

## TERMINATION AGREEMENT

THIS TERMINATION AGREEMENT (this “**Agreement**”) is made and entered into as of October 10, 2018, by and between COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”) and HOLLYDALE POST NO. 723, THE AMERICAN LEGION, DEPARTMENT OF CALIFORNIA, a California corporation (“**Licensee**”), with respect to the following:

### RECITALS

A. County is the owner of certain real property located at the County-owned Rancho Los Amigos Hospital, County of Los Angeles, California, including but not limited to the Premises (as hereinafter defined) as further described in the Existing License (as hereinafter defined).

B. County and Licensee entered into that certain License and Agreement for a portion of County-Owned Rancho Los Amigos Hospital No. 49032 dated December 18, 1984 (“**Existing License**”), whereby County leased to Licensee certain real property consisting of approximately 2.04 acres at the County-owned Rancho Los Amigos Hospital, County of Los Angeles, State of California, as further described in the Existing License but commonly referred to as 11269 Garfield Ave., Downey, California 90280 (“**Premises**”).

C. The Existing License provided that Licensee’s lease of the Premises (the “**Existing License Term**”) was for a term of five (5) years, commencing upon approval by the County Board of Supervisors and ending five (5) years thereafter. The County Board of Supervisors approved Licensee’s lease of the Premises on December 18, 1984. The Existing License Term ended on December 17, 1989.

D. The Existing License provided that if Licensee held over beyond the end of the Existing License Term without County’s consent, then any such holdover tenancy by Licensee would constitute a month-to-month tenancy subject to all terms and conditions of the Existing License, including but not limited to payment of rent under the terms set forth in the Existing License.

E. Licensee held over beyond the end of the Existing License Term without County’s consent, and up to and including the date of this Agreement, Licensee has continued and now continues to occupy the Premises pursuant to a month-to-month tenancy as provided in the Existing License. Licensee paid the amount rent due per a notice to pay rent served by County related to the period from October 1, 2017 through September 30, 2018, but acknowledges that additional back rent is owing prior to that time frame.

F. The Existing License further provided that Licensee was obligated to pay rent in the amount of Three Hundred Thirty Dollars (\$330) per month, plus additional rental and consideration in an amount equal to fifty percent (50%) of all gross income (as defined in the Existing License) in excess of Four Thousand Dollars (\$4,000) per year. These terms regarding payment of monthly rent and percentage rent were never changed nor waived.

G. County delivered to Licensee by personal delivery and certified mail, and Licensee received from County by personal delivery and certified mail, a written termination notice dated April 26, 2018, which provided 30 days' notice to terminate the Existing License and to terminate Licensee's tenancy and occupancy of the Premises in accordance with California Civil Code Section 1946 (the "**Termination Notice**"). The Termination Notice provided for the termination of Licensee's month-to-month tenancy and occupancy of the Premises to be effective on May 26, 2018. County served another Notice to Quit on Licensee by personal delivery on September 14, 2018 which expires on October 14, 2018 ("2<sup>nd</sup> Notice").

NOW, THEREFORE, in consideration of the mutual agreements herein contained which both parties acknowledge are valuable consideration, the receipt and adequacy of which are hereby acknowledged, County and Licensee hereby agree as follows:

**1. Termination of Month-to-Month Tenancy.** The recitals set forth above are hereby incorporated by reference into this Agreement. Subject to all of the terms and conditions of this Agreement, Licensee's month-to-month tenancy of the Premises shall be terminated effective as of October 14, 2018 ("**Termination Date**"). Licensee hereby agrees to vacate and return possession of the Premises in its entirety by the Termination Date, removing all business equipment, personal property or items of value which belong to Licensee or its members by that time.

**2. Acknowledgement of Receipt of Termination Notice.** Licensee hereby acknowledges receipt of the Termination Notice on or about September 14, 2018, and Licensee agrees that the Termination Notice constitutes the notice required under California Civil Code Section 1946 in order to terminate Licensee's month-to-month tenancy of the Premises effective on the Termination Date. Licensee hereby covenants and agrees that Licensee's month-to-month tenancy and all rights to occupy, use, or enter the Premises pursuant to the Existing License or any extension thereof end as of the Termination Date.

**3. Payments and Adjustment.** Licensee will make no further payments.

**4. Cessation of Obligations Under Existing License and Reservations.** Effective on the Termination Date, the obligations of County under the Existing License shall cease. The obligations of Licensee as to paragraphs 6, 7, 9, 10, 12, 15 of the Existing License will be effective and continue in relation to Licensee's use of the Premises at all times. In addition, the following obligations of Licensee shall be reserved and continue subsequent to the Termination Date:

(a) Licensee agrees to defend, indemnify and hold harmless County and its Special Districts, elected and appointed officers, agents and employees (collectively, "**County Indemnified Parties**") from and against any and all actions, causes of action, suits, claims, demands, liens, interests, debts, contracts, agreements, obligations, covenants, defaults, promises, liabilities, rights, damages, controversies, losses, costs and expenses, including, without limitation, attorneys' fees and costs, architects' fees and costs and engineers' fees and costs, of any nature whatsoever, known or unknown (individually, a "**Claim**" or collectively, "**Claims**"), in any way arising out of or in connection with (i) Licensee's obligations under the Existing License, (ii) Licensee's month-to-month tenancy and occupancy of the Premises during

any period of time until Licensee actually vacates and returns possession to County (such period, the “**Interim Holdover Period**”), (iii) any use or possession of the Premises by Licensee or any third party after the date of execution hereof, and/or (iv) Licensee’s failure to vacate the Premises on or before the Termination Date in accordance with all terms and conditions set forth herein.

(b) Licensee shall remain solely liable for any and all costs and expenses incurred in connection with any utilities, if any, used in or at the Premises through the Termination Date accrued and unpaid as of the Termination Date until full payment thereof by Licensee, including any used during the Interim Holdover Period up through the date of actual return of possession to County or Lockout, whichever occurs first.

(c) Nothing in this agreement changes or alters the responsibilities of Licensee in regard to payment of taxes as established in the Existing License.

(d) Licensee need make no further payments to County for rent due per section 4 of the Existing License.

(e) Licensee shall remove all portions of the existing buildings, structures, fixtures, and appurtenances that it wishes to, but shall be responsible for doing so in a responsible manner without creating a danger to the public, or leaving the structure in a n unstable or dangerous condition.

**5. Return of the Premises.** On or prior to the Termination Date, Licensee shall have peacefully delivered to County physical possession of the Premises. Licensee agrees to deliver at the time of return of possession a written document indicating that it understands that any remaining possessions left on the Premises, including the structures thereon, may be discarded and or destroyed.

**6. Unlawful Detainer Action.** If, by the Termination Date, Licensee has failed to vacate the Premises, then Licensee hereby acknowledges that County will proceed to file, process and prosecute an action for unlawful detainer against Licensee in order to obtain a judgment for possession of the Premises also seeking, forfeiture of any lease or rental agreement based upon Licensee's failure to vacate pursuant to this Agreement and the attached Agreement to Vacate executed herewith (hereinafter the “**UD Action**”). Licensee hereby acknowledges County shall be entitled to have Judgment immediately entered pursuant to this Agreement and agrees not to contest the UD Action filed on or after October 15, 2018, and acknowledges that County shall be entitled to a writ of possession to be issued contemporaneously with the Judgment permitting County to evict Licensee from the Premises. In recognition of the agreements herein County agrees to voluntarily delay any actual lockout of Licensee from the Premises pursuant to the UD Action until November 15, 2018 hereinafter the “**Lockout Date**”). Further Licensee agrees to co-operate and aid County in obtaining a judgment of possession against any third parties who may claim to occupy the Premises, through any claim of right, or relationship with Licensee, including but not limited to any sublessee, invitee, or business affiliate of Licensee. Co-operation includes acknowledging receipt of service of summons at the Premises, and providing testimony if needed to establish that the third party claiming a right of possession was subject to and subservient to the Existing License. The agreement herein to delay a lockout does not reinstate the tenancy or cancel the Notice to Quit served September 14, 2018.

7. **Costs and Expenses; Attorney's Fees.** If Licensee fails to co-operate, opposes the UD Action, or attempts to delay the Lockout from the Premises past the Lockout Date and County incurs any costs or expenses in connection with County's efforts as a result to recover possession of the Premises then County may seek to recover all attorneys fees and costs and expenses incurred in the unlawful detainer action or other eviction proceeding, or separate litigation.

8. **Releases.**

(a) Licensee hereby irrevocably and unconditionally releases and fully discharges County and County's respective successors, predecessors, assigns and all past, present and future elected and appointed officers, agents, employees, representatives, attorneys and all persons acting by, through, under or in concert with County, from all any and all claims which Licensee may have or claim to have arising out of or related to the Existing License or the failure of County to perform any of its obligations under the Existing License, including any claims of right to possession, or rights to access or use the Premises for any purpose after the Termination Date. Licensee acknowledges that (i) Licensee may discover, incur or suffer from claims which were unknown or unanticipated as of the effective date of this Agreement and (ii) Licensee is assuming the risk of such unknown and unanticipated claims and agrees that this Agreement applies to such unknown and unanticipated claims.

THIS RELEASE INCLUDES CLAIMS OF WHICH LICENSEE IS PRESENTLY UNAWARE OR WHICH LICENSEE DOES NOT PRESENTLY SUSPECT TO EXIST WHICH, IF KNOWN BY LICENSEE, WOULD MATERIALLY AFFECT LICENSEE'S RELEASE OF COUNTY. LICENSEE SPECIFICALLY WAIVES THE PROVISION OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

**“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”**

\_\_\_\_\_  
Licensee's initials

\_\_\_\_\_  
County's initials

(b) Licensee represents and warrants to County that Licensee has not assigned or transferred, or purported to assign or transfer, or will at any time prior to the Termination Date, assign or transfer or purport to assign or transfer, any Claim or right to possession nor any portion thereof or any interest therein, and Licensee agrees to indemnify, defend and hold harmless County Indemnified Parties from and against any claim based upon or arising out of any such assignment or transfer, or purported assignment or transfer, by Licensee.

(c) Effective upon County's peaceable recovery of possession of the Premises on or before the Termination Date, or on or before the Lockout Date with Licensee in full

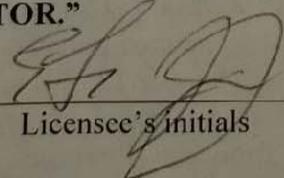
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8. **Releases.**

(a) Licensee hereby irrevocably and unconditionally releases and fully discharges County and County's respective successors, predecessors, assigns and all past, present and future elected and appointed officers, agents, employees, representatives, attorneys and all persons acting by, through, under or in concert with County, from all any and all claims which Licensee may have or claim to have arising out of or related to the Existing License or the failure of County to perform any of its obligations under the Existing License, including any claims of right to possession, or rights to access or use the Premises for any purpose after the Termination Date. Licensee acknowledges that (i) Licensee may discover, incur or suffer from claims which were unknown or unanticipated as of the effective date of this Agreement and (ii) Licensee is assuming the risk of such unknown and unanticipated claims and agrees that this Agreement applies to such unknown and unanticipated claims.

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\_\_\_\_\_  
Licensee's initials

\_\_\_\_\_  
County's initials

(b) Licensee represents and warrants to County that Licensee has not assigned or transferred, or purported to assign or transfer, or will at any time prior to the Termination Date, assign or transfer or purport to assign or transfer, any Claim or right to possession nor any portion thereof or any interest therein, and Licensee agrees to indemnify, defend and hold harmless County Indemnified Parties from and against any claim based upon or arising out of any such assignment or transfer, or purported assignment or transfer, by Licensee.

(c) Effective upon County's peaceable recovery of possession of the Premises on or before the Termination Date, or on or before the Lockout Date with Licensee in full

compliance with Paragraph 6 above, then County waives any and all rent owed to the County under the Existing License or any extension thereof (hereinafter “**Rent Waiver**”). The Rent Waiver is also conditional upon receipt of a written executed note from the undersigned Licensee agent dated on the same day possession is returned, stating that Licensee has removed all of its possessions and possessions of its Members from the Premises and that County may proceed to dispose or destroy any items which may remain in the Premises without any need to store or keep any items found at the Premises. Any contest, opposition, or effort to delay the UD Action by Licensee or any of its Members will remove and erase the County’s obligation as to the Rent Waiver, and County may proceed to attempt to collect all costs incurred as a result, and to make every effort to collect any and all rents owing, including but not limited to percentage rents.

(d) In addition to the Rent Waiver, and upon the same conditions as set forth therefor in 8(c) above, County will agree to set aside and vacate any judgment for possession, and dismiss the UD Action, and/or agree to seal any court records of the UD Action. Licensee will prepare any documentation for the sealing of the records, or dismissal of the UD Action for execution by counsel for County in the UD Action, and Licensee will make any court appearance needed with co-operation of counsel for County. Upon any dismissal of the UD Action, Licensee waives any costs, or fees incurred and will not seek any costs or fees in regard to the UD Action from County or its counsel in that action. Inherent in any actions by County to remove the UD record, or set aside the judgment, is the understanding that Licensee will not be returning to occupy the Premises.

**9. Notices.** This Agreement, together with the Termination Notice, shall satisfy any notice requirements set forth in the Existing License or otherwise established at law (including but not limited to the notice requirements set forth in California Civil Code Section 1946), and, to the extent any such notice requirements are not satisfied, Licensee hereby expressly agrees to waive the protections afforded by such requirements.

**10. Representations and Covenants.** Licensee represents, warrants and covenants to County as follows:

(a) That there are no sublessees, franchisees, or concessionaires of Licensee in the Premises and no other persons with a right of possession or use of the Premises granted by Licensee and that Licensee is the owner of the leasehold interest pursuant to the Existing License subject to no liens, claims or encumbrances created or suffered by Licensee. Licensee will endeavor to make sure that any party which may claim a right to occupy the Premises, use the Premises, or conduct any business on the Premises due to any right conferred by Licensee will be given a notice that any such rights will be terminated effective on the Termination Date.

(b) That all improvements to the Premises are free and clear of any mechanic’s liens, claims or encumbrances created or suffered by Licensee and that none of such improvements are subject to a conditional sales agreement, lease or other title retention device made or entered into by Licensee and any third party.

**11. Existing License Provisions.** This Agreement shall constitute a valid and enforceable agreement binding upon both parties hereto and their respective successors and assigns, notwithstanding any provisions in the Existing License to the contrary, including, without limitation, any provisions in the Existing License regarding amending or terminating the Existing License. In the event of any conflict, the provisions of this Agreement shall control.

**12. Acknowledgment of Ineligibility for Relocation Assistance.** Licensee expressly acknowledges that it is in possession of the Premises as a result of County's previously acquired property interest. In recognition of such fact, Licensee hereby disclaims any status as a "displaced person" as such is defined in Government Code Section 7260, and hereby acknowledges its ineligibility for relocation assistance from County as provided in Government Code Section 7260 through 7276, inclusive, as interpreted in Title 25, Chapter 6, Section 6034(b)(1) of the California Code of Regulations.

**13. Miscellaneous.**

(a) There are no agreements, understandings, commitments, representations or warranties with respect to the subject matter hereof except as expressly set forth in this Agreement. This Agreement supersedes all prior oral or written negotiations, understandings and agreements with respect to the subject matter hereof.

(b) This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(c) Each of the parties hereto without further consideration does hereby covenant and agree to execute and deliver such other documents and to take such other action as may be necessary to more effectively consummate the purposes or subject matter hereof.

(d) This Agreement has been negotiated and prepared by the parties hereto and their respective counsel, and should any provision of this Agreement require judicial interpretation, the court interpreting or construing the provision shall not apply the rule of construction that a document is to be construed more strictly against one party.

(e) Licensee represents and warrants to County that the person or persons executing this Agreement on Licensee's behalf are duly authorized to execute this Agreement and that this Agreement shall be binding on Licensee. Licensee will submit to County a written executed corporate resolution of Licensee's board, and/or officers specifically authorizing the party signing below to execute this Agreement and the attached Agreement to Vacate (Exhibit A) on behalf of Licensee. County represents and warrants to Licensee that the person or persons executing this Agreement on County's behalf are duly authorized to execute this Agreement and that this Agreement shall be binding on County.

(f) This Agreement shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Agreement shall be conducted in the County of Los Angeles, State of California.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

“LICENSEE”

HOLLYDALE POST NO. 723, THE AMERICAN  
LEGION, DEPARTMENT OF CALIFORNIA

By: \_\_\_\_\_  
Name: Juan Gonzalez  
Title: Chief Financial Officer

By: \_\_\_\_\_  
Name: Edgar Ford  
Title: Commander

“COUNTY”

COUNTY OF LOS ANGELES

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

APPROVED AS TO FORM:

MARY C. WICKHAM  
County Counsel

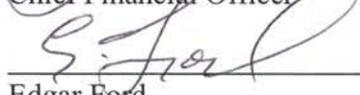
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AGREEMENT TO VACATE

This Agreement to Vacate, hereinafter (the “**Agreement**”) is made and entered into as of October 10, 2018, by and between COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”) and HOLLYDALE POST NO. 723, THE AMERICAN LEGION, DEPARTMENT OF CALIFORNIA, a California corporation (“**Licensee**”), with respect to the following:

County is the owner of certain real property located at the County-owned Rancho Los Amigos Hospital, County of Los Angeles, California, including but not limited to the Premises (as hereinafter defined) as further described in the Existing License (as hereinafter defined).

County and Licensee entered into that certain License and Agreement for a portion of County-Owned Rancho Los Amigos Hospital No. 49032 dated December 18, 1984 (“**Existing License**”), whereby County leased to Licensee certain real property consisting of approximately 2.04 acres at the County-owned Rancho Los Amigos Hospital, County of Los Angeles, State of California, as further described in the Existing License commonly referred to as 11269 Garfield Ave., South Gate, California 90280 (“**Premises**”).

Licensee hereby agrees to completely vacate the Premises and return possession thereof to County by October 14, 2018, and understands that an unlawful detainer action will be filed by County for possession of the Premises thereafter to legally recover possession of the Premises. Any payments made by Licensee after the execution hereof will not waive cancel or reduce the effectiveness of this Agreement.

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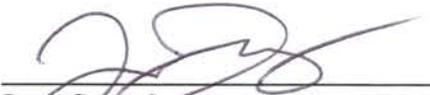
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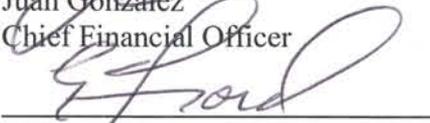
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