

FORM APPROVED COUNTY COUNSEL
 BY: GREGORY P. PRIAMOS DATE: 1/26/16

**SUBMITTAL TO THE BOARD OF SUPERVISORS
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

608



SUBMITTAL DATE:
 02/20/16

FROM: Sheriff-Coroner-PA

SUBJECT: Approval of Periodic five year Use License between City of Los Angeles Department of Airports and Riverside County (Riverside County Sheriff's Department) for ground space at LA/Ontario International Airport. – District 1 - [\$150,796 – State 100%]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the Periodic Use License between City of Los Angeles Department of Airports and Riverside County (Riverside County Sheriff's Department) for ground space at LA/Ontario International Airport, and authorize the Chairperson to execute the License agreement.

BACKGROUND:

Summary

The Riverside County Sheriff's Department, Ben Clark Training Center (Licensee), offers comprehensive law enforcement training for all levels of students. Driver training and emergency vehicle operations (EVOC) is a component of this training and is mandated and contracted by the California Commission on Peace Officer Standards and Training (Cal POST). This training requires ground space large enough to safely train emergency vehicle maneuvers at high speeds. The bulk of this training is for academy recruits. (continued on Page 2)

[Signature]
 Stan Sniff
 Sheriff-Coroner-PA

By John Anderson, Chief Deputy

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 33,976.	\$ 29,556.	\$ 150,794	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: 100% State –Commission on Peace Officer Standards and Training

Budget Adjustment: No
 For Fiscal Year: 15/16-19/20

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

BY: *[Signature]*
 Elizabeth J. Olson

MINUTES OF THE BOARD OF SUPERVISORS

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.:

District: 1

Agenda Number:

3-26

Departmental Concurrence

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Approval of Periodic Use License between City of Los Angeles Department of Airports and Riverside County (Riverside County Sheriff's Department) for ground space at LA/Ontario International Airport.

DATE: 02/20/16

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BACKGROUND:

Summary (continued)

Up until mid-October 2015, this training was being conducted on approximately six acres of unused ramp area located at the south end of the March Air Reserve Base (MARB) in Riverside. This was done in cooperation with the March Joint Powers Authority (MJPA). Due to mission changes at the base, we can no longer conduct our training there. The training staff at BCTC researched and surveyed possible land masses throughout Riverside County including airports, fairgrounds, industrial parking lots, and raceways which all proved to have various prohibitive reasons that deemed them unusable.

The vacated and undevelopable parking area located at the west end of the runway at Ontario Airport is currently used by Los Angeles World Airport (LAWA) police for annual driver training. Inspections by the Driver Training Unit at the Ben Clark Training Center, and our regional representative at Cal POST have shown the area to be large enough and safe enough to handle the training courses we previously conducted at MARB. The Riverside County Sheriff's Department (Licensee) wishes to formally enter into a Periodic Use License with City of Los Angeles, Department of Airports (City) in order to provide driver training in said parking lot area at a rental cost of \$526.85 per day of use.

Impact on Residents and Businesses

This license agreement will allow for the Sheriff's Ben Clark Training Center to continue necessary vehicle operation training supporting public safety. This training is 100% reimbursed by POST and will have no fiscal impact on County Residents and Businesses.

SUPPLEMENTAL:

Additional Fiscal Information

The City of Los Angeles Department of Airports (City) will bill the Riverside County Sheriff's Department (Licensee) at the City Board Approved Land Rate of \$526.85 per day. The City also requires Licensee to furnish a performance Guarantee in the amount of \$5,000. The City will relinquish the Guarantee to Licensee upon expiration, or termination of License pending all obligations are met.

No budget adjustment is required as the venue license cost for the driver training courses is already included in the FY 15/16 budget.

	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Daily Rate	\$526.85	\$537.39	\$548.14	\$559.10	\$570.28	FIVE
Annual Est. No. Days Use	55	55	55	55	55	YEAR
Annual Est. License Cost	\$ 28,976	\$ 29,556	\$ 30,147	\$ 30,750	\$ 31,365	\$ 150,794
Performance Guarantee	\$ 5,000				\$ (5,000)	\$ -
TOTAL Estimated Annual Cost	\$ 33,976	\$ 29,556	\$ 30,147	\$ 30,750	\$ 26,365	\$ 150,794

Contract History and Price Reasonableness

The Sheriff's Ben Clark Training Center paid March Joint Powers Authority \$200 per day for use of the land mass at March Reserve Air Base to conduct EVOC training. The cost of other land masses considered ranged from \$2500 per day, (Lake Elsinore Storm Stadium Parking Lot) to free (Thermal Club Private Raceway), however, none of the land masses considered fully met the operational needs to conduct the training.

The Board of Office for Los Angeles World Airports approved rate for the lease of the paved land is \$0.65527 per square foot per year (January 1, 2011, Resolution No. 24508). This License agreement allows for 293,468 square feet of land use for a daily rate of \$526.85. The rate will be adjusted annually by the higher of either two percent, or the percentage increase over the prior year of the Consumer Price Index.

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Approval of Periodic Use License between City of Los Angeles Department of Airports and Riverside County (Riverside County Sheriff's Department) for ground space at LA/Ontario International Airport.

DATE: 02/20/16

PAGE: 3 of 3 (BR 16-057)

ATTACHMENTS (if needed, in this order):

Three (3) Original License agreements

ORIGINAL

LICENSE BETWEEN

**CITY OF LOS ANGELES,
DEPARTMENT OF AIRPORTS**

AND

**COUNTY OF RIVERSIDE
(RIVERSIDE COUNTY SHERIFF'S DEPARTMENT)**

FOR GROUND SPACE AT

LA/ONTARIO INTERNATIONAL AIRPORT

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EXHIBITS

Exhibit A	Premises
Exhibit B	Payments
Exhibit C	Maintenance
Exhibit D	Insurance

**LICENSE BETWEEN THE CITY OF LOS ANGELES AND THE
COUNTY OF RIVERSIDE FOR GROUND SPACE AT
LA/ONTARIO INTERNATIONAL AIRPORT**

THIS LICENSE agreement is made and entered into this _____ day of _____, 2016, by and between the **CITY OF LOS ANGELES**, a municipal corporation and charter city, acting by order of and through its Board of Airport Commissioners (hereinafter "Board") of the **DEPARTMENT OF AIRPORTS** ("City"), and the **COUNTY OF RIVERSIDE** ("Licensee") (sometimes herein referred to individually as a "Party," or together as "Parties").

WHEREAS, Licensee via the Riverside County Sheriff's Department has approached City and requested to use certain vacant space at LA/Ontario International Airport on an intermittent basis for the purpose of peace officer driver training;

WHEREAS, City is willing to accommodate Licensee's request.

NOW THEREFORE, the Parties hereto, for and in consideration of the covenants and conditions hereinafter contained to be kept and performed, **DO HEREBY AGREE AS FOLLOWS**:

ARTICLE 1. SPECIFIC TERMS AND PROVISIONS

Section 1. Demised Premises.

1.1. **Description.** The Demised Premises consist of approximately 293,486 square feet of paved land within the former Lot A at LA/Ontario International Airport ("Airport") in Ontario, California as shown on Exhibit A, attached hereto and made a part hereof.

1.2. **Acceptance and Surrender.** Licensee has examined the Demised Premises and made a determination that the Demised Premises, including its location, pavement, surface, layout and conditions, are suitable and appropriate for the use intended by Licensee. Licensee accepts this in an "as is" condition with all faults. Licensee acknowledges and agrees that the City has no obligation to prepare or change any aspect of the Demised Premises in any way whatsoever for the use by Licensee. Licensee agrees to surrender the Demised Premises upon the expiration or earlier termination of this License in a condition substantially similar to the condition of the Demised Premises at the commencement of the License, ordinary wear and tear excepted.

Section 2. Term of License.

2.1. This License shall commence upon execution by the Executive Director of the Department of Airports ("Executive Director") and shall terminate five (5) years thereafter; subject however, to earlier termination by either Party upon giving thirty (30) days' advance written notice to the other, or as otherwise herein provided. Licensee's occupancy or use of any portion or all of the Demised Premises shall not exceed fifty five (55) days per year.

2.2. If Licensee remains in possession of all or any part of the Demised Premises after the expiration of the term hereof, with or without the express or implied consent of City, such tenancy shall be from month-to-month only, and not a renewal or an extension hereof for any further term, and in such case, rent and other monetary sums due hereunder shall be payable in the amount of one hundred fifty percent (150%) of the rate last payable. Acceptance by City of Rent after such expiration or earlier termination shall not result in a renewal. The foregoing provisions of this Subsection are in addition to and do not affect the right of re-entry or any right of City hereunder or as otherwise provided by law, and in no way shall such provisions affect any right which City may otherwise have to recover damages from Licensee for loss or liability incurred by City resulting from such failure by Licensee to surrender the Demised Premises. Nothing contained in this Subsection shall be construed as consent by City to any holding over by Licensee, and City expressly reserves the right to require Licensee to surrender possession of the Demised Premises to City as provided for in this License upon the expiration or other termination of this License.

2.3. Licensee hereby acknowledges title in the City of Los Angeles, a municipal corporation, in said real property, and agrees never to assail or resist the same, and further agrees that Licensee's use and occupancy of said licensed area shall be referable solely to the permission herein given.

2.4. Licensee hereby acknowledges that this License is a License only and does not constitute a lease of, invitation or obligation to lease, or any present or future interest in real property.

Section 3. Use of Demised Premises.

3.1. **Authorized Uses:** Law Enforcement driver training.

3.2. **Unauthorized Uses:** Licensee acknowledges that any use other than that expressly set forth in Article 1, Subsection 3.1, above, is prohibited and that prior written consent of the Executive Director of the Department of Airports ("Executive Director") is required to expand use of the Demised Premises beyond limitations as set forth in this License.

3.3. **Safety and Propriety of Location for Intended Use.** Licensee is responsible for ensuring that the Demised Premises are appropriate for the use intended by Licensee.

3.4. **Access to Demised Premises:** Throughout the term of this License, Licensee, its agents, servants, employees, contractors, licensees and invitees, shall have ground ingress and egress to and from the Demised Premises. Such access to the Demised Premises shall be subject to access control and permitting requirements as may be established by City and temporary blockage or redirection due to Airport security, Airport construction or Airport operational necessity.

3.5. **Use Subject to Notice to and Approval of Executive Director.** Licensee's use of the Demised Premises is subject to seven (7) days advance written notification to the City of Licensee's intention to use the Demised Premises on the dates specified in Licensee's Notice.

Use of the Demised Premises on the dates requested in Licensee's Notice is subject to approval by the Executive Director in the Executive Director's sole discretion. If an entity/agency other than the Riverside County Sheriff's Office will be using the Demised Premises, Licensee's Notification shall also identify such entity/agency.

3.6. **Use By City.** Licensee acknowledges that during the term of this Agreement, there will be periods of time when the Demised Premises may not be occupied or used by Licensee. During such periods, the Demised Premises shall be under the control of City, and City may occupy and use any or all of the Demised Premises and/or permit occupancy by others. In such event, City will not be obligated or required to vacate the Demised Premises for Licensee's use.

Section 4. Payments to City.

4.1. **Writing and Transmittal of Rent.** On or before the tenth (10th) day of each month, following a month in which the Demised Premises were used, Licensee shall transmit to City: a) a writing stating the dates on which the Demised Premises had been used in the preceding calendar month; b) a listing of the identity of the entities/agencies that used the Demised Premises in the preceding calendar month and their dates of use; and c) payment, in accordance with Exhibit B, for such use.

4.2. **Rental Amount.** Monthly Rent shall be as set forth in Exhibit B. The Rental rate shall be adjusted pursuant to Article 1, Subsection 4.3. Rental Adjustments of this License. Licensee acknowledges that the Executive Director is authorized to modify the Payments set forth on Exhibit B to reflect any rental adjustments, fees and/or other charges established periodically by the Board that shall be generally applicable to similarly-situated Licensees at Airport and Licensee accepts responsibility for payments based upon such modifications. If the Board adjusts, establishes or adopts a change to rental, fees and/or other charges after July 1, the adjustment(s) shall be applied retroactively to July 1 and Licensee must pay all increased amounts at the next scheduled payment date.

4.3. **Rental Adjustments.** It is agreed that Monthly Rent shall be adjusted each year in accordance with the procedures provided hereinafter.

4.3.1. **Annual Adjustment.** Except when adjusted as provided in Article 1, Subsection 4.3.3, Periodic Adjustment to Fair Market Rental below, Monthly Rent shall be subject to automatic, annual rental adjustments on July 1 (the "Annual Adjustment Date") according to the percentage increase over the prior year, if any, in the Consumer Price Index, All Urban Consumers for the Los Angeles-Riverside-Orange County, California area (1982-84=100) (the "CPI-U"), as published by the U.S. Department of Labor, Bureau of Labor Statistics ("BLS"), or its successor, as follows:

4.3.1.1. Monthly Rent shall be multiplied by the CPI-U for the month of March immediately preceding the Annual Adjustment Date (called the "Adjustment Index"), divided by the said CPI-U as it stood on March of the prior year (called the "Base Index") and the result shall be the "Adjusted Monthly Rent" to be applied effective July 1 through June 30 annually, except during the

applicable rental period, or fraction thereof, when rent is brought to Fair Market Value by the procedure set forth in Article 1, Subsection 4.2.2 hereunder. Under no circumstance during any year of application of the Annual Adjustment shall the increase in rent be less than two percent (2%).

4.3.1.2. The formula for calculation of Adjusted Monthly Rent commencing each July 1 during the term of this License shall be as follows:

$$\text{Adjusted Monthly Rent} = \text{Monthly Rent} \times \frac{\text{Adjustment Index}}{\text{Base Index}}$$

4.3.1.3. If the BLS should discontinue the preparation or publication of the CPI-U, and if no transposition table is available, then City shall adopt a basis for adjusting and revising Monthly Rent on July 1 annually to vary said Monthly Rent according to any increase in commodity consumer prices over the prior year.

4.3.2. **Rent.** Rent shall be calculated by multiplying the Daily Rate by the number of days of use during a calendar month.

4.3.3. **Periodic Adjustment to Fair Market Rental.**

4.3.3.1. It is agreed that Monthly Rent payable hereunder shall be adjusted to Fair Market Rental Value ("Adjusted Rent") at five (5)-year intervals commencing January 1, 2016. ("Adjustment Date").

4.3.3.2. No later than the date that is thirty (30) days prior to the Adjustment Date, City shall determine the Adjusted Rent. The Executive Director shall notify Licensee and replace Exhibit B with the Adjusted Rent.

4.3.4. With respect to additions, improvements, or alterations to leasehold structures authorized by City and made by Licensee during the term of this License, Licensee shall not be charged rent for the rental value thereof unless and until title to said additions, improvements, or alterations passes to City pursuant to the terms of this License or by operation of law.

4.3.5. Nothing herein shall prejudice the right of Licensee to contest, in a court of competent jurisdiction, such adjusted rental in the event said Board may have acted arbitrarily or unreasonably. However, pending the outcome of any such litigation, Licensee shall be obligated first to either pay the new rental and all retroactive amounts directly to City as they come due, or deposit such increased amounts of such rental and the retroactive amounts into a joint escrow account. Provision shall be made for the payment to the City of the escrowed funds, including accrued interest (to the extent such funds are owed by Licensee to City), upon a final determination of the appropriate rental adjustment, if any.

4.3.6. It is agreed that failure by the parties to timely comply with the procedures for Rental Adjustments as set forth herein shall not be construed to constitute a waiver of the right of City to such Adjusted Rent. In the event adjustment of Rent is not completed prior to the Adjustment Date, Licensee shall continue to pay the rent set for the preceding period, at the intervals and in the manner fixed for such preceding period, and if such rent is thereafter fixed in a different amount, such new rental shall take effect retroactively to the beginning date of the readjustment period. Subject to Licensee's right of contest and right to escrow funds, Licensee shall immediately pay to City that sum, if any, which has accrued as a result of such retroactive application. If a rental reduction occurs, City shall immediately credit Licensee's account that sum which has accrued as a result of such retroactive application.

4.3.7. If City has complied with the appraisal procedure and related time frames as set forth above, City shall be entitled to receive, in addition to all retroactive rents that become due as a result of Board-adjusted rental rate(s), the time value of said rental increase(s) calculated from the effective date of the increase(s) to the time period that the rental increase(s) are assessed to the Licensee at an interest rate representing what the City may have otherwise been entitled to if the funds associated with the increase(s) were available for City's use; however, in no event shall the interest rate be less than 5% per annum.

4.3.8. Assessments, Fees, and Charges. In addition to the rental obligation, Licensee hereby agrees to pay such assessments, fees, and charges as shall be set by the Board and that shall be generally applicable to similarly-situated leases at Airport.

Section 5. Utility Services. No utilities are available on the site. No utilities will be provided.

Section 6. Notices.

6.1. Written notices to City hereunder shall be sent to the Executive Director with a copy sent to the City Attorney of the City of Los Angeles and addressed to said parties at:

**Executive Director
Department of Airports
1 World Way
Post Office Box 92216
Los Angeles, California 90009-2216**

**City Attorney
Department of Airports
1 World Way
Post Office Box 92216
Los Angeles, California 90009-2216**

with a copy to:

**Los Angeles World Airports
Commercial Development Group
6053 West Century Boulevard, Suite 400
Los Angeles, California 90045**

Or to such other address as these parties may designate by written notice to Licensee.

6.2. Written notices to Licensee hereunder shall be given by registered or certified mail, postage prepaid, and addressed to:

**Commander
Riverside County Sheriff's Department
Ben Clark Training Center
16791 Davis Avenue
Riverside, California 92518
(951) 486-2805**

or to such other address as Licensee may designate by written notice to City.

6.3. The execution of any such notice by the Executive Director shall be as effective to Licensee as if it were executed by Board or by Resolution or Order of said Board, and Licensee shall not question the authority of the Executive Director to execute any such notice.

6.4. All such notices, except as otherwise provided herein, may either be delivered personally to the Executive Director or to the Office of the City Attorney, Airport Division, or to Licensee, as the case may be, or may be deposited in the United States mail, properly addressed as aforesaid with postage fully prepaid by certified or registered mail, return receipt requested, and shall be effective five (5) days after deposit in the mail. Such notices also may be delivered by a nationally recognized overnight commercial courier service that requires the recipient's signature for delivery, and shall be effective one (1) business day after delivery by such courier.

Section 7. Assumption of Risk and Waiver of Damages.

Licensee acknowledges that the Demised Premises are on the site of an airport and may expose persons thereon to usual and unsafe conditions which pose risks to persons and property. Licensee also acknowledges that it intends to use the Demised Premises for peace officer driver training which activity can be inherently dangerous to persons (participating in the training, as well as persons nearby) and property. Licensee has closely examined the Demised Premises and surrounding areas and made a determination that the Demised Premises are suitable and appropriate for the use intended by Licensee. Licensee expressly assumes any and all risks, and waives any claim of liability or damages against City, arising out of or in any way related to: a) the Demised Premises; b) the location, condition or use of the Demised Premises; and c) this License Agreement.

ARTICLE 2. STANDARD TERMS AND PROVISIONS

Section 1. Limitations on Use of Demised Premises.

1.1. Licensee shall not use the Demised Premises, nor any portion thereof, for any purpose or use other than that hereinabove set forth in Article 1, without first having had and obtained the written consent of the Executive Director, which consent may be withheld in the

Executive Director's sole discretion, and which written consent is approved as to form by the City Attorney.

1.2. There is hereby reserved to City, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Demised Premises herein Licensed. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from, or operating on Airport. Licensee agrees not to make any claim or institute legal action against City under any theory of recovery for any interference with Licensee's use and enjoyment of the Demised Premises which may result from noise emanating from the operation of aircraft to, from, or upon Airport except for claims or actions brought by third parties against Licensee arising from City's operation of Airport. [LEASE GUIDE, paragraph 5]¹

1.3. Licensee, by accepting this License, agrees for itself and its successors and assigns that it will not make use of the Demised Premises in any manner which might interfere with the landing and taking off of aircraft from Airport or otherwise constitute a hazard to such operations. In the event the aforesaid covenant is breached, City reserves the right to enter upon the Demised Premises hereby Licensed and cause the abatement of such interference at the expense of Licensee. [LEASE GUIDE, paragraph 8]

1.4. Licensee shall conduct its, and cause its sublicensees to conduct their, operations on the Demised Premises in such manner as to reduce as much as is reasonably practicable, considering the nature and extent of said operations, any and all activities which interfere unreasonably with the use of other premises adjoining the Demised Premises at Airport, including, but not limited to, the emanation from the Demised Premises of noise, vibration, movements of air, fumes, and odors.

1.5. Licensee is prohibited from installing or using any wireless workstations, access control equipment, wireless internet servers, application or system software such as transceivers, modems, or other interface units that access frequencies from 2.0 Gigahertz to 6.0 Gigahertz, inclusive, without first obtaining approval from the Executive Director.

1.6. Licensee has no rights under this License to install or use any antennae or telecommunications equipment on the roof or exterior of any building or structure on the Demised Premises, unless such installation or use is directly related to the conduct of Licensee's business and in full compliance with City's permit process and telecommunications policies as they may be modified from time to time at the sole discretion of the Executive Director. Licensee may not license or sublicense to others the right to install or use antennae or other telecommunications equipment on the Demised Premises.

¹ The paragraph references are to mandatory requirements contained in a document entitled, "LEASE AND USE AGREEMENT GUIDE," dated June 6, 1984, revised January 2004, published by the Federal Aviation Administration.

Section 2. Rental Payments.

2.1. **Delivery of Rental.** Rental shall be paid by Licensee to City on or before the tenth day of each calendar month of the term hereof following a month during which Licensee used the Demised Premises. All payments shall include the contract number, which is stamped on the first page of this License, on each payment check and the remittance advice attached to the invoice, if any, delivered to Licensee by City.

2.2. All payments shall be mailed to the following address:

**City of Los Angeles
Los Angeles World Airports
File 54989
Los Angeles, California 90074-4989**

2.3. City may designate an alternate address at any time upon giving Licensee a thirty (30) day advance, written notice. Invoices may be sent by City to Licensee as a customer courtesy, and receipt of such invoice shall not be a condition prior to payment of rent.

Section 3. Late Payment Charge.

3.1. If Licensee fails to pay the rent in full within ten days after it is due, Licensee is in default and Licensor may terminate the License. In addition, Licensee shall pay Licensor a late charge of ten percent of the amount due, plus interest on all overdue rent amounts at a rate of ten percent per annum. By this provision, Licensor does not waive the right to insist on payment of the rent in full on the day it is due.

Section 4. Reports.

4.1. Within ten (10) days after the end of each calendar month, Licensee shall report in writing to the Airport's Chief Financial Officer a listing of the identity of the entities/agencies that used the Demised Premises (and the dates each such entities/agencies used the premises) during the previous calendar month.

Section 5. Audits.

5.1. City may, at its sole discretion and with reasonable notice to Licensee, require Licensee to provide access to all records and other information necessary to perform an audit of rental, fees, and other charges paid and payable to City. City's right to access such records and information shall survive three (3) years beyond the expiration or early termination of this License. Licensee shall retain all records and other information necessary to perform an audit as described above for a minimum of seven years.

Section 6. Performance Guarantee.

6.1. Licensee shall furnish to City and maintain throughout the term of this License a Faithful Performance Guarantee to secure the faithful performance by Licensee of all the terms, provisions, and covenants contained herein including, but not limited to, the payment of rent and any other specified compensation. Such Guarantee shall be separate from any other Guarantee(s) required by City. The initial amount of said Guarantee shall be Five Thousand Dollars (\$5,000.00).

6.2. Performance Guarantees of Five Thousand Dollars (\$5,000) or less shall be in the form of a Cashier's Check, Company Check, Money Order, Certificate of Deposit or Irrevocable Letter of Credit. Performance Guarantees in excess of Five Thousand Dollars (\$5,000) shall be in the form of an Irrevocable Letter of Credit. Letters of Credit shall be self-renewing from year-to-year and subject to termination upon thirty (30) days written notice. All Performance Guarantees must be approved as to form by the City Attorney.

6.3. Licensee shall furnish such Guarantee in duplicate prior to License commencement. If, for any reason, said Guarantee is not provided by Licensee and/or is not thereafter maintained in sufficient amount throughout the term hereof, City may terminate this License at any time upon giving Licensee a ten (10) day advance, written notice. Upon the expiration or earlier termination of this License, and if Licensee has satisfied all of its obligations to City hereunder, City shall relinquish to Licensee said Guarantee following such expiration or earlier termination and satisfaction of all obligations to City. The Guarantee shall be submitted to:

**Los Angeles World Airports
Attn: Accounting Revenue FPG Administrator
PO Box 92216
Los Angeles, California 90009-2216**

Section 7. Improvements and Alterations.

7.1. By Licensee.

7.1.1. Licensee shall make no improvements or alterations to the Demised Premises.

7.2. By City.

7.2.1. City reserves the right to further develop or improve the Demised Premises or any other portion of the Airport, as it sees fit, regardless of the desires or view of Licensee, and without interference or hindrance.

Section 8. Signs.

8.1. No identification signs pertaining to Licensee's operations shall be installed or placed in or on the Demised Premises or Airport until Licensee has submitted to the Executive

Director drawings, sketches, design dimensions, and type and character of such identification signs proposed to be placed thereon or therein and has received written approval from the Executive Director. The Executive Director's written approval and any conditions related to the subject signs shall become a part of the License as though fully set forth herein once the document is fully executed by both parties.

8.2. Other than approved identification signs, Licensee shall not, at any time, under any circumstances, install, place, or maintain any type of advertising, on the Demised Premises.

Section 9. Maintenance and Repair of Demised Premises.

9.1. Except as otherwise expressly stated in this License, Licensee, solely at its own cost and expense, shall, in addition to the requirements of Exhibit C:

9.1.1. Maintain and repair the Demised Premises in good and safe condition, in compliance with all requirements of law and in accordance with the terms of this License; and

9.1.2. Keep the Demised Premises, at all times, free and clear of vehicles, vehicle parts, weeds, wastepaper, discarded plastic, graffiti, and all other trash and debris of any kind.

9.2. If Licensee fails to so maintain or repair the Demised Premises, City may serve a "Notice to Cure" upon Licensee. Said Notice shall prescribe the work to be accomplished by Licensee in order to correct the maintenance deficiencies and shall state the number of calendar days Licensee shall have to complete the work as prescribed in the Notice. The period of "calendar days" in said Notice shall commence five (5) days following City's deposit of said Notice in the mail. In addition, a copy of the "Notice to Cure" shall be posted on the Demised Premises in a conspicuous place.

9.3. If, in the opinion of the Executive Director, any default is of such nature that it cannot physically be corrected within the period originally specified by City, and if the party in default has responded with a course of action and has commenced to remedy such default promptly after the receipt of such Notice, and shall continuously and diligently proceed in good faith to eliminate such default, then the period for correction shall be extended for such length of time as is reasonably necessary to complete the same.

9.4. If the work prescribed in the "Notice to Cure" is not completed by Licensee in a manner reasonably satisfactory to the Executive Director, and Licensee fails to correct such work within the time specified by City in the mailed Notice, City may, at City's sole option, and at Licensee's sole cost and expense, enter upon the Demised Premises and perform whatever work may, in the opinion of the Executive Director, be required to correct the maintenance deficiencies. If City exercises this option, Licensee shall pay to City a sum equal to the direct cost of labor and materials expended for said work, plus a surcharge equal to fifty percent (50%) of said direct cost. Payment shall be made within thirty (30) days of invoice date.

Section 10. City's Right of Access and Inspection.

10.1. City, by and through its officers, employees, agents, representatives, and contractors, shall have the right at all reasonable times and in a reasonable manner, upon notice to Licensee, to enter upon the Demised Premises for the purpose of inspecting the same or for doing any act or thing which City may be obligated or have the right to do under this License, or otherwise, and no abatement of rental shall be claimed by or allowed to Licensee by reason of the exercise of such rights. In the exercise of its rights under this Section, City, its officers, employees, agents, and contractors shall not unreasonably interfere with the conduct of Licensee's business on the Demised Premises as herein authorized.

Section 11. Insurance.

11.1. Licensee shall procure at its expense, and keep in effect at all times during the term of this License, the types and amounts of insurance specified on Exhibit D, attached hereto and incorporated by reference herein. The specified insurance shall also, either by provisions in the policies, by City's own endorsement form or by other endorsement attached to such policies, include and insure City, its Department of Airports, its Board and all of City's officers, employees, and agents, their successors and assigns, as additional insureds, against the areas of risk described on Exhibit D hereof with respect to Licensee's acts or omissions in its operations, use, and occupancy of the Demised Premises or other related functions performed by or on behalf of Licensee in, on or about Airport.

11.2. Each specified insurance policy (other than Workers' Compensation and Employers' Liability and fire and extended coverages) shall contain a Severability of Interest (Cross Liability) clause which states, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability," and a Contractual Endorsement which shall state, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under this License with the City of Los Angeles."

11.3. All such insurance shall be primary and noncontributing with any other insurance held by City's Department of Airports where liability arises out of or results from the acts or omissions of Licensee, its agents, employees, officers, assigns, or any person or entity acting for or on behalf of Licensee. Such policies may provide for reasonable deductibles and/or retentions acceptable to the Executive Director based upon the nature of Licensee's operations and the type of insurance involved.

11.4. City shall have no liability for any premiums charged for such coverage(s). The inclusion of City, its Department of Airports, Board and all of City's officers, employees, and agents, their successors and assigns, as insureds is not intended to, and shall not, make them, or any of them, a partner or joint venturer with Licensee in Licensee's operations at Airport. In the event Licensee fails to furnish City evidence of insurance and maintain the insurance as required, City, upon ten (10) days prior written notice to comply, may (but shall not be required to) procure such insurance at the cost and expense of Licensee, and Licensee agrees to promptly

reimburse City for the cost thereof plus fifteen percent (15%) for administrative overhead. Payment shall be made within thirty (30) days of invoice date.

11.5. At least ten (10) days prior to the expiration date of the above policies, documentation showing that the insurance coverage has been renewed or extended shall be filed with City. If such coverage is canceled or reduced, Licensee shall, within fifteen (15) days of such cancellation of coverage, file with City evidence that the required insurance has been reinstated or provided through another insurance company or companies.

11.6. Licensee shall provide proof of all specified insurance and related requirements to City either by production of the actual insurance policy(ies), by use of City's own endorsement form(s), by broker's letter acceptable to the Executive Director in both form and content in the case of foreign insurance syndicates, or by other written evidence of insurance acceptable to the Executive Director. The documents evidencing all specified coverages shall be filed with City in duplicate and shall be procured and approved in strict accordance with the provisions in §§11.47 through 11.56 of City's Administrative Code prior to Licensee occupying the Demised Premises. The documents shall contain the applicable policy number, the inclusive dates of policy coverages, and the insurance carrier's name, shall bear an original signature of an authorized representative of said carrier, and shall provide that such insurance shall not be subject to cancellation, reduction in coverage, or nonrenewal except after written notice by certified mail, return receipt requested, to the City Attorney of the City of Los Angeles at least thirty (30) days prior to the effective date thereof. City reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing such insurance.

11.7. City and Licensee agree that the insurance policy limits specified herein shall be reviewed for adequacy annually throughout the term of this License by the Executive Director who may, thereafter, require Licensee, on thirty (30) days prior, written notice, to adjust the amounts of insurance coverage to whatever reasonable amount said Executive Director deems to be adequate.

11.8. Submission of insurance from a non-California admitted carrier is subject to the provisions of California Insurance Code §§1760 through 1780, and any other regulations and/or directives from the State Department of Insurance or other regulatory board or agency. Licensee agrees, except where exempted, to provide City proof of said insurance by and through a surplus line broker licensed by the State of California.

Section 12. City Held Harmless.

12.1. In addition to the requirements of Article 2, Section 11 Insurance herein, Licensee shall indemnify, defend (with counsel satisfactory to City), keep, and hold City, including Board, and City's officers, agents, servants, and employees, harmless from any and all costs, liability, damage, or expense (including costs of suit and fees and reasonable expenses of legal services) claimed by anyone by reason of injury to or death of persons, including Licensee, or damage to or destruction of property, including property of Licensee, sustained in, on, or about the Demised Premises, or arising out of Licensee's use or occupancy thereof, Licensee's use or occupancy of any other area of Airport, or arising out of the acts or omissions of Licensee, its agents, servants,

employees, sublessees, sublicensees, and/or invitees or in any way arising from or relating to this License agreement.

12.2. In Licensee's defense of the City under this Section, negotiation, compromise, and settlement of any action, the City shall retain discretion in and control of the litigation, negotiation, compromise, settlement, and appeals there from, as required by the Los Angeles City Charter, particularly Article II, §§271, 272 and 273 thereof.

Section 13. Nondiscrimination and Equal Employment Practices/Affirmative Action Program.

13.1. Federal Non-Discrimination Provisions.

13.1.1. The Licensee for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this License, for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Licensee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended. (LEASE GUIDE, Paragraph 1).

13.1.2. The Licensee for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Licensee shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended. (LEASE GUIDE, Paragraph 1).

13.1.3. The Licensee assures that it will comply with pertinent statutes, Executive Orders, and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This Provision obligates the Licensee or its transferee for the period during which Federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the Provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used

by the sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property. [LEASE GUIDE, paragraph 1]

13.1.4. Licensee shall furnish its services on a reasonable and not unjustly discriminatory basis to all users, and charge reasonable and not unjustly discriminatory prices for each unit or service, provided that Licensee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers. [LEASE GUIDE, paragraph 11]

13.1.5. Licensee agrees that it shall insert the provisions found in Subsections 13.1.3 and 13.1.4 above in any sublicense, assignment, license, or permit by which said Licensee grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the Demised Premises herein Licensed.

13.2. **Municipal Non-Discrimination Provisions.**

13.2.1. **Non-Discrimination in Use of Premises.** There shall be no discrimination against or segregation of any person, or group of persons, on account of race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition in the License, sublicense, transfer, use, occupancy, tenure, or enjoyment of the Demised Premises or any part of the Demised Premises or any operations or activities conducted on the Demised Premises or any part of the Demised Premises. Nor shall Licensee or any person claiming under or through Licensee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, subtenants, or vendees of the Demised Premises. Any sublicense or assignment which may be permitted under this License shall also be subject to all non-discrimination clauses contained in Article 2, Section 14.2.

13.2.2. **Non-Discrimination in Employment.** During the term of this License, Licensee agrees and obligates itself in the performance of this License not to discriminate against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition. Licensee shall take affirmative action to insure that applicants for employment are treated, during the term of this License, without regard to the aforementioned factors and shall comply with the affirmative action requirements of the Los Angeles Administrative Code, §§10.8, et seq., or any successor ordinances or law concerned with discrimination.

13.2.3. **Equal Employment Practices.** If the total payments made to City under this License are \$1,000 (one thousand dollars) or more, this provision shall apply. During the performance of this License, Licensee agrees to comply with §10.8.3 of the Los Angeles Administrative Code ("Equal Employment Practices"), which is incorporated herein by this reference. By way of specification but not limitation,

pursuant to §§10.8.3.E and 10.8.3.F of the Los Angeles Administrative Code, the failure of Licensee to comply with the Equal Employment Practices provisions of this License may be deemed to be a material breach of this License. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to Licensee. Upon a finding duly made that Licensee has failed to comply with the Equal Employment Practices provisions of this License, this License may be forthwith terminated, cancelled, or suspended.

13.2.4. **Affirmative Action Program**. If the total payments to City under this License are \$100,000 (one hundred thousand dollars) or more, this provision shall apply. During the performance of this License, Licensee agrees to comply with Section 10.8.4 of the Los Angeles Administrative Code ("Affirmative Action Program"), which is incorporated herein by this reference. By way of specification but not limitation, pursuant to §§10.8.4.E and 10.8.4.F of the Los Angeles Administrative Code, the failure of Licensee to comply with the Affirmative Action Program provisions of this License may be deemed to be a material breach of this License. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to Licensee. Upon a finding duly made that Licensee has failed to comply with the Affirmative Action Program provisions of this License, this License may be forthwith terminated, cancelled, or suspended.

Section 14. Taxes, Permits and Licenses

14.1. Licensee shall pay any and all taxes of whatever character that may be levied or charged upon the Demised Premises, or upon Licensee's improvements, fixtures, equipment, or other property thereon or upon Licensee's use thereof. Licensee shall also pay all license or permit fees necessary or required by law or regulation for the conduct of Licensee's business or use of the Demised Premises.

14.2. If a claim is made against City for any of the above charges, City shall promptly notify Licensee in writing; provided, however, that failure by City to give such notice shall not constitute a waiver of Licensee's obligation to pay such taxes, license and/or permit fees.

14.3. Licensee, by executing this License and accepting the benefits hereof, understands that a property right pursuant to applicable ordinances and codes under tax law, may be created known as "possessory interest" and may be subject to property taxation. Licensee will be responsible for payment of any property taxes upon such right. Licensee herewith acknowledges that notice required by Revenue and Taxation Code, §107.6 has been provided.

14.4. The obligations of Licensee under this Section, however, shall not prevent Licensee from contesting the validity and/or applicability of any of the above charges and during the period of any such lawful contest, Licensee may refrain from making, or direct the withholding of, any such payment without being in breach of the above provisions. Upon a final determination in which Licensee is held responsible for such taxes and/or fees, Licensee shall promptly pay the required amount plus all legally imposed interest, penalties and surcharges. If

all or any part of such taxes and/or fees, penalties, or surcharges are refunded to City, City shall remit to Licensee such sum(s) to which Licensee is legally entitled.

Section 15. Assignments and Sublicenses.

15.1. Licensee shall not, in any manner, assign or transfer this License, without the prior written consent of the Executive Director, which consent may be withheld in the sole and exclusive discretion of the Executive Director.

Section 16. Default.

16.1. **Default Events.** The following events shall be deemed to be events of default by Licensee under the License:

16.1.1. Licensee fails to pay any Rent due under this License;

16.1.2. Licensee fails to comply with any term, provision or covenant of this License, other than paying its Monthly Rent;

16.1.3. Licensee makes an assignment of this License, or any rights granted to Licensee hereunder, to, and for the benefit of, Licensee's creditors;

16.1.4. Licensee, within thirty (30) days after the commencement of any proceeding against Licensee seeking adjudication of bankruptcy or reorganization, rearrangement, composition, readjustment, liquidation, dissolution or similar relief, fails to cause such proceedings to be dismissed;

16.1.5. Licensee, within sixty (60) days after the appointment without Licensee's consent or acquiescence of any trustee, receiver, or liquidator of the Licensee or a material part of its assets, causes such appointment to be vacated.

16.1.6. The interests of Licensee under this License shall not, except at City's option and with its written consent, be assignable by operation of law. In case of the bankruptcy of Licensee, or the appointment of a receiver for Licensee and such receiver is not removed within one hundred twenty (120) days from the date of appointment, or if a receiver is appointed to take possession of the Demised Premises as a result of any act or omission of Licensee and such receiver is not removed within one hundred twenty (120) days from the date of appointment, or if Licensee makes an assignment of this License for the benefit of creditors, or if possession of the Demised Premises is taken by virtue of any attachment, execution, or the levy of any judicial process, City, at its election, may, after written notice to Licensee, terminate this License.

16.2. **Lessor's Remedies.** Upon the occurrence of a Default Event, City, in addition to any other rights or remedies available to City at law or in equity, shall have the right to:

16.2.1. Terminate this License and all rights of Licensee under this License, by giving Licensee ten (10) days advance written notice that this License is terminated.

16.2.2. Upon the occurrence of a Default Event, City shall also have the right, with or without terminating this License, to re-enter the Demised Premises and remove all property from the Demised Premises. City may store the property removed from the Demised Premises at the expense and for the account of Licensee.

16.2.3. No security or guaranty for the performance of Licensee's obligations that City may now or later hold shall in any way constitute a bar or defense to any action initiated by City or unlawful detainer or for the recovery of the Demised Premises, for enforcement of any obligation of Licensee, or for the recovery of damages caused by a breach of this License by Licensee or by a Default Event.

16.2.4. Except where this is inconsistent with or contrary to any provisions of this License, no right or remedy conferred upon or reserved to either party is intended to be exclusive of any other right or remedy, or any right or remedy given now or later existing at law or in equity or by statute. Except to the extent that either party may have otherwise agreed in writing, no waiver by a party of any violation or nonperformance by the other party of any obligations, agreements, or covenants under this License shall be deemed to be a waiver of any subsequent violation or nonperformance of the same or any other covenant, agreement, or obligation, nor shall any forbearance by either party to exercise a remedy for any violation or nonperformance by the other party be deemed a waiver by that party of the rights or remedies with respect to that violation or nonperformance.

Section 17. Waiver.

17.1. The waiver by either party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of any other term, covenant, or condition, or of any subsequent breach of the same term, covenant, or condition. The subsequent acceptance of rent hereunder by City shall not be deemed to be a waiver of any preceding breach by Licensee of any term, covenant, or condition of this License other than the failure of Licensee to pay the particular rent so accepted, regardless of City's knowledge of such preceding breach at the time of acceptance of such rent.

Section 18. Attorney's Fees.

18.1. Both parties agree that in any action to enforce the terms of this Agreement, each party will be responsible for its own costs and attorney's fees. Each party shall give prompt notice to the other of any claim or suit instituted against it that may affect the other party.

Section 19. Hazardous and Other Regulated Substances.

19.1. **Definition of "hazardous substance(s)."** For the purposes of this License, "hazardous substances" means:

19.1.1. Any substance the presence of which requires the investigation or remediation under any federal, state or local statute, regulation, rule, ordinance, order, action, policy or common law; or

19.1.2. Any substance which is or becomes defined as a hazardous waste, extremely hazardous waste, hazardous material, hazardous substance, hazardous chemical, toxic chemical, toxic substance, cancer causing substance, substance that causes reproductive harm, pollutant or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §9601 et seq.) and/or the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.); or

19.1.3. Any substance which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, council, board, or instrumentality of the United States, the State of California, the City of Los Angeles, or any political subdivision of any of them; or

19.1.4. Any substance the presence of which on the Demised Premises causes or threatens to cause a nuisance upon the Demised Premises or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Demised Premises; or

19.1.5. Any substance the presence of which on adjacent properties could constitute a trespass by Licensee; or

19.1.6. Any substance, without limitation, which contains gasoline, diesel fuel or other petroleum hydrocarbons, lubricating oils, solvents, polychlorinated biphenols (PCBs) or asbestos.

19.2. **Environmental Indemnity.** Except for conditions existing prior to the original occupancy of the Demised Premises by Licensee or by Licensee's predecessors in interest, Licensee agrees to accept sole responsibility for full compliance with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws, and/or other orders of any governmental entity regarding the use, storage, handling, distribution, processing, and/or disposal of hazardous substances, regardless of whether the obligation for such compliance or responsibility is placed on the owner of the land, on the owner of any improvements on the Demised Premises, on the user of the land, or on the user of the improvements. Licensee agrees that any claims, damages, penalties, or fines asserted against or levied on City and/or the Licensee as a result of noncompliance with any of the provisions in this Section shall be the sole responsibility of the Licensee and that Licensee shall indemnify, defend (with counsel satisfactory to City) and hold City harmless from all such claims, damages, penalties, or fines. Further, City may, at its option, pay such claims, damages, penalties, or fines resulting from Licensee's non-compliance with any of the terms of this Section, and Licensee shall indemnify and reimburse City for any such payments.

19.3. Except for conditions existing prior to the original occupancy of the Demised Premises by Licensee or Licensee's predecessors in interest, in the case of any hazardous substance spill, leak, discharge, relicense or improper storage on the Demised Premises or contamination of the Demised Premises by any person, Licensee agrees to make or cause to be made any necessary repairs or corrective actions as well as to clean up and remove any spill, leakage, discharge, relicense or contamination. In the case of any hazardous substance spill, leak, discharge, relicense or contamination by Licensee or its employees, servants, agents, contractors, or subcontractors on the Demised Premises or as may be discharged or relicensed in, on or under adjacent property which affects other property of City or its tenants, Licensee agrees to make or cause to be made any necessary corrective actions to clean up and remove any such spill, leakage, discharge, relicense or contamination. If Licensee fails to repair, clean up, properly dispose of, or take any other corrective actions as required herein, City may (but shall not be required to) take all steps it deems necessary to properly repair, clean up, or otherwise correct the conditions resulting from the spill, leak, discharge, relicense or contamination. Any such repair, cleanup, or corrective actions taken by City shall be at Licensee's sole cost and expense and Licensee shall indemnify, defend (with counsel satisfactory to City) and pay for and/or reimburse City for any and all costs (including any administrative costs) City incurs as a result of any repair, cleanup, or corrective action it takes.

19.4. **Licensee's Provision to City of Environmental Documents.** Licensee shall promptly supply City with complete and legible copies of all notices, reports, correspondence, and other documents sent by Licensee to or received by Licensee from any governmental entity regarding any hazardous substance. Such written materials include, without limitation, all documents relating to any threatened or actual hazardous substance spill, leak, or discharge, or to any investigations into or clean up of any actual or threatened hazardous substance spill, leak, or discharge including all test results.

19.5. In Licensee's defense of the City under this Section, negotiation, compromise, and settlement of any action, the City shall retain discretion in and control of the litigation, negotiation, compromise, settlement, and appeals there from, as required by the Los Angeles City Charter, particularly Article II, §§ 271, 272, and 273 thereof.

19.6. **Survival of Obligations.** This Section and the obligations herein shall survive the expiration or earlier termination of this License.

Section 20. Airfield Security.

20.1. Licensee shall be responsible for fully complying with any and all applicable present and/or future rules, regulations, restrictions, ordinances, statutes, laws, airport security agreements, and/or orders of any federal, state, and/or local governmental entity regarding airfield security. Licensee shall be responsible for the maintenance and repair of that portion of the Airport perimeter fence, including gates and doors, that are located on the Demised Premises or controlled by Licensee. Licensee shall comply fully with applicable provisions of the Transportation Security Administration Regulations, 49 Code of Federal Regulations ("CFR") §§1500 through 1550 and 14 CFR Part 129, including the establishment and implementation of procedures acceptable to the Executive Director to control access from the Demised Premises to

air operation areas in accordance with the Airport Security Program required by CFR §§1500 through 1550.

Section 21. Laws, Rules, and Regulations.

21.1. Licensee shall be solely responsible for fully complying with any and all applicable present and/or future rules, regulations, restrictions, ordinances, statutes, laws and/or orders of any federal, state, and/or local government authority.

21.2. Licensee shall be solely responsible for fully complying with any and all applicable present and/or future orders, directives, or conditions issued, given or imposed by the Executive Director which are now in force or which may be hereafter adopted by the Board of Airport Commissioners and/or the Executive Director with respect to the operation of Airport.

21.3. Licensee shall be solely responsible for any and all civil and/or criminal penalties assessed as a result of its failure to comply with any of these rules, regulations, restrictions, restrictions, ordinances, statutes, laws, orders, directives and or conditions.

Section 22. Disabled Access.

22.1. Licensee shall be solely responsible for fully complying with any and all applicable present and/or future rules, regulations, restrictions, ordinances, statutes, laws and/or orders of any federal, state, and/or local governmental entity and/or court regarding disabled access to improvements on the Demised Premises including any services, programs, or activities provided by Licensee. Licensee shall be solely responsible for any and all damages caused by, and/or penalties levied as the result of, Licensee's noncompliance. Further, Licensee agrees to cooperate fully with City in its efforts to comply with the Americans With Disability Act of 1990, and any amendments thereto or successor statutes.

22.2. Should Licensee fail to comply with Subsection 27.1, then City shall have the right, but not the obligation, to perform, or have performed, whatever work is necessary to achieve equal access compliance. Licensee will then be required to reimburse City for the actual cost of achieving compliance, plus a fifteen percent (15%) administrative charge.

Section 23. Child Support Orders.

23.1. This License is subject to §10.10 of the Los Angeles Administrative Code related to Child Support Assignment Orders, which is incorporated herein by this reference. Pursuant to this Section, Licensee (and any subcontractor of Licensee providing services to City under this License) shall (1) fully comply with all State and Federal employment reporting requirements for Licensee's or Licensee's subcontractor's employees applicable to Child Support Assignments Orders; (2) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code §5230, et seq.; and (3) maintain such compliance throughout the term of this License. Pursuant to §10.10(b) of the Los Angeles Administrative Code, failure of Licensee or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings

Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of Licensee or applicable subcontractors to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default of this License subjecting this License to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Licensee by City (in lieu of any time for cure provided elsewhere in this License).

Section 24. Visual Artists' Rights Act.

24.1. Licensee shall not install, or cause to be installed, any work of art subject to the Visual Artists' Rights Act of 1990 (as amended), 17 U.S.C. 106A, et seq., or California Code §980, et seq., hereinafter collectively "VARA" on or about the Demised Premises without first obtaining a waiver, in writing, of all rights under VARA, satisfactory to the Executive Director and approved as to form and legality by the City Attorney's Office, from the artist. Said waiver shall be in full compliance with VARA and shall name City as a party for which the waiver applies.

24.2. Licensee is prohibited from installing, or causing to be installed, any piece of artwork covered under VARA on the Demised Premises without the prior, written approval and waiver of the Executive Director. Any work of art installed on the Demised Premises without such prior approval and waiver shall be deemed a trespass, removable by City, by and through its Executive Director, upon three (3) days written notice, all costs, expenses, and liability therefor to be borne exclusively by Licensee.

24.3. Licensee, in addition to other obligations to indemnify and hold City harmless, as more specifically set forth in this License, shall indemnify and hold harmless City from all liability resulting from Licensee's failure to obtain City's waiver of VARA and failure to comply with any portion of this provision.

24.4. The rights afforded City under this provision shall not replace any other rights afforded City in this License or otherwise, but shall be considered in addition to all its other rights.

Section 25. Miscellaneous Provisions.

25.1. **Fair Meaning.** The language of this License shall be construed according to its fair meaning, and not strictly for or against either City or Licensee.

25.2. **Section Headings.** The section headings appearing herein are for the convenience of City and Licensee, and shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning, or intent of the provisions of this License.

25.3. **Void Provisions.** If any provision of this License is determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this License, and all such other provisions shall remain in full force and effect.

25.4. **Two Constructions.** It is the intention of the parties hereto that if any provision of this License is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

25.5. **Laws of California.** This License shall be construed and enforced in accordance with the laws of the State of California and venue shall lie at Airport.

25.6. **City's Consent.** In each instance herein where City's, Board's or the Executive Director's approval or consent is required before Licensee may act, such approval or consent may be exercised by the sole and absolute discretion of the City, Board and/or Executive Director.

25.7. **Gender.** The use of any gender herein shall include all genders, and the use of any number shall be construed as the singular or the plural, all as the context may require.

25.8. **Exclusivity.** It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act [49 U.S.C. 40103(e) and 47107(a)(4) (Public Law 103-272; 108 STAT. 1102)]. [LEASE GUIDE, paragraph 9]

25.9. **Rights of United States Government.** This License shall be subordinate to the provisions and requirements of any existing or future agreement between City and the United States relative to the development, operation, or maintenance of Airport. [LEASE GUIDE, paragraph 4]

25.10. **War or Emergency.** This License and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire affecting the control, operation, regulation, and taking over of Airport or the exclusive or nonexclusive use of Airport by the United States during the time of war or emergency. [LEASE GUIDE, paragraph 10]

25.11. **Time.** Time shall be of the essence in complying with the terms, conditions, and provisions of this License.

25.12. **Integration Clause.** It is understood that no alteration or variation of the terms of this License shall be valid unless made in writing and signed by the parties hereto, and that no oral understanding or agreement, not incorporated herein in writing, shall be binding on any of the parties hereto.

25.13. **Approvals.** Any approvals required by City under this License shall be approvals of the Department of Airports acting as Licensor and shall not relate to, constitute a waiver or, supersede or otherwise limit or affect the governmental approvals or rights of the City and/or the City of Ontario as a governmental agency, including the approval of any permits required for construction or maintenance of the Demised Premises and the passage of any laws including those relating to zoning , land use, building and safety.

25.14. **Conflicts in this License.** If there are any direct conflicts between the provisions of Article 1 and Article 2 of the License, the provisions of Article 1 shall be controlling.

25.15. **Ordinance and Los Angeles Administrative Code (hereinafter referred to as "Code") Language Governs.** Ordinance and Code Exhibits are provided as a convenience to the parties only. In the event of a discrepancy between the Exhibits and the applicable ordinance and/or code language, or amendments thereto, the language of the ordinance and/or code shall govern.

25.16. **Amendments to Ordinances and Codes.** The obligation to comply with any Ordinances and Codes which have been incorporated into this License by reference, shall extend to any amendments which may be made to those Ordinances and Codes during the term of this License.

25.17. **Days.** Unless otherwise specified, "days" shall mean calendar days.

25.18. **Deprivation of Licensee's Rights.** City shall not be liable to Licensee for any diminution or deprivation of Licensee's rights under this License which may result from Licensee's obligation to comply with any and all applicable laws, rules, regulations, restrictions, ordinances, statutes, and/or orders of any federal, state and/or local government authority and/or court hereunder on account of the exercise of any such authority as is provided in this Section, nor shall Licensee be entitled to terminate the whole or any portion of the License by reason thereof.

25.19. **Reconciliation of Area and/or Square Footage:** If, at any time, it is discovered that any measurement of any portion(s) of the Demised Premises stated in this License is inaccurate, this License shall be amended to appropriately reflect the correct measurement(s), and corresponding adjustments in the Monthly Rent shall be made. Any such adjustment(s) made to the Monthly Rent, shall be retroactive to the commencement of the License, or to that date(s) on which City deems approval of correct measurement(s) to the Demised Premises is appropriate.

Section 26. Other Agreements Not Affected. Except as specifically stated herein, this License, and the terms, conditions, provisions and covenants hereof, shall apply only to the Demised Premises herein particularly described and shall not in any way change, amend, modify, alter, enlarge, impair, or prejudice any of the rights, privileges, duties, or obligations of either of the parties hereto, under or by reason of any other agreement between said parties, except that nothing contained in such other agreement shall limit the use by Licensee of the within Demised Premises for the herein referred to purpose.

SIGNATURE BLOCKS

IN WITNESS WHEREOF, as of this _____ day of _____, 2016, the parties hereto have themselves or through their duly authorized officers caused this License to be executed as of the day and year hereinbelow written.

APPROVED AS TO FORM:
Michael N. Feuer, City Attorney

CITY OF LOS ANGELES

Date: _____

Date: _____

By: _____
Deputy/Assistant City Attorney

By: _____
Executive Director
Department of Airports

RIVERSIDE COUNTY

By: _____
John J. Benoit
Chairman – Board of Supervisors

APPROVED AS TO FORM:
GREGORY P. PRIAMOS,
County Counsel

**RIVERSIDE COUNTY SHERIFF'S
DEPARTMENT**

By: 
Deputy County Counsel

By: 
Stan Sniff, Sheriff-Coroner

EXHIBIT A

RIVERSIDE COUNTY SHERIFF'S DEPARTMENT LA/ONTARIO INTERNATIONAL AIRPORT



Line Distance: 365.98 Feet | Total Distance: 3929.87 Feet | Area: 293468.17 Square Feet

Date: 07/05/2006 | Level: Community | Scale: 50%

PAYMENTS

Lot	Acres	Lot size in SF	Rate PSFY	Daily Rate
Portion of Lot A	6.7371	293,468	\$0.65527	\$526.85
Total:	6.7371	293,468	\$0.65527	\$526.85

Board Approved Land Rates

PAVED LAND (Runway Protection Zone) - \$0.65527 per square foot per year

FAITHFUL PERFORMANCE GUARANTEE: \$5,000.00

Note: Adjustments to occupancy term will be billed/adjusted at daily rate in chart above

Note: Rental, fees and other charges as set forth in this Exhibit "B" are subject to adjustment pursuant to the terms of this lease.

Initial Land Valuation Date: January 1, 2011, Resolution No. 24508

Next Land Valuation Date: January 1, 2016

EXHIBIT B

RIVERSIDE COUNTY SHERIFF'S OFFICE
LA/ONTARIO INTERNATIONAL AIRPORT

EXHIBIT C

MAINTENANCE

Licensee shall, at Licensee's sole cost and expense, keep and maintain the Demised Premises in good repair and working order, reasonable wear and tear excepted, and in a clean, neat, attractive, properly maintained, and safe condition. All maintenance, repairs, and replacements shall be in accordance with applicable prevailing industry maintenance standards, maintenance requirements which City may develop, and in compliance with all manufacturers' recommendations and federal, state, and local government rules and regulations.

Except as specifically identified below as City's responsibilities, Licensee is responsible for all maintenance and repair at the Demised Premises (including its Improvements, if any). Licensee is responsible for any corrective work required by any authority having jurisdiction.

City may charge Licensee a fee for its failure to perform its maintenance requirements. City retains the right, but not the obligation, to make emergency repairs when, in the sole determination of the Executive Director, failure to take immediate action will damage the facilities or disrupt operations, at Licensee's sole cost and expense, plus an administrative fee in the amount of 15% of cost.

City Maintenance Responsibilities:

None

EXHIBIT C

**RIVERSIDE COUNTY SHERIFF'S DEPARTMENT
LA/ONTARIO INTERNATIONAL AIRPORT**

INSURANCE REQUIREMENTS FOR LOS ANGELES WORLD AIRPORTS

NAME: RIVERSIDE COUNTY SHERIFF'S OFFICE
AGREEMENT / ACTIVITY: Licensee periodic use of 293,468 square feet of land withing the former Lot A at ONT.
Driver trining.
LAWA DIVISION: Commercial Development Group

The insured must maintain insurance coverage at limits normally required of its type operation; however, the following coverage noted with an "X" is the minimum required and must be at least the level of the limits indicated. All limits are per occurrence unless otherwise specified.

	<u>LIMITS</u>
<input checked="" type="checkbox"/> Workers' Compensation/Employer's Liability <input checked="" type="checkbox"/> Voluntary Compensation Endorsement <input checked="" type="checkbox"/> Waiver of Subrogation, specifically naming LAWA (Please see attached supplement)	Statutory
<input checked="" type="checkbox"/> Commercial Automobile Liability - covering owned, non-owned & hired auto	<u>\$1,000,000 CSL</u>
<input checked="" type="checkbox"/> Commercial General Liability, including the following coverage: <input checked="" type="checkbox"/> Premises and Operations <input checked="" type="checkbox"/> Contractual (Blanket/Schedule) <input checked="" type="checkbox"/> Independent Contractors <input checked="" type="checkbox"/> Personal Injury <input type="checkbox"/> Products /Completed Operations <input checked="" type="checkbox"/> Additional Insured Endorsement, specifically naming LAWA (Please see attached supplement). <input type="checkbox"/> Explosion, Collapse & Underground (required when work involves digging, excavation, grading or use of explosive materials.) <input type="checkbox"/> Hangarkeepers Legal Liab. (At least at a limit of liability of \$ 1 million)	<u>\$1,000,000</u>
Coverage for Hazardous Substances *** If exposure exists; must meet contractual requirements	<u>\$ ***</u>

CONTRACTOR SHALL BE HELD RESPONSIBLE FOR OWN OR HIRED EQUIPMENT AND SHALL HOLD AIRPORT HARMLESS FROM LOSS, DAMAGE OR DESTRUCTION TO SUCH EQUIPMENT.

INSURANCE COMPANIES WHICH DO NOT HAVE AN AMBEST RATING OF A- OR BETTER, AND HAVE A MINIMUM FINANCIAL SIZE OF AT LEAST 4, MUST BE REVIEWED FOR ACCEPTABILITY BY RISK MANAGEMENT.

PLEASE RETURN THIS FORM WITH EVIDENCE OF INSURANCE

**EXHIBIT D
INSURANCE**

**INSURANCE REQUIREMENTS FOR LOS ANGELES WORLD AIRPORTS
(SUPPLEMENT)**

The only evidence of insurance accepted will be either a Certificate of Insurance and/or a True and Certified copy of the policy. The following items must accompany the form of evidence provided:

• **Endorsements:**

1. Workers Compensation Waiver of Subrogation Endorsement
 - WC 04 03 06 or similar
2. General Liability Additional Insured Endorsement
 - ISO Standard Endorsements
 - Ongoing and products-completed operations

****All endorsements must specifically name in the schedule:

The City of Los Angeles, Los Angeles World Airports, its Board, and all of its officers, employees and agents.

**A BLANKET/AUTOMATIC ENDORSEMENT AND/OR LANGUAGE ON A
CERTIFICATE OF INSURANCE IS NOT ACCEPTABLE.**

- A typed legible name of the Authorized Representative must accompany the signature on the Certificate of Insurance and/or the True and Certified copy of the policy.

**EXHIBIT D
INSURANCE**