

Proposed Deal Terms

Lease Agreement with City of Los Angeles for Wilmington Athletic Complex

Lessor – County Sanitation District No. 8 (District)

Lessee – City of Los Angeles (Tenant)

Leased Premises – Approximately 18 acres of property located at 1700 S. Figueroa Street in the Wilmington neighborhood of the City of Los Angeles (APNs 7414-002-903 and -904) commonly known as the “Wilmington Athletic Complex” containing sports fields, two paved parking lots, and a building with restrooms, an indoor fitness area, storage areas, and snack bar. The property also includes oil production, storage, and conveyance facilities within fenced areas that are leased to others and that are not included as a part of the leased Premises for purposes of the Lease.

Permitted Use – recreational programming, organized sports, fundraising and community events, operation of concessions, and administrative and maintenance functions.

Lease Term – 40 years

District Termination Right – If, at any time after Year 10 of the term, District determines that the leased Premises are needed to construct facilities to support the District’s Joint Water Pollution Control Plant, District can provide Tenant with 5 years’ notice of termination.

Grant Funding Reimbursement if District Terminates – District will reimburse 100% of any grant funding Tenant is obligated to pay back if District terminates early, with a \$5 million cap on the total reimbursement.

Tenant Termination Right – upon 2 years’ prior notice.

Rent – \$40 in a single lump-sum payment for the entire Lease term.

Utilities – District pays water and sewer costs for first 5 years, Tenant pays all other utility costs.

District Maintenance Obligations – perimeter fence, exterior landscaping (including irrigation piping for such landscaping), south parking lot and an unimproved parking lot shared with the District’s tenant at 1444 Q Street, driveway access gates, existing building’s sewer lateral and roof for first 5 years, and non-utility owned portion of water and gas lines for first 5 years.

Tenant Maintenance Obligations – all other aspects of the existing building and the leased Premises, including any future improvements installed by Tenant.

Indemnification – District will indemnify Tenant from any actions and conditions prior to the commencement of the Lease. District will also indemnify Tenant from actions by District’s legacy tenants: two oil companies that own and operate facilities interspersed among, but not a part of, the leased Premises, and the Boys & Girls Club, which uses the south and unimproved parking lots at the leased Premises to support its youth center at 1444 Q Street. Additional indemnities may be included in the Lease.

Environmental – District will indemnify Tenant from any existing contamination at the leased Premises. District will be responsible for contamination that occurred before Tenant took possession of the Premises.

Sublease – Tenant may sublease the existing throws area, located at the southeast corner of the leased Premises.

Security – Tenant is responsible for security of the leased Premises

Improvements – Tenant may construct storage sheds, restrooms, bleachers, fencing, parking lots, lighting, temporary trailers or structures, and other minor improvements without District's prior approval. Tenant may construct certain other permanent buildings, such as gymnasiums and stadiums, subject to District's approval. Cost for all improvements, including design, permitting, construction, operation, and maintenance, are responsibility of Tenant.

Insurance – Tenant is self-insured

Additional Terms – the Lease will contain additional standard and customary terms and conditions and those otherwise required by Tenant.