations under Section 16.1 of this Lease; (iii) be issued by an insurance company having a rating of not less than A-X in Best's Insurance Guide or which is otherwise acceptable to Landlord and licensed to do business in the State of California; (iv) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is non-contributing with any insurance requirement of

County; (v) be in form and content reasonably acceptable to Landlord; and (vi) provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice shall have been given to Landlord and any mortgagee of Landlord. County shall deliver said policy or policies or certificates thereof to Landlord on or before the Effective Date and at least thirty (30) days before the expiration dates thereof. In addition, all insurance policies required to be carried by Landlord shall name County as an additional insured.

## ARTICLE 13 HAZARDOUS MATERIALS

**13.1 Hazardous Materials.** Landlord and County agree as follows with respect to the existence or use of Hazardous Material (as defined in Section 13.1.5) on the Property:

13.1.1 Prohibition. Landlord and County shall each comply with all federal, state, or local laws, ordinances, or regulations relating to industrial hygiene and environmental conditions on, under, or about the Premises including, but not limited to, soil and ground water conditions. Without limiting the generality of the foregoing, County shall not transport, use, store, maintain, generate, manufacture, handle, dispose, release, or discharge any Hazardous Material (as defined in Section 13.1.5) upon or about the Premises or the land upon which the Premises sits, nor shall County permit its officers, agents, contractors, or employees to engage in such activities upon or about the Premises or the land upon which the Premises sits. Notwithstanding the foregoing, County may transport to and from, use, store, maintain, and handle within, the Premises substances customarily used in connection with the Permitted Use provided that: (1) such substances shall be used and maintained only in such quantities as are reasonably necessary for the Permitted Use of the Premises, strictly in accordance with Applicable Laws and the manufacturers' instructions therefor; (2) such substances shall not be disposed of, released, or discharged at the Premises, and shall be transported to and from the Premises in compliance with all Applicable Laws; (3) if any Applicable Law requires that any such substances be disposed of separately from ordinary trash, County shall make arrangements at County's expense for such disposal directly with a qualified and licensed disposal company at a lawful disposal site (subject to scheduling and approval by Landlord), and shall ensure that disposal occurs frequently enough to prevent unnecessary storage of such substances in the Premises; and (4) any remaining such substances shall be completely, properly, and lawfully removed from the Premises upon expiration or earlier termination of this Lease.

### 13.1.2 Clean Up of Hazardous Material.

13.1.2.1 Clean Up by Landlord. If any Hazardous Material is released, discharged, or disposed of by Landlord, or Landlord's officers, agents, contractors, or employees on or about the Premises in violation of this Section 13.1, Landlord shall immediately, properly, and in compliance with Applicable Laws, clean up and, where required, remove the Hazardous Material from the Premises and any other affected property and clean or replace any affected personal property (whether or not owned by County), at Landlord's expense. Such clean up and removal work shall be subject to County's prior written approval (except in emergencies), and shall include, without limitation, any testing, investigation, and the preparation and implementation of any remedial action plan required by any governmental body having jurisdiction or reasonably required by County. If Landlord shall fail to comply with the provisions of this Section 13.1.2.1 within ten (10) business days after written notice by County, or such shorter

time as may be required by Applicable Law or in order to minimize any hazard to persons or property, County may (but shall not be obligated to) arrange for such compliance directly or on Landlord's behalf through contractors or other parties selected by County, at Landlord's expense (without limiting County's other remedies under this Lease or Applicable Law).

13.1.2.2 Clean Up by County. If any Hazardous Material is released, discharged, or disposed of by County, or County's officers, agents, contractors, employees, or invitees on or about the Premises in violation of this Section 13.1.2.2, County shall immediately, properly, and in compliance with Applicable Laws, clean up and, where required, remove the Hazardous Material from the Premises and any other affected property and clean or replace any affected personal property (whether or not owned by Landlord), at County's expense. Such clean up and removal work shall be subject to Landlord's prior written approval (except in emergencies), and shall include, without limitation, any testing, investigation, and the preparation and implementation of any remedial action plan required by any governmental body having jurisdiction or reasonably required by Landlord. If County shall fail to comply with the provisions of this Section 13.1.2.2 within ten (10) business days after written notice by County, or such shorter time as may be required by Applicable Law or in order to minimize any hazard to persons or property, Landlord may (but shall not be obligated to) arrange for such compliance directly or on County's behalf through contractors or other parties selected by Landlord, at County's expense (without limiting Landlord's other remedies under this Lease or Applicable Law).

13.1.2.3 Casualty Damage. If any Hazardous Material is released, discharged, or disposed of on or about the Premises and such release, discharge, or disposal is not caused by Landlord or Landlord's officers, agents, contractors, or employees or other occupants of the Premises, such release shall be deemed casualty damage under Article 15 to the extent that the Premises is affected thereby; in such case, Landlord and County shall have the obligations and rights respecting such casualty damage provided under Article 15.

13.1.2.4 Joint Liability. As between Landlord and County, nothing in this Section 13.1.2 shall be construed to prohibit or prevent, where appropriate, joint liability for the costs of clean up and removal of Hazardous Material, in proportions according to proof.

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

13.1.4 Termination. This Section is applicable upon any discovery of Hazardous Material in, on or about the Premises not placed in, on or about the Premises by County or County's employees, agents, contractors, or invitees, that, considering the nature and amount of the substances involved, materially and adversely interferes with County's use of the Premises for the Permitted Use or, in the prudent judgment of County, presents a health risk to any occupants of the Premises. Where such a state of affairs is present, if it is unlikely that County can be given reasonable use of, and access to, a fully repaired, restored, safe and healthful Premises (and the utilities and services pertaining to the Premises), all suitable for the use of the Premises for the Permitted Use, within thirty (30) calendar days from the date County is notified or becomes aware of such state of affairs, then County may elect to terminate the Lease upon ten (10) calendar days written notice sent to Landlord at any time within a period of ninety (90) calendar days following the date County is notified or becomes aware of such state of affairs.

13.1.5 Definition of Hazardous Material. The term "**Hazardous Material**" means any chemical, substance, material, or waste or component thereof the presence of which requires investigation or remediation under any federal, state, or local statute, regulation, ordinance, order, action, policy, or common law, or which is now or hereafter listed, defined, or regulated as a flammable explosive, radioactive material, hazardous or toxic chemical, substance, material or waste or component thereof (whether injurious by themselves or in conjunction with other materials) by any federal, state, or local governing or regulatory body having jurisdiction, or which would trigger any employee or community "right-to-know" requirements adopted by such body, or for which any such body has adopted any requirements for the preparation or distribution of a material safety data sheet. Without limiting the generality of the foregoing, Hazardous Material shall include, but not be limited to, any material or substance which is: (1) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (2) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code Section 25300, et seq.); (3) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory, California Health and Safety Code Section 25500, et seq.); (4) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances, California Health and Safety Code Section 25280, et seq.); (5) petroleum; (6) asbestos; (7) defined as a "hazardous constituent," "hazardous material," "hazardous waste," or "toxic waste" under Article 2 of Chapter 10 (Section 66260.10) or defined as a "hazardous waste" under Article 1 of Chapter 11 (Section 66261.3) of Title 22 of the California Code of Regulations, Division 4.5 (Environmental Health Standards for the Management of Hazardous Waste, 22 C.C.R. Section 66001, et seq.); (8) designated as a "hazardous substance" pursuant to Section 311 (33 U.S.C. § 1321) of the Clean Water Act of 1977, as amended (Federal Water Pollution Control Act, 33 U.S.C. § 1251, et seq.); (9) defined as a "hazardous waste" pursuant to Section 1004 (42 U.S.C. § 6903) of the Federal Resource Conservation and Recovery Act of 1976, as amended (RCRA, 42 U.S.C. § 6901, et seq.); (10) defined as a "hazardous substance" pursuant to Section 101 (42 U.S.C. § 9601) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA, 42 U.S.C. § 9601, et seq.); or (11) defined as "hazardous material" under Section 103 (49 U.S.C. § 1802) of the Hazardous Materials

Transportation Act (49 U.S.C. § 1801, et seq.), as such laws may be amended from time to time, and the regulations adopted and publications promulgated pursuant to such laws.

13.1.6 Notice Regarding Hazardous Materials. Landlord shall promptly notify County, with respect to the Premises, and County shall promptly notify Landlord, with respect to the Premises, of: (1) any enforcement, cleanup, or other regulatory action taken or threatened by any governmental or other regulatory authority with respect to the presence of any Hazardous Material or the migration thereof from or to other property; (2) any demands or claims made or threatened by any Party against Landlord or County, as applicable, relating to any loss or injury resulting from any Hazardous Material; (3) any release, discharge, or non-routine, improper or unlawful disposal or transportation of any Hazardous Material; and (4) any matters where Landlord or County, as applicable, is required by law to give a notice to any governmental or regulatory authority respecting any Hazardous Material. Landlord and County shall have the right (but not the obligation) to join and participate, as a Party, in any legal proceedings or actions affecting the Premises or the Premises initiated in connection with any environmental, health, or safety law. At such times as Landlord may reasonably request, County shall provide Landlord with a written list identifying any Hazardous Material then used, stored, or maintained upon the Premises, the use and approximate quantity of each such material, a copy of any material safety data sheet issued by the manufacturer thereof, written information concerning the removal, transportation and disposal of the same, and such other information as Landlord may reasonably require or as may be required by Applicable Law. In addition, California Health and Safety Code Section 25359.7(a) requires any owner of nonresidential real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property, prior to the lease or rental of that real property or when the presence of such release is actually known, to give written notice of that condition to the lessee or renter. California Health and Safety Code Section 25359.7(b) requires any tenant of real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property to give written notice of such condition to the owners. Landlord and County shall comply with the requirements of Section 25359.7 and any successor statute thereto.

## ARTICLE 14 INSPECTION BY LANDLORD

**14.1 Inspection by Landlord.** Landlord shall, with reasonable prior notice to the supervising County employee in charge of the Premises, have the right, to be exercised reasonably (and with the least amount of interference with County's business) and only at times that County employees are present in the Premises, to enter the Premises, inspect the same, to post notices of non-responsibility, and to alter, improve or repair the Premises and any portion of the Premises of which the Premises are a part that Landlord may deem necessary or desirable, without abatement of rent. Notwithstanding anything to the contrary contained in this Section, Landlord, or its employees, agents, or subcontractors, shall have the right to enter the Premises on a customary and regular basis to supply services to be provided by Landlord to County hereunder, providing that Landlord shall use its commercially reasonable efforts to minimize interference with the business of County. In the case of an emergency, neither prior notice to County nor the presence of County employees on the Premises shall be required to enter and inspect the Premises or to take such steps as are necessary to abate the emergency, but County shall receive prompt notice after such entry.



**14.2 Secured Areas.** County may designate certain areas of the Premises as “Secured Areas” should County require such areas for the purpose of securing certain valuable property or confidential information. Landlord may not enter such Secured Areas except in the case of emergency or in the event of a Landlord inspection, in which case Landlord shall provide County with ten (10) days’ prior written notice of the specific date, time, and purpose of such Landlord inspection.

## ARTICLE 15 DAMAGE OR DESTRUCTION

**15.1 Damage or Destruction.** The Premises are improved with improvements constructed by County. If any portion of the Property is damaged by fire, or any other cause rendering the Property totally or partially inaccessible or unusable, then County (a) may (but shall not be obligated to) repair and/or restore the Property to its condition existing prior to the damage or destruction, or (b) commencing ten (10) months after the Effective Date may terminate this Lease. By not later than six (6) months following the discovery of the damage or destruction, County shall provide Landlord with written notice of its election (“**County’s Notice**”) pursuant to this Section 15.1. If County elects to terminate this Lease pursuant to this Section 15.1, then this Lease shall be terminated as of the date that is sixty (60) days after the date of County’s Notice, but in no event less than ten (10) months after the Effective Date. Rent and other charges shall be payable up to the effective date of termination and shall account for any abatement. .

**15.2 Waiver.** The provisions of this Lease constitute an express agreement between Landlord and County with respect to any and all damage to, or destruction of, all or any part of the Property, and any statute or regulation of the State of California, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the Parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises.

## ARTICLE 16 DEFAULT

**16.1 Default by County.** The occurrence of any one or more of the following events shall constitute an “**Event of Default**” of this Lease by County: the failure by County to observe or perform any of the covenants or provisions of this Lease to be performed by County, other than as specified in Section 16.1.1 above, where such failure shall continue for a period of thirty (30) calendar days after written notice thereof from Landlord to County specifying the nature of such failure or such longer period as is reasonably necessary to remedy such default, provided that County shall continuously and diligently pursue such remedy at all times until such default is cured.

**16.2 Remedies.** In the event of any Event of Default or breach of this Lease by County, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have by reason of such default:

**16.2.1 Right to Terminate.** Upon the occurrence of an Event of Default, in addition to any other remedies available to Landlord at law or in equity, Landlord may terminate this Lease

and all rights of County hereunder by giving County thirty (30) days written notice of such election to terminate.

16.2.2 Surrender of Premises. If Landlord elects to terminate this Lease as a result of County's default of its obligations under this Lease, this Lease and the Term hereof, as well as all of the right, title and interest of County hereunder, shall wholly cease and expire and become void in the same manner and with the same force and effect (except as to County's liability) as if the date fixed in such notice were the date herein specified for expiration of the Term of this Lease. Thereupon, County shall immediately quit and surrender to Landlord the Premises as set forth in Section 5.3 above, and Landlord may enter into and repossess the Premises following receipt of a court order permitting same.

16.2.3 Continuation of Lease. Upon the occurrence of an Event of Default, in addition, Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations).

16.2.4 Landlord's Cumulative Rights; No Waiver of Default. Except where otherwise provided, all rights, options and remedies of Landlord contained in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Landlord shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law, whether or not stated in this Lease. No waiver of any default by County hereunder shall be implied from any acceptance by Landlord of any rent or other payments due hereunder or any omission by Landlord to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than as specified in said waiver. The consent or approval of Landlord to any act by County requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent or approval to any subsequent similar acts by County.

16.2.5 Right of Re-Entry. If, an Event of Default by County has occurred and County has abandoned the Property, then Landlord shall also have the right to enforce the provisions of California Civil Code Sections 1980 through 1991. No re-entry or taking of possession of the Premises by Landlord pursuant to this Section 16.2 shall be construed as an election to terminate this Lease unless a written notice of such intention shall be given to County or unless the termination hereof shall be decreed by a court of competent jurisdiction. For the purposes of this Article 16, County's right to possession shall not be deemed to have terminated by efforts of Landlord to relet the Premises, by its acts of maintenance or preservation with respect to the Premises, or by appointment of a receiver to protect Landlord's interests hereunder. Notwithstanding any reletting without termination by Landlord because of any Event of Default of County, Landlord may at any time after such reletting elect to terminate this Lease for any such Event of Default. The foregoing enumeration is not exhaustive, but merely illustrative of acts which may be performed by Landlord without terminating County's right to possession.

**16.3 Default by Landlord.** Landlord shall not be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease, unless Landlord neglects or fails to perform or observe any of the covenants, provisions or conditions contained in this Lease on its part to be performed or observed within thirty (30) calendar days after written notice of

default from County to Landlord (or if more than thirty (30) calendar days is required due to nature of the default, and Landlord fails to commence work to cure it within said thirty (30) days after notice and diligently pursue work to completion). Upon the occurrence of an event of default by Landlord, County shall have the right to pursue any remedy now or hereafter available to County under the laws or judicial decisions of the State of California.

## ARTICLE 17 CONDEMNATION

### 17.1 Definitions.

17.1.1 “**Condemnation**” means (1) the exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemnor and (2) a voluntary sale or transfer by Landlord to any Condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

17.1.2 “**Date of taking**” means the date the Condemnor has the right to possession of the property being condemned.

17.1.3 “**Award**” means all compensation, sums, or anything of value awarded, paid, or received on a total or partial Condemnation.

17.1.4 “**Condemnor**” means any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

**17.2 Parties’ Rights and Obligations to be Governed by Lease.** If, during the period of time between the Effective Date and the full expiration or termination of this Lease, there is any taking of all or any part of the Property or any interest in this Lease by Condemnation, the rights and obligations of the parties shall be determined pursuant to this Article 17.

**17.3 Total Taking.** If the Property is totally taken by Condemnation, this Lease shall terminate on the date of taking.

**17.4 Partial Taking.** If any portion of the Property is taken by Condemnation, this Lease shall remain in effect, except, commencing ten (10) months after the Effective Date, County may elect to terminate this Lease if the remaining portion of the Property is rendered unsuitable for County’s continued use of the Premises. If County elects to terminate this Lease pursuant to this Article 17, County shall provide written notice to Landlord within thirty (30) calendar days after the nature and extent of the taking have been finally determined. Such termination shall be effective on the later of (a) the date of the taking and (b) the date that is ten (10) months after the Effective Date. If County does not terminate this Lease within such period, this Lease shall continue in full force and effect.

17.4.1 Award. Landlord shall be entitled to receive the entire award or payment in connection with a Condemnation, except that County shall have the right to file any separate claim available to County for any taking of the Building or Personal Property belonging to County and removable by County upon expiration of the Term pursuant to the provisions of this Lease, and for moving expenses, so long as such claim is payable separately to County. All rent shall be apportioned as of the date of termination of this Lease pursuant to the provisions of this Article



17. If any part of the Property shall be taken, and this Lease shall not be so terminated, the rent shall be proportionately abated.

17.4.2 Waiver of CCP §1265.130. Each Party waives the provisions of the California Code of Civil Procedure Section 1265.130 allowing either Party to petition the superior court to terminate this Lease in the event of a partial taking of the Property.

## ARTICLE 18 BUY-OUT OPTION

**18.1 Buy-Out Option.** Commencing on the earlier to occur of (a) receipt by Landlord of a determination from the Internal Revenue Service in response to Landlord's request for a private letter ruling (an "**IRS Response**") and (b) the date that is six (6) months after the Effective Date, and ending thirty (30) days following the earlier to occur of (a) and (b) (the "**Buy-Out Option Expiration Date**"), Landlord shall have an exclusive option to cause County to purchase the Premises (the "**Buy-Out Option**") for the amount of nineteen million five hundred and fifty thousand dollars (\$19,550,000) (the "**Landlord Buy-Out Price**"), all substantially on the terms and conditions set forth in the purchase and sale agreement attached hereto as Exhibit B (the "**PSA**").

**18.2 Option Exercise by Landlord.** If Landlord elects, in Landlord's sole and absolute discretion, to exercise the Buy-Out Option, then Landlord shall, by not later than 5:00 p.m. (California time) on the Buy-Out Option Expiration Date, exercise the Buy-Out Option by delivering the following to Escrow Holder (as defined in the Transfer Agreement), with a copy to County:

18.2.1 one (1) Option Exercise Notice in the form attached hereto as Exhibit C (the "**Option Exercise Notice**"), executed by Landlord; and

18.2.2 two (2) originals of the PSA, executed in counterpart by Landlord, with all exhibits and blanks (other than the date thereof) completed.

**18.3 Closing.** County shall acquire the Property pursuant to the terms of the PSA within thirty (30) days of Landlord's delivery of the items set forth in Section 18.2.

**18.4 Survival.** This Article 18 and the Buy-Out Option set forth herein are only for the benefit of Landlord, and no other person or entity shall be a beneficiary of this provision or have any rights to enforce the same. The Buy-out Option may be waived by Landlord in writing or modified by Landlord and County in writing without the consent or approval of any other person or entity.

## ARTICLE 19 COUNTY OPTION

**19.1 County Option.** Commencing on the date that is eighteen (18) months after the Effective Date and ending thirty (30) days thereafter (the "**County Option Expiration Date**"), County shall have an exclusive option to cause Landlord to sell the Premises to County (the "**County Option**") for the amount of nineteen million one hundred and fifty thousand dollars (\$19,150,000) (the "**County Buy-Out Price**"), all substantially on the terms and conditions set forth in the PSA.

**19.2 Option Exercise by County.** If County elects, in County's sole and absolute discretion, to exercise the County Option, then County shall, by not later than 5:00 p.m. (California time) on the County Option Expiration Date, exercise the County Option by delivering the following to Escrow Holder (as defined in the Transfer Agreement), with a copy to Landlord:

19.2.1 one (1) Option Exercise Notice executed by County; and

19.2.2 two (2) originals of the PSA, executed in counterpart by County, with all exhibits and blanks (other than the date thereof) completed.

**19.3 Closing.** County shall acquire the Property pursuant to the terms of the PSA within thirty (30) days of County's delivery of the items set forth in Section 19.2.

**19.4 Survival.** This Article 19 and the County Option set forth herein are only for the benefit of County, and no other person or entity shall be a beneficiary of this provision or have any rights to enforce the same. The County Option may be waived by County in writing or modified by Landlord and County in writing without the consent or approval of any other person or entity.

## ARTICLE 20 MISCELLANEOUS PROVISIONS

**20.1 Accord and Satisfaction.** No payment by County or receipt by Landlord of a lesser amount than the rent payment herein stipulated shall be deemed to be other than on account of the rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease. County agrees that each of the foregoing covenants and agreements shall be applicable to any covenant or agreement either expressly contained in this Lease or imposed by any statute or at common law.

**20.2 Binding Effect.** The covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

**20.3 Legal Fees.** Each Party shall be responsible for its own attorney fees, if any, incurred in connection with the negotiation of this Lease.

**20.4 Brokers' Commissions.** Landlord and County hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. County hereby agrees to indemnify and hold harmless Landlord from and against any claims for brokers' commissions asserted by making a claim based on its representation and/or alleged representation of County. Landlord hereby agrees to indemnify and hold harmless County from and against any claims for brokers' commissions asserted by making a claim based on its representation and/or alleged representation of Landlord.

**20.5 Captions, Table of Contents.** The titles or captions of all Articles, Sections, or Sections, as well as the Table of Contents, contained herein, are for convenience and reference

only, are not intended to define or limit the scope of any provisions of this Lease, and shall have no effect on the interpretation of any provision of this Lease.

**20.6 Conflict of Laws and Venue.** This Lease shall be governed by and construed pursuant to the laws of the State of California and any litigation concerning this Lease between the parties hereto shall be initiated in Los Angeles County.

**20.7 Covenants and Agreements.** Each provision of this Lease performable by County shall be deemed both a covenant and a condition. The failure of Landlord or County to insist in any instance on the strict keeping, observance or performance of any covenant or agreement contained in this Lease, or the exercise of any election contained in this Lease shall not be construed as a waiver or relinquishment for the future of such covenant or agreement, but the same shall continue and remain in full force and effect.

**20.8 Business Days.** A “**Business Day**” shall mean any day of the year that is not a County holiday (as such County holidays are disclosed on <https://www.lacounty.gov/government/about-la-county/county-holidays/>) and any other day in which commercial banks are either not required to open or are authorized to close in Los Angeles, California.

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

**20.10 Force Majeure.** Except as otherwise provided in this Lease, whenever a day is established in this Lease on which, or a period of time, including a reasonable period of time, is designated within which, either Party is required to do or complete any act, matter or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such Party is prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or thing because of strikes, lockouts, embargoes, unavailability of services, labor or materials, disruption of service or brownouts from utilities not due to action or inaction of Landlord, wars, insurrections, rebellions, civil disorder, declaration of national emergencies, acts of God, or other causes beyond such Party’s reasonable control (financial inability excepted) (“**Force Majeure**”); provided, however, that nothing contained in this Section shall excuse County from the prompt payment of any rental or other charge required of County hereunder. Neither Party shall be liable for, and in particular County shall not be entitled to any abatement or reduction of rent or right to terminate by reason of, any such delays or failures or other inability to provide services or access under this Lease due to Force Majeure.

**20.11 Limitation of Landlord’s Liability.**

**20.11.1 Personal Liability.** The obligations of Landlord hereunder do not constitute personal obligations of the individual partners, directors, officers or shareholders of Landlord. Thus, County shall not seek recourse against the individual partners, directors, officers or shareholders of Landlord or any of their personal assets for satisfaction of any liability in respect

to this Lease. Any liability of Landlord hereunder shall be limited to Landlord's interest in the Premises.

**20.11.2 Consequential Damages.** Notwithstanding any contrary provision herein, in no event shall either Landlord or County be liable under any circumstances for injury or damage to, or interference with, the others' business, including but not limited to, loss of profits or other revenues, or loss of business opportunity or loss of goodwill, in each case, however occurring.

**20.12 Prohibition Against Recording.** Unless required by law, neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by County or by anyone acting through, under or on behalf of County. Notwithstanding the foregoing, Landlord acknowledges that this Lease shall be a public record subject to disclosure under the California Public Records Act.

**20.13 No Partnership.** Nothing contained in this Lease shall be deemed or construed to create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and County. Neither the method of computation of rent nor any other provision contained in this Lease, nor any acts of the parties hereto, shall be deemed to create any relationship between Landlord and County other than the relationship of landlord and tenant.

**20.14 Partial Invalidity.** If any provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

**20.15 Accessibility Disclosure.** As required by Section 1938(e) of the California Civil Code, Landlord hereby states as follows: "A Certified Access Specialist (CASP) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." In furtherance of the foregoing, Landlord and County hereby agree that any CASp inspection requested by County shall be conducted, at County's sole cost and expense, by a CASp approved in advance by Landlord. If any such CASp inspection requested by County indicates that repairs or modifications are required to cause the Premises to comply with applicable construction-related accessibility standards, then Landlord shall, at Landlord's sole cost and expense, perform such repairs.

**20.16 Prior Agreement/Amendments.** This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding, oral or written, express or implied, pertaining to any such matter shall

be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. The Parties acknowledge that all prior agreements, representations and negotiations are deemed superseded by the execution of this Lease to the extent they are not incorporated herein.

**20.17 Quiet Possession.** Upon County paying the rent required hereunder and observing and performing all of the covenants, conditions and provisions on County's part to be observed and performed hereunder, County shall have quiet possession of the Premises for the entire Term hereof, subject to all the provisions of this Lease.

**20.18 Signs.** County shall not place any sign upon the Premises without Landlord's prior written consent. Landlord hereby agrees that County shall be permitted to install identification signage necessary to identify the Training Facility, its operating hours, and the services provided therein.

**20.19 Time.** Time is of the essence with respect to the performance of every provision of this Lease in which time or performance is a factor.

**20.20 Counterparts; Electronic Execution.** This Lease may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. The exchange of copies of this Lease and of signature pages by facsimile transmission, .pdf or other electronic means shall constitute effective execution and delivery of this Lease as to the Parties and may be used in lieu of the original Lease for all purposes (and such signatures of the Parties transmitted by facsimile, .pdf or other electronic means shall be deemed to be their original signatures for all purposes).

*[signatures on next page]*

IN WITNESS WHEREOF, the Parties have executed this Lease as of the Effective Date.


**LANDLORD:**

BRUCE FAMILY LLC,  
a California limited liability company

By: \_\_\_\_\_  
Name: Anthony Bruce  
Title: Manager

**APPROVED AS TO FORM:**

DAWYN R. HARRISON,  
Acting County Counsel

By:  \_\_\_\_\_  
Thomas J. Faughnan  
Senior Assistant County Counsel

**COUNTY:**

**COUNTY OF LOS ANGELES,**  
a body corporate and politic

By: \_\_\_\_\_  
HOLLY J. MITCHELL  
Chair, Board of Supervisors

**ATTEST:**

CELIA ZAVALA  
Executive Officer, Board of Supervisors

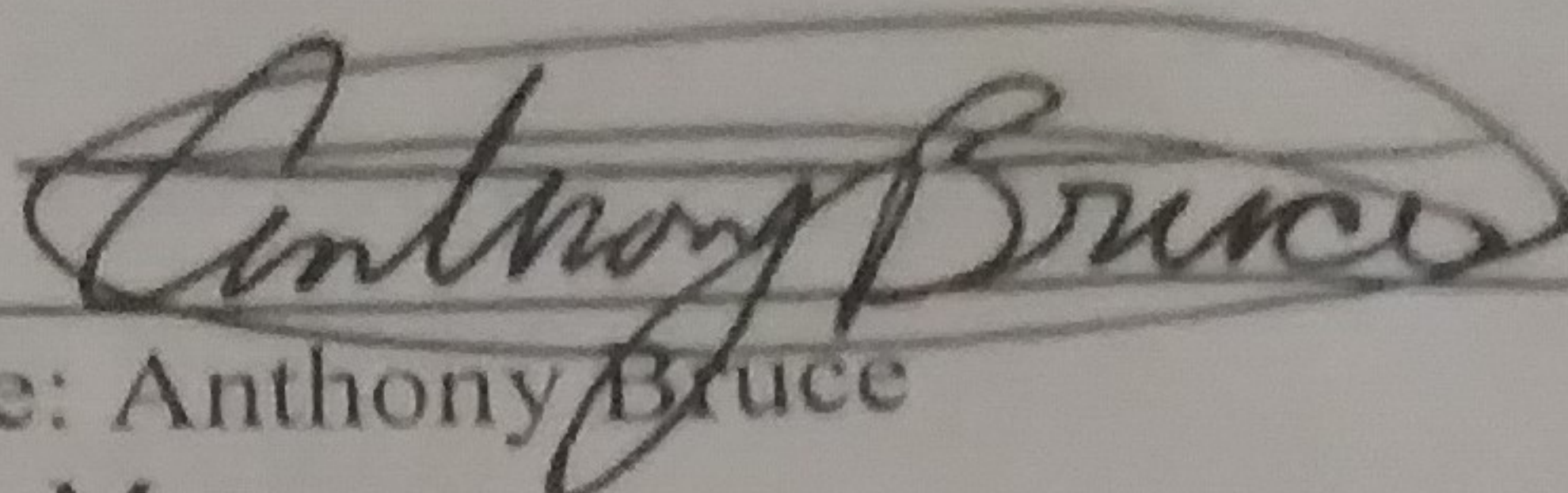
By: \_\_\_\_\_  
Deputy



IN WITNESS WHEREOF, the Parties have executed this Lease as of the Effective Date.

**LANDLORD:**

BRUCE FAMILY LLC,  
a California limited liability company

By:   
Name: Anthony Bruce  
Title: Manager

**APPROVED AS TO FORM:**

DAWYN R. HARRISON,  
Acting County Counsel

By: \_\_\_\_\_  
Thomas J. Faughnan  
Senior Assistant County Counsel

**COUNTY:**

COUNTY OF LOS ANGELES,  
a body corporate and politic

By: \_\_\_\_\_  
HOLLY J. MITCHELL  
Chair, Board of Supervisors

**ATTEST:**

CELIA ZAVALA  
Executive Officer, Board of Supervisors

By: \_\_\_\_\_  
Deputy



**EXHIBIT A**

**PREMISES**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 8 AND 9 IN BLOCK 5 OF PECK'S MANHATTAN BEACH TRACT, IN THE CITY OF MANHATTAN BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7, PAGE 34 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE EASTERLY 10 FEET OF "THE STRAND", ADJOINING SAID LOTS ON THE WEST AND LYING BETWEEN THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF LOT 8 AND WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF LOT 9, AS VACATED BY ORDER OF THE BOARD OF TRUSTEES OF SAID CITY OF MANHATTAN BEACH, A CERTIFIED COPY OF WHICH SAID ORDER IS RECORDED IN BOOK 256 PAGE 39, OF MISCELLANEOUS RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER THE PROPERTY ABOVE-DESCRIBED WITH THE RIGHT TO SLANT DRILL FROM ADJACENT OR OTHER PROPERTY AND TO REMOVE THE SAME BUT WITHOUT ANY RIGHT IN GRANTOR TO USE OR DISTURB THE SAID PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF FOR ANY SUCH PURPOSE, NOR TO DO ANY DRILLING WITHIN 1500 FEET OF THE UPLAND PROPERTY LINE DESCRIBED AND RESERVED IN DEED RECORDED MARCH 31, 1949 AS INSTRUMENT NO. 823, IN BOOK 29723 PAGE 126, OF OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL MINERALS DEPOSITS NOT PREVIOUSLY RESERVED AS DEFINED IN SECTION 6407 OF THE PUBLIC RESOURCE CODE, BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHTS OF ENTRY, AS RESERVED BY THE STATE OF CALIFORNIA IN DEED RECORDED SEPTEMBER 19, 1995 AS INSTRUMENT NO. 95-1527005, OF OFFICIAL RECORDS.



**EXHIBIT B**  
**BUY-OUT PSA**

[attached]

## PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this “**Agreement**”) is effective as of \_\_\_\_\_, 202\_ (the “**Effective Date**”), by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), Bruce Family LLC, a California limited liability company (collectively, “**Bruce**”). Each of County and Bruce are sometimes referred to herein individually as a “**Party**” and collectively, as the “**Parties**.”

### RECITALS

A. Bruce is the fee owner of certain real property commonly referred to as “Bruce’s Beach,” which is described as Lots 8 and 9 of Block 5, located between 26th and 27th Street and the Strand and Ocean Drive, in the City of Manhattan Beach, County of Los Angeles, State of California, as more particularly described on Exhibit A attached hereto (the “**Land**”).

B. The Land is currently improved with a County building (the “**Building**”) that is situated on the Land, in part, and on the parcel of land described as Lot 10 of Block 5, which is adjacent to the Land, in part, which Building is operated by County as a lifeguard training center and governmental offices.

C. Now, Bruce and County desire that Bruce transfer the Land, which shall not include the Building, to County, pursuant to and in accordance with the terms of this Agreement.

### AGREEMENT

NOW, THEREFORE, in reliance upon the foregoing Recitals, which are hereby incorporated by this reference, and in consideration of the agreements and covenants set forth herein, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

#### 1. Conveyance of the Property.

1.1 The Property. Subject to satisfaction of the terms and conditions set forth in this Agreement, Bruce shall transfer, assign, and convey to County, and County shall assume and accept all of the following (collectively, the “**Property**”): (a) the Land; and (b) all easements, rights of way and other rights appurtenant to the Land (the Land and all rights appurtenant to the Land are collectively referred to as the “**Real Property**”).

1.2 Purchase Price. The total purchase price for the Property shall be an amount equal to [[FOR THE BUY-OUT OPTION:] nineteen million five hundred and fifty thousand (\$19,550,000)/ [FOR THE COUNTY OPTION:] nineteen million one hundred and fifty thousand dollars (\$19,150,000)] (the “**Purchase Price**”).

1.3 Deed. Bruce shall transfer the Real Property to County by grant deed in the form attached hereto as Exhibit B (the “**Deed**”).

2. Escrow; Instructions. The transfer of the Property (the “**Transfer**”) shall be consummated by means of an escrow (the “**Escrow**”) to be opened with First American Title

Company (“**Escrow Holder**”), acting as both escrow agent and title agent (the “**Title Company**”), whose contact information is as follows: [ ]  
 Attention:[ ]E-mail: [ ] This Agreement, together with such further written instructions the Parties shall provide to Escrow Holder, if any, shall constitute the instructions to Escrow Holder (the “**Escrow Instructions**”) with respect to the transaction contemplated by this Agreement. Any additional or supplemental instructions given to Escrow Holder shall be consistent with the terms of this Agreement, and the terms of this Agreement shall prevail if there is any inconsistency. By executing this Agreement, Escrow Holder acknowledges that this Agreement constitutes the Escrow Instructions for the sale of the Property and agrees to follow the Escrow Instructions provided in this Agreement.

### 3. **Title Policy.**

3.1 **Preliminary Title Report.** As of the Effective Date, County has (a) obtained a standard preliminary title report (the “**PTR**”) dated on or after the date of this Agreement issued by Title Company, with respect to the Land, and copies of all recorded documents referred to in the PTR, and (b) approved of all matters shown in or disclosed by the PTR. By not later than the Closing Date, Bruce shall cause the removal as exceptions to the Title Policy any and all money judgments and liens arising from Bruce’s activities, deeds of trust, mortgages, security interests, and related encumbrances and any delinquent real property taxes and assessments, but excluding any money judgments and liens (including any mechanic’s and materialmen’s liens or liens or other claims) arising from or related to County, its officers, partners, shareholders, members, employees, contractors or agents, or their respective actions or failure to act.

3.2 **Permitted Exceptions.** At Closing, County shall accept title to the Real Property subject to the “Permitted Exceptions” as defined in that certain Transfer Agreement between the Parties dated \_\_\_\_\_2022 (the “**Permitted Exceptions**”).

3.3 **Choice of Policy and Expenses.** At Closing, Bruce shall provide County (at County’s sole cost and expense) a standard CLTA owner’s policy of title insurance issued by the Title Company or any other title company approved by Bruce insuring fee title to the Real Property vested in County, subject only to the Permitted Exceptions with liability in the amount of the Purchase Price (a “**CLTA Policy**”); provided, however, County may elect to obtain from the Title Company an ALTA extended coverage owner’s policy of title insurance insuring fee title to the Real Property vested in County, subject only to the Permitted Exceptions with liability in the amount of the Purchase Price (an “**ALTA Policy**”). In the event that County elects to obtain an ALTA Policy, County shall pay the difference in cost between a CLTA Policy and an ALTA Policy and the cost of any related survey. County shall pay the cost of any endorsements to the CLTA Policy or ALTA Policy that County may elect to obtain.

3.4 **Condition of Closing.** The selected policy (whether it be a CLTA Policy or an ALTA Policy) shall be referred to herein as the “**Title Policy**,” and the issuance of, or commitment by Title Company to issue, the Title Policy shall be a condition to the Closing for the benefit of County.

3.5 Covenant Not to Encumber. During the term of this Agreement, Bruce shall not convey or encumber any portion of the Property or any rights therein, nor enter into any conveyance, security document, easement, or other agreement granting to any person or entity any rights with respect to the Property or any part thereof, or any interest whatsoever therein (except for this Agreement, as the same may be amended from time to time), or any option with respect thereto, without the prior written consent of County, which may be withheld in County's sole and absolute discretion.

4. Closing Costs. Transaction costs (collectively, the "**Closing Costs**") shall be paid by each of the Parties as set forth below in this Section 4, the provisions of which shall survive Closing and delivery and recording of the Deed:

4.1 Paid by County. At Closing, County shall pay the cost of the following:

4.1.1 Any documentary transfer taxes due with respect to recording of the Deed;

4.1.2 Any recording fees required in connection with the Transfer of the Property;

4.1.3 Any other charges, fees, taxes or costs relating to Closing that are customarily paid by purchasers of commercial properties in the County;

4.1.4 A CLTA Policy, and the difference in cost between a CLTA Policy and an ALTA Policy (if an ALTA Policy is requested by County);

4.1.5 any title endorsements requested by County;

4.1.6 any survey ordered by County; and

4.1.7 All actual and reasonable (a) fees, (b) costs and (c) any additional charges customarily charged by the Escrow Holder in accordance with common escrow practices in Los Angeles County.

4.2 Legal Fees. Each Party shall be responsible for its own attorney fees, if any, incurred in connection with the negotiation of this Agreement.

5. **Taxes; Insurance.**

5.1 Property Taxes. County shall be responsible for all real estate taxes and assessment on the Property payable in respect to, (x) in the current fiscal year of the applicable taxing authority in which the Closing Date occurs (the "**Current Tax Year**"), the period on and after the Closing Date (which shall be allocated to County), and (y) all periods after the Current Tax Year.

5.2 Insurance. As of the Closing Date, County shall be solely responsible for general liability insurance or any other insurance that County elects to purchase and no such insurance charges shall be paid for by Bruce.

5.3 This Section 5 shall survive the Closing.

6. Conditions Precedent to Closing. In addition to any other conditions precedent to Closing expressly set forth elsewhere in this Agreement, prior to the Closing Date, each as a condition precedent to Closing:

6.1 Bruce's Deliveries. As a condition precedent to Closing for the benefit of County, Bruce shall deliver to Escrow Holder:

6.1.1 The Deed in recordable form, duly executed by Bruce and acknowledged by a notary; and

6.1.2 Any other documents that may be reasonably requested by Escrow Holder and the Title Company and that are customarily delivered in connection with the closing of real estate transactions in Los Angeles County.

6.2 County's Deliveries. As a condition precedent to Closing for the benefit of Bruce, County shall deliver to Escrow Holder:

6.2.1 The Purchase Price and any cash required for Closing from County pursuant to this Agreement; and

6.2.2 Any other documents that may be reasonably requested by Escrow Holder and the Title Company and that are customarily delivered in connection with the closing of a real estate transaction in Los Angeles County.

6.3 Closing Documents. All documents and sums required to be deposited under Sections 6.1 and 6.2 may be singularly referred to as a "**Closing Document**" and collectively as the "**Closing Documents**."

6.4 County's Performance. As a condition precedent to Closing for the benefit of Bruce, County shall have duly performed in all material respects each and every covenant of County hereunder.

6.5 Bruce's Performance. As a condition precedent to Closing for the benefit of County, Bruce shall have duly performed in all material respects each and every covenant of Bruce hereunder.

6.6 Accuracy of Representations and Warranties. On the Closing Date, all representations and warranties made by County and Bruce in Section 11 shall be true and correct in all material respects as if made on and as of the Closing Date.

6.7 Failure of Conditions Precedent to County's Obligations. County's obligations with respect to the transactions contemplated by this Agreement are subject to the satisfaction of the conditions precedent to such obligations for County's benefit set forth in Sections 6.1, 6.5 and 6.6. If County terminates this Agreement by notice to Bruce because of the failure of a condition precedent, then County shall pay any escrow cancellation fees or charges, and except for obligations under this Agreement that expressly survive termination of this Agreement, the Parties shall have no further rights or obligations to one another under this Agreement.

7. Closing; Closing Date; Closing Procedure. The closing of the Transfer (the "**Closing**") shall be deemed to occur as of the date and time that the Deed is recorded in the Official Records of Los Angeles County ("**Recorded**").

7.1 The Closing shall occur by not later than the date that is thirty (30) days after the Effective Date, or such other date as County and Bruce may agree in writing (the "**Closing Date**").

7.2 By not later than one (1) Business Day prior to the Closing Date, Bruce and County shall deliver to Escrow Holder the Closing Documents. A "**Business Day**" shall mean any day of the year that is not a County holiday (as such County holidays are disclosed on <https://www.lacounty.gov/government/about-la-county/county-holidays/>) and any other day in which commercial banks are either not required to open or are authorized to close in Los Angeles, California.

7.3 By not later than ten (10) days prior to the Closing Date, Escrow Holder shall commence preparation of an estimated settlement statement (the "**Settlement Statement**"), which it shall provide to Bruce and County for review and approval no later than five (5) days prior to the Closing Date.

7.4 Upon (a) County's and Bruce's written approval of the Settlement Statement, (b) confirmation from County that all of County's conditions precedent set forth in this Agreement below have been satisfied or waived, and (c) confirmation from Bruce that all of Bruce's conditions precedent set forth in this Agreement have been satisfied or waived, Escrow Holder shall cause the Deed to be Recorded and then pay any funds due under this Agreement in accordance with the Settlement Statement to County.

## 8. Acknowledgement of Condition of Property.

### 8.1 AS-IS SALE.

8.1.1 Neither Bruce (except as expressly set forth in this Agreement or in any Closing Documents), nor any parent, affiliate, advisor, broker, officer, elected official, director, trustee, member, employee, agent, attorney or contractor of or for Bruce, nor any employee, agent or affiliate of any of the foregoing (all of the foregoing including Bruce are referred to herein, individually and collectively, as the "**Bruce Parties**") is making or shall be deemed to have made, nor does any Bruce Party have the authority to make, any express or implied representation, warranty, promise or statement, express or implied, of any kind or nature as to the

Property (or its use or development thereof), Bruce or the transaction provided for in this Agreement, including, without limitation, as to (A) the financial status of the Property, including without limitation, income or expenses generated, paid or incurred in connection with the Property, (B) the nature, physical or environmental condition, safety or any other aspect of the Property, including, without limitation, any patent or latent defects, surface or subsurface soil conditions, grading or construction defects or flaws, ground water issues, status of entitlements, adequacy of existing entitlements, availability of new entitlements, availability of water or other utilities or services at the Property, (C) the Property's compliance with applicable federal, state or municipal laws, statutes, ordinances, orders, rules, regulations, codes or other requirements (collectively, "**Laws**"), including, without limitation, zoning ordinances, subdivision Laws, building codes (including, without limitation, the Americans With Disabilities Act) and environmental, hazardous material and endangered species statutes, (D) the accuracy or completeness of any information or data provided or to be provided by Bruce Parties, including, without limitation, copies of any reports or documents prepared for Bruce Parties whether by third parties or otherwise which may be included with such information, or (E) any other matter relating to the Property, Bruce or the transaction provided for in this Agreement.

8.1.2 County acknowledges and agrees that, except as otherwise expressly set forth in this Agreement or in any Closing Document: (1) County has had a reasonable opportunity to inspect and investigate the Property, and all aspects relating thereto, either independently or through agents and experts of County's choosing; (2) County shall rely upon County's own due diligence in determining whether the Property is suitable for purchase by County; (3) County is acquiring the Property based exclusively upon County's own investigations and inspections thereof; (4) Bruce has no obligation to repair or correct any facts, circumstances, conditions or defects or compensate County therefor; and (5) by reason of all of the foregoing except as set forth in this Agreement or in any Closing Documents, County shall assume the full risk of any loss or damage occasioned by any fact, circumstance, condition or defect pertaining to the Property.

8.1.3 Without limiting the generality of the foregoing, County hereby acknowledges that, except as expressly set forth in this Agreement or in any Closing Documents, the Property will be sold to County "**AS IS**," "**WHERE IS**" and "**WITH ALL FAULTS**," and there are no representations or warranties, express or implied, made by Bruce Parties in connection with the transaction contemplated in this Agreement.

8.2 Survival. This Section 8 shall survive indefinitely the Closing, and delivery and recording of the Deed, and shall remain in effect even if the other terms of the Agreement cease to be effective.

9. Cooperation. After the Effective Date and prior to the Closing Date, Bruce shall use commercially reasonable efforts to cooperate with County in the satisfaction or removal of contingencies to Closing; provided, however, except for Bruce's express obligations under this Agreement, Bruce shall not be obligated to take any actions that may be reasonably expected to (a) adversely affect the Property or its value if the Closing does not occur and (b) give rise to any liability by Bruce. Bruce shall cooperate in good faith with County in defending against any third party lawsuits challenging the conveyance of the Property to County.



10. **Assignment.** County shall not have the right to assign this Agreement without the prior written consent of Bruce, and any such prohibited assignment shall be void.

11. **Representations and Warranties.**

11.1 **County's Representations and Warranties.** County represents and warrants to Bruce that, except as otherwise disclosed to Bruce, the following matters are true and correct as of the Effective Date and shall also be true and correct as of the Closing:

11.1.1 **Organization.** County is a public body, corporate and politic.

11.1.2 **Authority.** County has the full power and authority to enter into and comply with the terms of this Agreement and has obtained all necessary consents and approvals required for County to enter into and consummate the transaction described in this Agreement.

11.1.3 **Valid and Binding Obligations.** This Agreement, and all instruments referenced herein to be executed by County in connection with the transaction described in this Agreement, are, or at the time of Closing will be, duly authorized, executed and delivered by County, and are, or at Closing will be, legal, valid and binding obligations of County and do not, and at the time of Closing will not, violate any provisions of any agreement or judicial order to which County is a party or to which County is subject.

11.1.4 **No Breach.** The execution and delivery of this Agreement, the consummation of the transaction contemplated by this Agreement and the compliance with the terms of this Agreement, will not, to County's actual knowledge, constitute a default under any contract or agreement to which County is a party.

11.1.5 **Insolvency.** County is not the subject of any bankruptcy, insolvency, or reorganization proceeding.

11.1.6 **Authorized Signatory.** The individual executing this Agreement on behalf of County and any other documents or agreements to be executed and/or delivered by County in connection with or pursuant to this Agreement has been duly authorized to do so.

As used herein, the term "**County's actual knowledge**" means the current, actual and personal knowledge of (and only of) D'Artagnan Scorza and does not include knowledge imputed to County from any other person or entity. County represents and warrants that the named individual is the person employed by the County most knowledgeable about the Property. The named individual is acting for and on behalf of County and in a capacity as an employee of County and is in no manner expressly or impliedly making any representations or warranties in an individual capacity. Bruce waives any right to sue or to seek any personal judgment or claim against the named individual.

11.2 **Bruce's Representations and Warranties.** Bruce represents and warrants to County that the following matters are true and correct as of the Effective Date and also shall be true and correct as of the Closing:



11.2.1 Organization of Bruce. Bruce is a limited liability company duly organized and existing in the State of California. Bruce has the requisite right, power and authority to execute, deliver and perform the terms and conditions of this Agreement and to consummate the transactions contemplated in this Agreement.

11.2.2 Due Authorization, Execution and Delivery. Bruce has taken all actions necessary to authorize the execution, delivery and performance of the terms and conditions of this Agreement and all other documents and agreements to be executed and/or delivered in connection with or pursuant to this Agreement. No further consent of any person or entity is required in connection with the execution and delivery of, or performance by Bruce of its obligations under this Agreement.

11.2.3 Valid and Binding Obligations. This Agreement is, and all the Closing Documents executed by Bruce shall be legal, valid, and binding obligations of Bruce enforceable against Bruce in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the right of contracting parties generally), and does not and shall not violate any provisions of any agreement to which Bruce is a party or to which it is subject

11.2.4 Insolvency. Bruce is not the subject of any bankruptcy, insolvency, or reorganization proceeding.

11.2.5 No Breach. The execution and delivery of this Agreement, the consummation of the transaction contemplated by this Agreement and the compliance with the terms of this Agreement will not, to Bruce's actual knowledge, conflict with and will not, with or without notice or the passage of time, or both, result in a breach of any of the terms or provisions of or constitute a default under Bruce's articles of organization, operating agreement, or any contract, agreement, indenture, mortgage, loan agreement or instrument, judgment, order or decree to which Bruce is bound or to which any portion of the Property is bound.

11.2.6 Authorized Signatory. The individual executing this Agreement on behalf of Bruce and any other documents or agreements to be executed and/or delivered by Bruce in connection with or pursuant to this Agreement has been duly authorized to do so.

11.2.7 OFAC Compliance. County is not a person or entity with whom U.S. persons or entities are restricted from doing business under the Office of Foreign Assets Control ("OFAC") regulations of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under and any U.S. statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto.

As used herein, the term "**County's actual knowledge**" means the current, actual and personal knowledge of (and only of) D'Artagnan Scorza, and does not include knowledge imputed to County from any other person or entity. County represents and warrants that the named individual is the person employed by County most knowledgeable about County. The named individual is acting for and on behalf of County and in a capacity as a representative of County and is in no

manner expressly or impliedly making any representations or warranties in an individual capacity. Bruce waives any right to sue or to seek any personal judgment or claim against the named individual.

11.3 Survival. The representations and warranties contained in this Section 11 shall survive Closing and delivery and recording of the Deed and the Closing for a period of twelve (12) months and shall be deemed to have been made again at Closing as a condition to the Closing, and shall remain in full force and effect regardless of any investigation made by or on behalf of any Party or of the actual or constructive knowledge by any Party of any inaccuracy or breach thereof; provided, however, that in the case of County's or Bruce's fraud or intentional or willful misrepresentation with respect to any representation or warranty, such representation and/or warranty shall survive until the expiration of the longest running applicable statute of limitations period.

12. Covenants. After the Effective Date, no part of the Property, or any interest therein, will be sold, further encumbered or otherwise transferred, and Bruce will not, without County's prior written consent, which consent may be withheld in County's sole discretion, enter into any contracts or agreements that will affect the Property after the Closing.

13. Risk of Loss. If prior to the Closing, the Real Property or any part thereof, is damaged, and such damage shall cost in excess of One Million Dollars (\$1,000,000.00) to repair, County has the right, exercisable by giving written notice to Bruce within ten (10) Business Days after receiving written notice of such damage or destruction (but in no event later than one (1) Business Day prior to the Closing), either to (a) terminate this Agreement, or (b) accept the Property in its then-current condition and to proceed with the Closing, and receive an assignment of all of Bruce's right to any insurance proceeds payable by reason of such damage or destruction. In the event any damage occurs costing One Million Dollars (\$1,000,000.00) or less to repair, if the Closing occurs, County shall receive an assignment of any insurance proceeds payable by reason of such damage or destruction. Notwithstanding anything to the contrary in the foregoing, if, prior to the Closing any damage to the Real Property occurs as the result of a release of Hazardous Substances to, on, under or in the Property (by a party other than County or its agents or representatives), County shall have the option to terminate this Agreement upon written notice to Bruce given not later than twenty (20) Business Days after County's receipt of written notice thereof from Bruce. In the event that this Agreement is terminated in accordance with this Section 13, then this Agreement and the obligations of the Parties hereunder shall terminate (other than the obligations that survive the termination of this Agreement), and neither Party shall have any further right or obligation hereunder other than such surviving obligations.

#### 14. Default and Remedies.

14.1 County's Remedies. If the Closing does not occur on or before the Closing Date as a result of a material default by Bruce under this Agreement (and County is not otherwise in material default under this Agreement), then County may provide Bruce written notice of Bruce's default under this Agreement (the "**County Default Notice**"). The County Default Notice shall set forth the nature of Bruce's default in reasonable detail. Bruce shall have ten (10) Business Days after receipt of the County Default Notice (the "**Bruce Cure Period**") to cure any defaults

set forth in the County Default Notice and any other defaults that may thereafter arise. In the event that Bruce does not cure the default described in the County Default Notice or any other Bruce default that arises during the Bruce Cure Period, then, upon expiration of the Bruce Cure Period, as County's sole and exclusive remedy, County may elect any one of the following by delivering written notice to Bruce within twenty (20) Business Days after the end of the Bruce Cure Period: (a) pursuing specific performance of this Agreement so long as any petition for specific performance commenced by County against Bruce shall be filed with the Superior Court of Los Angeles County and served within sixty (60) days after the scheduled Closing Date; or (b) waive the Bruce default and proceed to the Close of Escrow; or (c) terminate this Agreement, whereupon both Bruce and County will thereafter be relieved of any further obligations or liabilities under this Agreement, except for those obligations which expressly survive any termination hereof.

14.1.1 Special Remedies. Bruce acknowledges the unique and special character of the Property and its utility to County and agrees that specific performance is an appropriate remedy for Bruce's default under this Agreement.

14.1.2 Waiver of Other Remedies. County hereby waives all remedies not expressly set forth in this Section 14.2, including without limitation, any claim against Bruce for damages of any type or kind (other than as expressly provided in this Section 14.1).

14.1.3 Time Periods. Failure of County to make the election described above in Section 14.1 within the twenty (20) Business Day period set forth above shall be conclusively deemed an election by County to pursue the remedy set forth in clause (b) above.

14.2 No Consequential or Punitive Damages. Notwithstanding anything to the contrary elsewhere in this Agreement, for matters arising under or related to this Agreement, County waives any right to bring an action or proceeding against the other for any consequential or punitive damages (other than as expressly provided in Section 14.1). This Section 14 shall indefinitely survive Closing and delivery and recording of the Deed or termination of this Agreement.

## 15. Miscellaneous.

15.1 Exculpation of Certain Persons. No individual trustee, officer, elected official, director, shareholder, member, constituent partner, employee or agent of any Party, in his or her individual capacity as such, shall have any personal liability for the performance of any obligation of such Party under this Agreement solely by reason of such status.

15.2 Headings. Section headings of this Agreement are solely for convenience of reference and shall not govern the interpretation of any of the provisions of this Agreement. References to "Sections" are to sections of this Agreement, unless otherwise specifically provided.

15.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws.

15.4 Entire Agreement. This Agreement (together with its exhibits) contains the entire agreement and understanding between Bruce and County with respect to the subject matter

hereof. There are no oral understandings, terms or conditions, and neither Party has relied upon any representation, express or implied, that is not contained in this Agreement. This Agreement cannot be changed or supplemented orally, but only by an agreement in writing signed by both Parties.

15.5 Binding Effect. The covenants, terms, conditions, provisions, and undertakings in this Agreement shall extend to, and be binding upon, the successors and permitted assigns of the Parties.

15.6 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile transmission, .pdf or other electronic means shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes (and such signatures of the Parties transmitted by facsimile, .pdf or other electronic means shall be deemed to be their original signatures for all purposes).

15.7 Exhibits. All references in this Agreement to “Exhibits” shall be construed as though the words “hereby made a part hereof and incorporated herein by this reference” were, in each case, appended thereto.

15.8 Brokers. The Parties hereby warrant that they have dealt with no real estate broker in this transaction and that no broker or other person is entitled to any commission, finder’s fee or other similar compensation by virtue of the Parties entering into or consummating this Agreement. Each Party hereby defends and indemnifies the other Party against any claims, losses, liability and damages, including reasonable attorneys’ fees and costs, in connection with any commissions, finders’ fees or other similar compensation sought, based upon some obligation of the indemnifying Party with respect to this transaction. This Section 15.8 shall survive indefinitely the Closing and shall remain in effect even if the other terms of this Agreement cease to be effective.

15.9 Time of Essence. Time is of the essence of this Agreement and of the Escrow provided for herein.

15.10 Waiver. Any of the terms or conditions of this Agreement may be waived at any time by the Party entitled to the benefit thereof, but no such waiver shall affect or impair the right of the waiving Party to require observance, performance or satisfaction either of that term or condition as it applies on a subsequent occasion or of any other term or condition of this Agreement.

15.11 Severability. If (a) any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable and (b) the invalidity or unenforceability of such a provision does not deny a Party the material benefit of this Agreement, then the remainder of this Agreement which can be given effect without the invalid provision shall continue in full force and effect and shall in no way be impaired or invalidated.

15.12 Real Estate Reporting Person. The Escrow Holder is hereby designated the “real estate reporting person” for purposes of Section 6045 of Title 26 of the United States Code and Treasury Regulation 1.6045-4 and any instructions or settlement statement prepared by the Escrow Holder shall so provide. Upon the consummation of the transaction contemplated by this Agreement, the Escrow Holder shall file the Form 1099 information return and send the statement to County as required under the aforementioned statute and regulation.

15.13 Notice. All notices shall be in writing and either (a) personally served at the appropriate address (including by means of professional messenger service or recognized overnight delivery service, provided that any such delivery is confirmed by written receipts signed on behalf of the receiving Party or by adequate proof of service) or (b) deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, or (c) sent via electronic mail (e-mail), addressed to the appropriate addressee and shall be deemed received and effective on the day such notice is actually received if received before 5:00 p.m. on a Business Day, or on the following Business Day if received at any other time. E-mail deliveries shall be deemed received upon entry of such message into the recipient’s e-mail server. All addresses of the Parties for receipt of any notice to be given pursuant to this Agreement are as follows:

**If to County:**

Chief Executive Office  
Asset Management Branch  
Real Estate Division  
320 West Temple Street, 7<sup>th</sup> Floor  
County of Los Angeles  
Los Angeles, California 90012  
Attention: Senior Manager

**If to Bruce:**

Bruce Family LLC  
6161 Memorial Highway #2214  
Tampa, Florida 33615  
Attention: Anthony Bruce

**With a copy to:**

Office of County Counsel  
County of Los Angeles  
648 Kenneth Hahn Hall of Administration  
500 West Temple St.  
Los Angeles, CA 90012-2713  
Attention: Property Division

**With a copy to:**

Sidley Austin LLP  
555 West 5th Street, Suite 400, 40th Floor  
Los Angeles, California 90013  
Attention: George C. Fatheree III  
gfatheree@sidley.com

15.14 Further Assurances. In addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by either party at Closing, each Party agrees to perform, execute and deliver, but without any obligation to incur any additional liability or expense, on or after the Closing, any further deliveries and assurances as may be reasonably necessary to consummate the transactions contemplated hereby or to further perfect the conveyance, transfer and assignment of the Property to County.

*[Signatures on following page.]*

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

**BRUCE:**

**BRUCE FAMILY LLC,**  
a California limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**COUNTY:**

**COUNTY OF LOS ANGELES,**  
a body corporate and politic

By: \_\_\_\_\_  
HOLLY J. MITCHELL  
Chair, Board of Supervisors

**ATTEST:**  
CELIA ZAVALA  
Executive Officer, Board of Supervisors

By: \_\_\_\_\_  
Deputy

**APPROVED AS TO FORM:**

DAWYN R. HARRISON,  
Acting County Counsel

By: \_\_\_\_\_  
Thomas J. Faughnan  
Senior Assistant County Counsel

**ACKNOWLEDGMENT OF RECEIPT AND AGREEMENT OF ESCROW HOLDER**

\_\_\_\_\_ acknowledges receipt of a fully-executed copy or executed counterparts of this Agreement and agrees to act as Escrow Holder in accordance with the terms of this Agreement and to be bound by and perform the terms thereof as such terms apply to Escrow Holder.

First American Title Company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Dated as of \_\_\_\_\_, 2022

**EXHIBIT A**

**LEGAL DESCRIPTION**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 8 AND 9 IN BLOCK 5 OF PECK'S MANHATTAN BEACH TRACT, IN THE CITY OF MANHATTAN BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7, PAGE 34 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE EASTERLY 10 FEET OF "THE STRAND", ADJOINING SAID LOTS ON THE WEST AND LYING BETWEEN THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF LOT 8 AND WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF LOT 9, AS VACATED BY ORDER OF THE BOARD OF TRUSTEES OF SAID CITY OF MANHATTAN BEACH, A CERTIFIED COPY OF WHICH SAID ORDER IS RECORDED IN BOOK 256 PAGE 39, OF MISCELLANEOUS RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER THE PROPERTY ABOVE-DESCRIBED WITH THE RIGHT TO SLANT DRILL FROM ADJACENT OR OTHER PROPERTY AND TO REMOVE THE SAME BUT WITHOUT ANY RIGHT IN GRANTOR TO USE OR DISTURB THE SAID PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF FOR ANY SUCH PURPOSE, NOR TO DO ANY DRILLING WITHIN 1500 FEET OF THE UPLAND PROPERTY LINE DESCRIBED AND RESERVED IN DEED RECORDED MARCH 31, 1949 AS INSTRUMENT NO. 823, IN BOOK 29723 PAGE 126, OF OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL MINERALS DEPOSITS NOT PREVIOUSLY RESERVED AS DEFINED IN SECTION 6407 OF THE PUBLIC RESOURCE CODE, BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHTS OF ENTRY, AS RESERVED BY THE STATE OF CALIFORNIA IN DEED RECORDED SEPTEMBER 19, 1995 AS INSTRUMENT NO. 95-1527005, OF OFFICIAL RECORDS.



**EXHIBIT B****FORM OF GRANT DEED**

FREE RECORDING IN ACCORDANCE  
WITH CALIFORNIA GOVERNMENT  
CODE SECTIONS 6103 AND 27383

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

---

---

---

---

MAIL TAX STATEMENT TO:

---

---

---

(Space Above Line for Recorder's Use Only)

Exempt from documentary transfer tax pursuant to Revenue & Taxation Code Section 11922.

**GRANT DEED**

FOR A FULL VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Bruce Family LLC, a California limited liability company, as Grantor,

hereby grants and conveys to the County of Los Angeles, a body corporate and politic, as Grantee,

that certain real property situated in the City of Manhattan Beach, County of Los Angeles, State of California, legally described on Exhibit A attached hereto and by this reference incorporated herein together with all easements, rights of way and other rights appurtenant thereto and any rights that Grantor may have in the improvements (the "**Property**"), subject to: (a) all taxes, interest, penalties, and assessments of record, if any; (b) covenants, conditions, restrictions, reservations, easements, liens, rights of occupancy, and encumbrances of record; (c) all matters that may be disclosed by an inspection and/or by a current survey of the Property; and (d) any and all applicable laws, ordinances, rules regulations and permits affecting the Property or governing the use thereof.

*[Signatures on Following Page]*

**ATTACHMENT C**

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below:

Dated: \_\_\_\_\_, 2022

Bruce Family LLC,  
a California limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTEST:**

DEAN C. LOGAN  
Registrar-Recorder\County Clerk

By: \_\_\_\_\_  
Deputy

## ACKNOWLEDGMENT

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

State of California )  
 )  
County of \_\_\_\_\_)

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, Notary Public,  
personally appeared \_\_\_\_\_, who proved to  
me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to  
the within instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

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

**EXHIBIT A TO FORM OF GRANT DEED**

**LEGAL DESCRIPTION OF THE PROPERTY**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 8 AND 9 IN BLOCK 5 OF PECK'S MANHATTAN BEACH TRACT, IN THE CITY OF MANHATTAN BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7, PAGE 34 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE EASTERLY 10 FEET OF "THE STRAND", ADJOINING SAID LOTS ON THE WEST AND LYING BETWEEN THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF LOT 8 AND WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF LOT 9, AS VACATED BY ORDER OF THE BOARD OF TRUSTEES OF SAID CITY OF MANHATTAN BEACH, A CERTIFIED COPY OF WHICH SAID ORDER IS RECORDED IN BOOK 256 PAGE 39, OF MISCELLANEOUS RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER THE PROPERTY ABOVE-DESCRIBED WITH THE RIGHT TO SLANT DRILL FROM ADJACENT OR OTHER PROPERTY AND TO REMOVE THE SAME BUT WITHOUT ANY RIGHT IN GRANTOR TO USE OR DISTURB THE SAID PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF FOR ANY SUCH PURPOSE, NOR TO DO ANY DRILLING WITHIN 1500 FEET OF THE UPLAND PROPERTY LINE DESCRIBED AND RESERVED IN DEED RECORDED MARCH 31, 1949 AS INSTRUMENT NO. 823, IN BOOK 29723 PAGE 126, OF OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL MINERALS DEPOSITS NOT PREVIOUSLY RESERVED AS DEFINED IN SECTION 6407 OF THE PUBLIC RESOURCE CODE, BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHTS OF ENTRY, AS RESERVED BY THE STATE OF CALIFORNIA IN DEED RECORDED SEPTEMBER 19, 1995 AS INSTRUMENT NO. 95-1527005, OF OFFICIAL RECORDS.

**EXHIBIT C**

**FORM OF OPTION EXERCISE NOTICE**

\_\_\_\_\_, 20\_\_

[VIA OVERNIGHT DELIVERY]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

Re: Notice of Exercise of [Buy-Out Option]/[County Option]

To Whom It May Concern:

Reference is hereby made to that certain Lease Agreement dated \_\_\_\_\_, 20\_\_ (the “**Lease**”), by and between Bruce Family LLC, a California limited liability company (“**Landlord**”) and the County of Los Angeles (“**County**”). Terms used herein and not otherwise defined shall have the meanings given such terms in the Lease.

This notice shall constitute [Landlord’s]/[County’s] notice to [County]/[Landlord] of [Landlord’s]/[County’s] election to exercise the [Buy-Out Option]/[County Option] pursuant to [Article 18]/[Article 19] of the Lease.

Very truly yours,

By: \_\_\_\_\_  
Name:  
Its:

cc: