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May 13, 1997

Los Angeles County
Metropolitan
Transportation
Authority

TO: BOARD OF DIRECTORS

FROM: LINDA BOHLINGER *Linda Bohlinger*
INTERIM CHIEF EXECUTIVE OFFICER

**SUBJECT: TRANSPORTATION FOUNDATION REQUEST TO
REPROGRAM FY97 FUNDS**

One Gateway Plaza
Los Angeles, CA
90012

213.922.6000

RECOMMENDATION

Grant the Transportation Foundation of Los Angeles (TFLA) request to reprogram approximately \$150,000 in funds from FY97 to FY98.

ORGANIZATIONAL IMPACT

TFLA was spun-off from the MTA in 1996. As part of the severance, MTA funded TFLA for FY97. As a separate agency, TFLA is able to receive and utilize private donations that MTA cannot accept.

BUDGET IMPACT

The FY98 budget will be increased by \$150,000 to reflect the carryover of the expenditures and related funding.

ALTERNATIVES CONSIDERED

An alternative would be to require TFLA to return a portion of the funds to the MTA and not reprogram the remainder of the funds. This alternative is not recommended since TFLA is satisfactorily delivering its programs and goals.

DISCUSSION

The TFLA request is to reprogram \$150,000 as indicated in the attached letter. Of this amount \$125,000 is obligated and \$25,000 is to be reprogrammed to a different category. The obligated funds are to be programmed to continue work delayed in the current fiscal year. The \$25,000 to be reprogrammed represents a

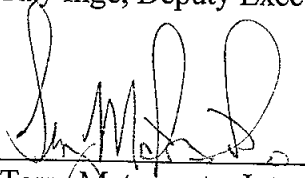
savings generated by a donation. These funds will be reprogrammed to support an additional 10 student internships.

The TFLA/MTA MOU requires MTA Board approval for reprogramming of funds.

ATTACHMENT

TFLA Reprogramming Request Letter
TFLA/MTA MOU

Prepared by:
Ray Inge, Deputy Executive Officer- Human Resources

A handwritten signature in black ink, appearing to read 'Terry Matsumoto', written over a horizontal line.

Terry Matsumoto, Interim
Deputy Chief Executive Officer

BO\c:\TFLAreq



April 29, 1997

Transportation
Foundation of
Los Angeles

818 W. 7th Street
Los Angeles, CA
90017
213.244.6000
Fax: 213.244.7000

Mr. Terry Matsumoto
Interim Deputy Chief Executive Officer
Metropolitan Transportation Authority
One Gateway Plaza, 25th floor
Los Angeles, CA 90012

Re: Reprogramming of 1996-97 Transportation Foundation Grant

Dear Mr. Matsumoto:

This is a formal request to authorize the reprogramming of the 1996-97 Transportation Foundation's budgeted funds. The amount specified below is to be transferred into the 1997-98 budget. To protect our Real Time Intern Programs during this period of budgetary reductions, the Transportation Foundation has taken necessary steps to conserve our budget by delaying certain previously anticipated program expenditures.

The following table identifies the funds from the 1996-97 budget to be reprogrammed.

\$25,000	Short Term Strategic Plan - <u>MTA paid the consultants</u> . A long term Strategic Plan will be developed in 1997-98. These funds are obligated.
\$25,000	Public Relations/Community Outreach - <u>MTA paid the consultants</u> . These funds are obligated for Phase II of the public relations plan.
\$25,000	Fund Developer - grants written by Tamiko Hirano. The funds have been obligated for the State School-To-Career RFP and other grants.
\$35,000	Community Outreach - Developed partnerships with community based organizations which cut our cost. The funds have been obligated to pay for newsletters, marketing, publicity and promotions.
\$25,000	Computer center - TFLA has partnered with the <u>Youth Intervention Program</u> , a community based organization. The grant written to the Wellness Foundation provides for a computer center. Therefore, this \$25,000 will be reprogrammed into the Internship Program.
\$15,000	Contract Employees - Total amount has not been expended to the contractor. The funds are obligated.
\$150,000.00	Approximate Total Amount To Be Reprogrammed

The Foundations would like to reprogram any additional savings from the 1996-97 budget into the 1997-98 Internship Program.

The funds shown above is an estimate. If there are any additional information needed, please contact me at 213-244-6001.

Sincerely,

William J. Hoston
President/CEO

cc: Joya DeFoor
Ray Inge
Karen Heit

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is made and entered into this 28th day of June, 1996, between the Transportation Foundation of Los Angeles (hereinafter the "Foundation") and the Los Angeles County Metropolitan Transportation Authority (hereinafter the "MTA").

RECITALS

- A. WHEREAS, the Foundation is a California non-profit public benefit corporation, with tax exempt status under Section 501(c)(3) of the Internal Revenue Code.
- B. WHEREAS, the Foundation's purpose is to foster interest in and understanding of integrated mass transit systems through public, cooperative, institutional and educational programs.
- C. WHEREAS, the Foundation is currently staffed by MTA employees and uses the MTA office space.
- D. WHEREAS, the Foundation desires to operate independently from the MTA to avoid potential conflicts of interest, to avoid the appearance of impropriety in carrying out the Foundation's functions, to ensure proper accounting of contributions, and to comply with federal and state tax law relating to non-profit corporations.
- E. WHEREAS, to establish its independence, the Foundation will employ its own staff and relocate its offices as provided herein.
- F. WHEREAS, the MTA desires to continue to support those Foundation programs which are in furtherance of the MTA's purposes and objectives.

G. WHEREAS, the parties anticipate a one year transition period whereby the MTA will continue to provide financial support and guidance to the Foundation, subject to continuing viability of the Foundation, and approval of grant requests meeting MTA requirements by the MTA Board of Directors.

NOW THEREFORE, in consideration of the recitals and rights, duties and covenants set forth above, the parties to this MOU agree to the following:

1.0 FUNDING OF PROJECTS/OPERATIONS.

1.1 Grant of Funds.

(a) Subject to the terms and conditions contained herein and to the extent funds are available, MTA shall make a grant to the Foundation in the total amount of \$805,257 (the "Grant Funds").

(b) The Grant Funds consist of \$300,000 (the "Original Funds") from funds already allocated to the Foundation by the MTA and \$505,257 (the "Budgeted Funds") from funds budgeted for fiscal year 1996-97.

1.2 Future Funding.

(a) The Foundation may request and the MTA may consider additional grants to fund the Foundation's operations.

(b) MTA Board action will be required for any future grants of funds to the Foundation.

1.3 Scope of Work. The Foundation will perform the tasks and services described in the Scope of Work attached to this MOU as Attachment "A".

1.4 Use of Original Funds.

(a) The Foundation will use the Original Funds as follows: 20% for administrative purposes and 80% for the programs and projects of the Foundation as described in the Scope of Work.

(b) In the event there are any unencumbered Original Funds remaining at the end of the 1996-97 fiscal year, such funds shall be carried over to succeeding fiscal years until such funds have been expended by the Foundation.

1.5 Use of Budgeted Funds.

(a) The Foundation will use the Budgeted Funds in accordance with the budget attached to this MOU as Attachment "B" for the Foundation's operations and programs as described in the Scope of Work.

(b) The Foundation shall have the right to make line item transfers between approved budget categories in an amount equal to 15% of the approved budget line item without MTA Board approval.

(c) In the event there are any unencumbered Budgeted Funds remaining at the end of the fiscal year, such funds shall lapse and the Foundation shall within thirty (30) days from the end of the fiscal year return such funds to the MTA for reprogramming.

1.6 Disposition of Funds.

(a) The Foundation shall be responsible for any and all cost overruns incurred.

(b) Except as otherwise provided, the Foundation must receive MTA board approval to use the Grant Funds or any other funds provided by the MTA for purposes other than those specified by this MOU or as otherwise specified by the MTA.

1.7 Transfer of Funds.

(a) Within thirty (30) days from receipt of an invoice, the MTA shall transfer the Original Funds to the Foundation in one payment.

(b) The Budgeted Funds will be disbursed quarterly. MTA shall disburse the first installment within thirty (30) days from receipt of an invoice for one-fourth of the Budgeted Funds. MTA shall disburse the remaining installments within thirty (30) days from receipt of an invoice for one-fourth of the Budgeted Funds with the quarterly report described in Section 1.8.

(c) The Foundation shall send all invoices to the MTA as provided in Section 8 below.

(d) All disbursements of funds are considered an estimate subject to adjustment based on the reports specified in Section 1.8 below and the audit results. Any expenses disallowed by MTA shall be promptly reimbursed by Foundation.

1.8 Reporting Requirements.

(a) The Foundation shall submit a quarterly report with each invoice, other than the invoice for the Original Funds and the first installment of the Budgeted Funds, to document the appropriate use of the Grant Funds. In addition, the Foundation shall submit quarterly reports on the Foundation's expenditures using the Original Funds. Each quarterly report shall contain a description of the progress on the tasks described in the Scope of Work and any other documents reasonably requested by MTA. The form of the quarterly report will be substantially in the form of Attachment C attached hereto.

2.0 MTA RIGHTS

2.1 Annual Audit.

(a) The Foundation shall provide for the accountability of all funds, based upon generally accepted accounting principals, including the maintenance of adequate books and records, which will be made available for inspection by the MTA upon reasonable notice.

(b) The Foundation shall also cause to be conducted an annual independent audit of its books of account, financial statements and its other information used to reflect the Foundation's financial condition, the results of which shall be delivered to the MTA.

(c) The MTA and/or its designee, shall have the right to review the Foundation's books, records, operations and programs to insure that the Foundation is in compliance with the terms of this MOU.

3.0 SEPARATION OF EMPLOYEES AND OFFICE SPACE AND OTHER ITEMS.

3.1 Employees. Commencing on July 1, 1996, the MTA shall no longer provide staffing for the Foundation and the Foundation will be solely responsible for hiring its own staff. All Foundation employees, including, without limitation, former MTA employees hired by the Foundation, will have their salaries and benefits paid by the Foundation. In no event will the Foundation employees be considered MTA employees.

3.2 Office Space. Commencing on July 1, 1996, the MTA shall no longer provide office space for the Foundation at One Gateway Plaza, Los Angeles, California and the Foundation will be responsible for moving out of the One Gateway Plaza building by such date. MTA and the Foundation shall enter into a sublease whereby the MTA will sublease office space at 818 W. Seventh Street, Los Angeles, California, to the Foundation on the terms and conditions contained therein.

3.3 Miscellaneous Supplies and Equipment. MTA shall provide the

Foundation with start-up stationary and business cards. MTA may, but is not obligated to, provide the Foundation with start-up equipment. Such equipment shall remain the property of the MTA and MTA shall tag and inventory the equipment. MTA may from time to time tag and inventory the equipment if necessary to update its inventory. Upon the termination of this MOU, the Foundation will return this equipment to the MTA unless the parties mutually agree in writing to an alternative arrangement.

4.0 DEFAULT AND REMEDIES.

4.1 DEFAULT

(a) A "Default" under this MOU is defined as any one or more of the following:

(i) the Foundation fails to comply with all material terms and conditions contained herein; or

(ii) the Foundation makes a material change in the use of funds as budgeted hereunder (except as provided under 1.3 hereof), without MTA's prior written consent or approval.

4.2 REMEDIES.

(a) In the event of a default by the Foundation, the MTA shall provide written notice of such default to the Foundation with a sixty (60) day period to cure the default. In the event that (1) the Foundation fails to cure the default within sixty (60) days; or (2) where the default cannot reasonably be cured within sixty (60) days and the Foundation fails to commence to cure the default and to diligently pursue the cure within sixty (60) days to the satisfaction of the MTA, the MTA shall have the following remedies:

(i) the MTA may terminate this MOU;

(ii) the MTA may make no further disbursement of funds to

the Foundation under this MOU; and/or

(iii) the MTA may recover from the Foundation any funds disbursed to it and any assets purchased with Grant Funds prior to and after the default.

(b) Effective upon receipt of written notice of termination from the MTA, the Foundation shall immediately stop spending the Grant Funds unless otherwise directed by the MTA in writing. MTA may require the Foundation to complete actions already commenced, provided that the Foundation provides its share of the budgeted funding for that action.

(c) The remedies described herein are non-exclusive. The MTA shall have the right to enforce any and all rights and remedies herein or which may be now or hereafter available at law or in equity.

5.0 DURATION OF MOU.

(a) This MOU shall continue in full force until terminated for any reason by either party upon thirty (30) days prior written notice to the other party.

(b) In the event of termination, except in the event of default, the rights and obligations of each party with respect to the return of assets purchased with Grant Funds or unencumbered Grant Funds shall be determined by negotiation between the parties.

(c) In the event that the parties are unable to satisfactorily resolve any dispute between them regarding said rights and duties, such dispute shall be submitted for arbitration pursuant to Section 6 below.

6.0 ARBITRATION.

6.1 In the event of a dispute between the parties which cannot be satisfactorily resolved by those parties, said dispute shall be submitted to arbitration pursuant to the rules of the American Arbitration Association ("AAA"). The parties agree to select an

arbitrator from the AAA's panel of approved arbitrators. The arbitration panel shall resolve the dispute in accordance with the terms of this MOU. The cost of arbitration shall be paid by the party against whose favor the arbitration or any subsequent legal action arising out of the arbitration is found, including, but not limited to reasonable attorney's fees.

7.0 INSURANCE AND INDEMNIFICATION.

7.1 Insurance. The Foundation shall procure and maintain, at its own cost and expense in a form and content satisfactory to the MTA, during the entire term of this MOU, including, any extension thereof, the following policies of insurance:

(a) Comprehensive General Liability Insurance. The policy of comprehensive general liability insurance written on a per occurrence basis in the amount not less than (i) a combined single limit of \$1,000,000 or (ii) bodily injury limits of \$500,000 per person, \$500,000 per occurrence and \$500,000 products and completed operations and property damage limits of \$100,000 per occurrence and \$100,000 in the aggregate;

(b) Workers' Compensation Insurance. The policy of workers' compensation insurance in such amount as will fully comply with the laws of the State of California in which shall indemnify, insure and provide legal defense for the Foundation against any loss, claim or damage arising from any injury or occupational diseases occurring to any worker employed by or any persons retained by the Foundation in the course of carrying out the work or services contemplated in this agreement.

(c) Other Insurance Provisions. All of the above policies of insurance shall be primary insurance and shall name the MTA, its officers, employees and agents as an additional insured. The insurer shall waive all rights of subrogation and contribution it may have against the MTA, its officers, employees and agents and their respective insurer. All of

said policies of insurance shall provide that said insurance may not be amended or canceled without providing thirty (30) days prior written notice by registered mail to the MTA. In the event that the said policies of insurance are canceled, the Foundation shall prior to the cancellation date, submit new evidence of insurance in conformance with this section.

7.2 Indemnification. The Foundation hereby indemnifies, defends and holds the MTA, its board members, officers, agents and employees harmless against and from, any and all liability, loss, damages, costs or expenses (including reasonable attorneys' fees and court costs) arising, or claimed to arise out of the death or injury to any person or damage to any property caused by the negligent act or omission of the Foundation, or arising from the Foundation's negligent, performance of or failure to perform any term, provision, covenant or condition of the MOU, but excluding such claims or liabilities to the extent caused by the negligence or willful misconduct of the MTA.

8.0 NOTICE.

Any notice, demand, or request, document, consent, approval, or communication either party desires or was required to give the other party or any other person shall be in writing and either served personally or sent by prepaid first-class mail or sent by facsimile (provided the sending party receives a confirmation of receipt by the facsimile number listed below).

In the case of the MTA:

One Gateway Plaza

Los Angeles, CA 90012

ATTN: Director of Human Resources

tel. no.: 213-922-7123

fax. no.: 213-922-4990

In the case of the Foundation:

818 W. Seventh Street, 9th Floor

Los Angeles, California 90017

ATTN: President and Chief Executive Officer

tel. no.: (213) 244-6000

fax. no.: (213) 244-7000

9.0 MISCELLANEOUS.

9.1 Interpretation. The terms of this MOU shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this MOU or any other rule of construction which might otherwise apply, and the terms shall be construed in accordance with and under the laws of the State of California.

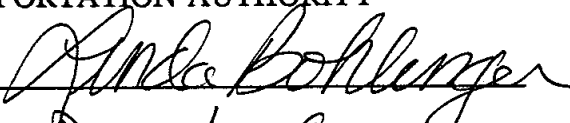
9.2 Severability. In the event that part of this MOU shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or enforceability shall not affect any of the remaining portions of this MOU which are hereby declared as desirable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provisions are so material that its invalidity deprives either party of the basic benefit of their bargain or renders this MOU meaningless.

9.3 Waiver. No delay or omission of the exercise of any right or remedy by non-defaulting party or any other default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approve of any subsequent act. Any waiver by either party of

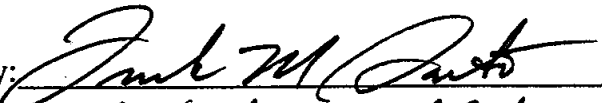
of this MOU, and (3) by entering into this MOU such party does not violate any provision of any other agreement to which said party is bound.

IN WITNESS WHEREOF, the parties have executed and entered into this MOU as of the date first written above.

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By: 
Its: Deputy CEO

TRANSPORTATION FOUNDATION OF LOS ANGELES

By: 
Its: Chief Financial Officer

SCOPE OF WORK

I

Budgeted Funds (\$505,257)

1. CONTRACT SERVICES

Strategic Plan

The Foundation will engage professional and technical advisors to effectuate the strategic plan, which will be designed to establish both short and long-range plans consistent with the Foundation's mission to foster interest in an understanding of integrated mass transit systems.

Contract Employees

The Foundation anticipates that it will require the services of temporary personnel to handle periodic surges in activity.

Computer Center

Contract with necessary consultants to develop and establish a computer training center. This center will enlist and teach inner-city youths the fundamentals of state-of-the-art computer technology. This technology will expose the student to trial uses over the Internet from the Foundation's world wide web.

Fund and Program Development

Engage consultants to establish sources of funds separate and distinct from MTA's grants. Also to assist with new program development and implementation, workshops and seminar presentations.

Accounting Services

Contract necessary temporary accounting and other technical staff support.

2. REAL TIME INTERNSHIP PROGRAM

The Foundation will recruit and place college juniors, seniors and graduate students to work in transportation related companies, so as to provide on-the-job training in the industry.

3. COMMUNITY OUTREACH

The Foundation will publish brochures, fact sheets, newsletters and other information materials designed to increase public awareness of and ridership of public transportation. The printed materials will also address health and safety issues associated with the use of particular transit systems, and its affect on the environment and the communities it serves.

II Original Funds (\$300,000)

The Separation

The Foundation will compensate professional and technical advisors who have and will assist in its transition from being an adjunct to the MTA to its present independent status. This will include, but not be limited to revising and amending its by-laws, negotiating the Memorandum of Understanding (MOU) with the MTA, and related documents such as leases, etc., establishing organizational and operating procedures and guidelines for the Foundation, insuring compliance with federal and state laws relating to non-profit corporations, and any other and further acts in furtherance of the aforementioned separation.

Program and Project Development

The Foundation will engage various consultants and other professionals to effect the development of the projects and programs established by the Board.

Program Marketing

Funds will be expended on the promotion and marketing of the Foundation and its programs, including the possible development of a museum.

World Wide Web and Internet

Consultant assistance will be used to develop technology and software programs for the Internet and make information available on careers in transportation and advantages of public transportation to students and the public.

Grant Opportunities

The Foundation will engage consultants and other professionals to write grants, proposals, direct mail solicitations, automatic employee contributions through payroll deductions, and solicit other companies and foundations for grants, contributions and in-kind support.

Attachment B

Transportation Foundation Budget

NC salaries		86,602
fringe		42,003
Real Time		187,500
Contract Services		105,000
Strategic Plan	(25,000)	
Contract employees	(25,000)	
Computer Center	(25,000)	
Fund Developer	(25,000)	
Accounting Services	(5,000)	
Materials		7,500
Office Supplies		3,500
Printing		10,000
Community Outreach		50,000
Newsletter		
Marketing		
Publicity/Promotions		
Mileage		1,440
Parking		1,200
Seminars/Conference		1,500
Travel and other Expenses		7,500
Miscellaneous		1,500
Office Space		12
TOTAL		<u>\$505,257</u>

TRANSPORTATION FOUNDATION QUARTERLY REPORT

TASK/ACTIVITY DESCRIPTION	STATUS/PROGRESS	COMPLETION DATE	EXPENDITURE (If Any)	EXPENDITURE TO DATE

Attachment C

Date of Report: _____

SUBLEASE AGREEMENT

This Sublease Agreement (this "Sublease"), is dated as of June 28, 1996 by and between the TRANSPORTATION FOUNDATION OF LOS ANGELES, the Sublessee, whose address is 818 West Seventh Street, Los Angeles, California 90017 and the LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, the Sublessor, whose address is One Gateway Plaza, Los Angeles, California 90012.

Recitals:

A. Macklowe West Development Company, L.P., as Lessor, and the Sublessor are parties to that certain lease dated as of October 5, 1989 (the "Lease") to lease certain space in the building located at 818 West Seventh Street, Los Angeles, California 90017 (the "818 Building").

B. Pursuant to that certain Second Amendment to the Lease, dated as of July 1, 1990, Lessor leased to Sublessor a 4214 square foot space on the 9th floor of the 818 Building. The Lease as amended is referred to as the "Master Lease".

c. Sublessor desires to sublease to Sublessee a portion of the 9th floor space and Sublessee desires to sublease such space from Sublessor on the terms and conditions contained herein.

Agreement:

THEREFORE, Sublessor and Sublessee agree as follows:

1. **Lease.** Subject to the terms, conditions, and covenants set forth in this Sublease, Sublessor hereby leases to Sublessee and Sublessee hereby leases from Sublessor that certain space approximately 1,578 square feet on the 9th floor of the 818 Building as identified on Exhibit A attached hereto ("Premises")

2. **Term.** The term of this Sublease shall commence on July 1, 1996 and end on the date on which the Master Lease terminates (June 30, 2000); provided however, either party shall have the right to terminate this Sublease at any time on 30 days prior written notice to the other party.

3. **Rent.**

A. During the term of this Sublease, Sublessee shall pay \$1.00 per month as monthly rent for the Premises.

B. Rent is payable in advance on the first day of each calendar month during the term, commencing on July 1, 1996. Sublessee shall send all rent payments to Sublessor at

P.O. Box 194, Los Angeles, California 90053-0194, Attention: Treasurer. The rent payable for any portion of a calendar month shall be a pro rata portion of the installment payable for a full calendar month.

C. The monthly rent and any other payments due Sublessor as provided herein are collectively referred to as "Rent".

4. **Late Fee.** Should Sublessee fail to pay any amount owed to Sublessor three days after the day such payment is due, Sublessee shall pay a late fee of 5% of the amount due.

5. **Furniture & Fixtures.** As part of this sublease and included as part of the rent, Sublessor shall furnish the Premises with the furniture and fixtures described on Exhibit B attached hereto. The furniture and fixtures have been tagged and inventoried by MTA. MTA may tag and inventory such furniture and fixture from time to time if necessary to update its inventory.

6. **Use of Premises.** Sublessee shall use the Premises as office space and for no other purpose.

7. **Quiet Enjoyment.** Sublessor covenants that Sublessee shall be entitled to quiet enjoyment of the Premises, provided that Sublessee complies with the terms of this Sublease.

8. **Conditions of Premises.** Sublessor has provided the Premises with new paint, signage, cleaned carpets and certain electrical work. Sublessee acknowledges that it has inspected the Premises and agrees to accept possession thereof in its as is condition. Sublessee agrees that its act of taking possession will be an acknowledgement that the Premises are in a tenantable and good condition. Sublessee will, at its own expense, maintain the Premises in good repair and in good and safe condition.

9. **Applicability of Master Lease.** This Sublease is subject to and subordinate to the terms and conditions of the Master Lease, including, without limitation the building rules and regulations, a copy of which is attached hereto as Exhibit C.

10. **Assumption.** Sublessee hereby expressly assumes and agrees to perform and comply with all the obligations required to be kept or performed by the Lessee under the provisions of the Master Lease and the Master Lease is hereby incorporated by reference.

11. **Obligations of Sublessor.** Sublessor agrees to maintain the Master Lease during the entire term of this Sublease, subject, however, to any earlier termination of the Master Lease without the fault of Sublessor. Sublessor does not assume the obligations required to be kept or performed by the Lessor under the Master Lease.

12. **Insurance.** Sublessee shall provide combined single limit bodily injury and property damage insurance, all risk insurance, inclusive of standard fire and extended coverage insurance, loss of income and business interruption insurance and workers' compensation and Employer's liability insurance as specified in the Master Lease.

13. **Indemnity.** Sublessee hereby indemnifies, defends and holds Sublessor harmless from any claims, liabilities, damages, costs and expenses arising out of or resulting from (a) the use of the Premises by Sublessee or Sublessee's invitees; (b) any acts, omission, negligence or willful misconduct of Sublessee or Sublessee's invitees on the Premises; (c) the conduct of Sublessee's business; and (d) breach of this Sublease by Sublessee including, without limitation, Sublessee's or Sublessee's employees' nonobservance or nonperformance of any building rule or regulation. This indemnity includes, without limitation, claims for property damage and any personal injury to any third party or property, arising or resulting from any of the matters described in clauses (a), (b), (c) and (d) above.

14. **Attorneys' Fees.** If any action or other proceeding arising out of this Sublease is commenced by either party concerning the Subleased Premises, then the prevailing party shall be entitled to receive from the other party, in addition to any other relief that may be granted, the reasonable attorneys' fees, costs, and expenses incurred in the action or other proceeding by the prevailing party.

15. **Miscellaneous.**

A. No failure of Sublessor to insist upon strict performance of any of the terms or conditions of this Sublease shall constitute a waiver or relinquishment of Sublessor's right to thereafter enforce same or any other term or condition.

B. This Sublease can only be amended or modified in writing agreed to by the parties.

C. Parties agree this Sublease constitutes their entire understanding and agreement with respect to the subject matter herein.

NOW, THEREFORE, the parties hereto have executed this Sublease Agreement as of the date specified above.

SUBLESSOR:

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By: *Rinda Bohlinger*
Name: _____
Its: *Deputy CEO*

APPROVED AS TO FORM:

DE WITT W. CLINTON
County Counsel

By: *Angie Chang*
Deputy

SUBLEESSEE:

TRANSPORTATION FOUNDATION
OF LOS ANGELES

By: *Frank M. Saito*
Name: *FRANK M. SAITO*
Its: *Chief Financial Officer*

APPROVED AS TO FORM:

By: _____
Name: _____
Its: _____