



DAVID E. JANSSEN
Chief Administrative Officer

County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
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Hamilton

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September 4, 2001

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**TEN YEAR LEASE
DEPARTMENTS OF CHILD SUPPORT SERVICES
AND HEALTH SERVICES
20221 SOUTH HAMILTON AVENUE, LOS ANGELES
(FOURTH) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Mayor to sign the attached ten year lease with Hamilton Dutch Investors, LLC, (Lessor), for 66,825 rentable square feet of office/clinic space, including 238 parking spaces for the Child Support Services Department (CSSD) and the Department of Health Services (DHS), at an initial annual maximum cost of \$1,944,161. Costs for CSSD are fully subvented and DHS is 89 percent revenue offset.
2. Authorize the Lessor and/or Director of the Internal Services Department (ISD) at the direction of the Chief Administrative Office (CAO), to acquire telephone systems for CSSD at a cost not to exceed \$1,140,000 and \$200,000 for DHS. At the discretion of the CAO all or part of the telephone, data and low voltage systems may be paid in lump sum or financed not to exceed \$49,008 per year for DHS and \$279,348 per year for CSSD, if the option is exercised, in addition to other Tenant Improvement (TI) allowances provided under the lease.
3. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to class 1, Section r, of the Environmental Document reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15601 (b) (3) of the State CEQA Guidelines.



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4. Approve the project and authorize the CAO, CSSD, DHS and ISD to implement the project. The lease will be effective upon completion and acceptance of the improvements.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The CSSD staff of 244 presently occupies 47,000 square feet of office space in this building. However, CSSD has an urgent need for additional space in this area office because of increased caseloads and file storage space requirements. CSSD will reconfigure the existing space to optimize its use, as recommended in the Gensler Report, and add 8,900 square feet of new space.

DHS will occupy approximately 10,925 square feet after vacating its existing County owned facility, the Torrance Health Center, at 2300 West Carson Street, due to structural and significant deferred maintenance issues. The Torrance Health Center is an 11,000 square foot unreinforced masonry building which requires seismic retrofitting or demolition. Due to the age and character of the building and the City of Torrance's desire that it be saved, the 2001-02 Budget contains funding to structurally retrofit the facility. The existing Health Center will take approximately 24 months to repair. When it becomes available for occupancy, it will be considered for other County uses, such as court-related services, due to its close proximity to the Torrance Courthouse.

The proposed action will co-house 44 DHS clinical program staff with an existing and expanded CSSD regional office thus allowing continued service to clients in the South Bay area. The consolidation will afford the County an opportunity to occupy the premises as a single tenant eliminating duplicate support space (i.e., shared conference, training and common area use), thus realizing cost savings in terms of space utilization.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we invest in public infrastructure, in order to strengthen the County's fiscal capacity. The lease of property supports this strategy by complying with the Strategic Asset Management Principles (Goal 4, Strategy 2, Objective 2). In this case, we are housing two revenue-offset programs in leased space, both to better serve constituents and to acquire an entire building, thereby gaining economic leverage in negotiating this lease, as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The annual cost of this lease will initially range from a base rental rate of \$1,419,363 to a maximum of \$1,944,161, depending on the actual cost of TI.

20221 Hamilton Ave.	CURRENT LEASE	PROPOSED LEASE
Area	47,000 sq. ft.	66,825 sq. ft.
Annual Base Rent	\$615,766 (\$13.10/sq. ft.)	\$1,419,363 (\$21.24/sq. ft.)
Parking included in Base	188 spaces	238 spaces
TI's Included in Base Rent	\$1,175,000 (\$25.00/sq. ft.)	\$1,534,750 (\$22.97/sq. ft.)
Maximum Additional TI	\$927,827 (\$19.74/sq. ft.)*	\$2,272,050 (\$34.00/sq. ft.) **
Maximum Annual Rent	\$756,805 (\$16.10/sq. ft.)*	\$1,933,785 (\$28.94/sq. ft.) **
Term of Lease	10 years (mo to mo effective 8/03/01, on same terms and conditions as included in lease)	10 years; with two options of up to 5 years for each option term.
Cancellation	30 days written notice	Anytime after 6th yr. upon 150 days prior written notice and reimbursement of the unamortized additional TI.

* actual TI dollars used; actual annual rent.

** \$ 2,272,050 represents the maximum amount of additional TI dollars available for the total 66,825 square feet leased. The additional tenant improvements consist of \$1,670,625 for furniture and \$601,425 for building renovations. That amount equates to \$514,422 or \$7.70 per square foot annually for the first five years, based on an amortization rate of 9.5 percent and periods of 10 years for the renovations and 5 years for the furniture. Because it is anticipated that DHS clinic space will be more expensive to build out, the maximum average cost per square foot shown above may be less than the cost per square foot for the DHS space.

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Sufficient funding for the proposed lease is included in the 2001-02 Rent Expense Budget and will be charged back to CSSD and DHS. Sufficient funding is available in the CSSD and DHS budgets for 2001-02 to cover the projected lease costs. CSSD expenditures are fully offset by subvention funding (66 percent Federal and 34 percent State) and DHS expenditures for this cluster are 89 percent revenue offset.

The cost of the telephone systems for CSSD will not exceed \$1,140,000 and \$200,000 for DHS, and may be paid in a lump sum or amortized over a five year term at an annual cost of \$279,348 per year for CSSD and \$49,008 per year for DHS. They will be purchased by ISD and/or by the lessor, at the discretion of the CAO.

The monthly rent attributable to operating expenses (\$38,090 or \$0.57 per square foot) is subject to an annual adjustment, after the 12th month, based on increases to the Consumer Price Index with a minimum of 3 percent and maximum of 5 percent.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

CSSD is involved in the enforcement of child support orders in situations in which there are custodial parents of children who are receiving assistance in Los Angeles County or have applied directly for services and are not recipients of any aid. DHS offers public health services through its prevention, screening, diagnosis, treatment, rehabilitation and case management programs for clients faced with chronic and/or physically disabling conditions (e.g., Tuberculosis & Sexually Transmitted Diseases).

The proposed lease provides 66,825 rentable square feet of office space and 238 parking spaces. The lease contains the following provisions:

- A cancellation provision allowing termination at or anytime after the end of the 6th year of the lease term by providing the Lessor 150 days prior written notice and reimbursement of the unamortized additional TI allowance.
- Two options to extend the lease up to five years in each option period. Each option is at a rental rate of 90 percent of fair market value.

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- \$1,534,750 or \$22.97 per square foot in TI allowance, included in the base rental rate, for construction of the Premises to partially meet CSSD/DHS space requirements.
- A reimbursable additional TI allowance of \$2,272,000, or \$34 per square foot for furniture and other TI.
- All construction shall be in compliance with "Tenant Improvement Paragraph 26" and the "Tenant Improvement Work Letter" attached in substantial form as Exhibit "H" and referenced in Paragraph 26, Section A, of the proposed lease.
- No County Project Manager or employee, including the CAO, is authorized to approve any expenditure not expressly pre-approved by the Board of Supervisors. The Board of Supervisors will not approve retroactive expenditures. Any unapproved expenditures by the Lessor, even if it benefits the County, shall not be recovered by Lessor who shall solely bear the risk of loss for incurring such liabilities as stated in Paragraph 32 of the proposed lease.

The 238 parking spaces will accommodate all of the County employees assigned to this location.

CAO Real Estate staff surveyed the South Bay area, within a 3 mile area of their existing sites as specified by CSSD and DHS. Staff was unable to identify any sites in the survey area that could accommodate this requirement more economically. Attachment B shows all County owned and leased facilities within the South Bay search area for these programs and there are no other County owned or leased facilities available for these programs.

Based upon a survey of similar properties in the South Bay area, staff has determined that the base rental range including parking is between \$22 and \$27 per square foot per year full service gross. Thus, the base annual rent of \$21.24 per square foot for the proposed lease represents a below market rental rate.

The proposed lease was submitted for review to your Board's appointed Real Estate Management Commission on July 11, 2001. After careful review, it was the Commission's decision to approve the proposed lease.

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The Department of Public Works has inspected this facility for seismic safety and has no objection to occupancy of the premises by the County.

This building has no remaining available space to house a child care center. The increase of office space to a total of approximately 56,000 square feet of office space for CSSD and DHS occupying the remaining 10,925 square feet of space for a health center encompasses the entire rental space available in the building. However, the CAO will study the feasibility of locating a child care center within this core service area.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CAO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA as specified in Class 1, section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15061 (b) (3) of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

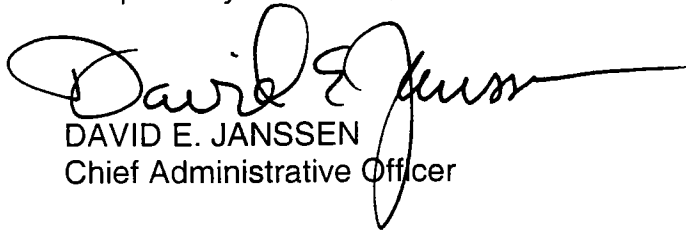
It is the finding of the CAO that the proposed lease is in the best interest of the County and will adequately provide the necessary space for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, CSSD and DHS concur in this lease recommendation.

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CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return three originals of the executed Lease and Agreement, two certified copies of the Minute Order and the adopted, stamped Board letter to the Chief Administrative Office, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



DAVID E. JANSSEN
Chief Administrative Officer

DEJ:SNY
CWW:TJS

Attachments (5)

c: County Counsel
Auditor-Controller
Child Support Services Department
Department of Health Services
Internal Services Department

ATTACHMENT A

Asset Management Principles Compliance Form¹

	YES	NO	NA
1. <u>Occupancy</u>			
A Does lease consolidate administrative functions? ²			<u>X</u>
B Does lease co-locate with other Department functions to better serve clients?	<u>X</u>		
C Does this lease centralize business support functions? ²			<u>X</u>
D Does lease meet the guideline of 200 sf of space per person? ² 1/225 CSSD space exceeds the 200 sf guideline due to room for staff growth and file storage needs, as well as building inefficiencies including large public spaces. DHS space meets the 250 sf guideline for clinic space.		<u>X</u>	
2. <u>Capital</u>			
A Should program be in leased space to maximize State/Federal funding?	<u>X</u>		
B If not, is this a long term County program?			<u>X</u>
C Is it a net County cost (NCC) program? List % NCC CSSD is 100% funded by the state which receives federal funding, DHS is 89% revenue offset.		<u>X</u>	
D If yes to 2 B or C; capital lease or operating lease with an option ?			<u>X</u>
E If no, are there any suitable County owned facilities available?		<u>X</u>	
F If yes, why is lease being recommended over occupancy in County owned space?			<u>X</u>
G Is Building Description Report attached as Attachment B? ²	<u>X</u>		
H Was build to suit or capital project considered? ² The proposed building is available, centrally located, competitively priced. In addition, relocation of the Torrance Health Center is an urgent need.		<u>X</u>	
3. <u>Portfolio Management</u>			
A Did department utilize CAO Space Request Evaluation(SRE)? ²	<u>X</u>		
B Was the space need justified?	<u>X</u>		
C If a renewal lease, was co-location with other County departments considered?	<u>X</u>		
D Why was this program not co-located?			<u>X</u>
1. ___ The program clientele requires a "stand alone" facility.			
2. ___ No suitable County occupied properties in project area.			
3. ___ No County owned facilities available for the project			
4. ___ Could not get City clearance or approval			
5. <u>X</u> The Program is being co-located			
E Is lease a full service lease? ²	<u>X</u>		
F Has growth projection been considered in space request?	<u>X</u>		
G Has the Dept. of Public Works completed seismic review/approval?	<u>X</u>		

¹ As approved by the Board of Supervisors 11/17/98

*Please **BOLD** any written responses*

² If not, why not?

Attachment B

Space Search 3-Mile Radius of 22021 South Hamilton, Los Angeles

LACO	FACILITY NAME	ADDRESS	SQ.FT. GROSS	SQ.FT. NET	OWN	SQ FT AVAIL
0069	PW ROAD-DIV #232 MAINTENANCE YARD OFFICE	4055 W MARINE AVE, LAWDALE 90260	800	720	OWNED	NONE
0100	PW ROAD-DIV #232 SUBYARD OFFICE	24309 WALNUT ST, LOMITA 90717	600	540	OWNED	NONE
0370	COMPTON AIRPORT-ADMIN BUILDING-8	901 W ALONDRA BLVD, COMPTON 90220	2,880	2,582	OWNED	NONE
1694	ATHENS-FIELD OFFICE/COMFORT STATION	12603 S BROADWAY, LOS ANGELES 90061	655	264	OWNED	NONE
2054	HARBOR-PUBLIC HEALTH PROGRAMS BLDG N22	1000 W CARSON ST, TORRANCE 90502	2,650	2,120	OWNED	NONE
2061	HARBOR-MEDICAL RECORDS BLDG N-6	1000 W CARSON ST, TORRANCE 90502	2,257	1,824	OWNED	NONE
2063	HARBOR-REI EMERGENCY MEDICINE ADMIN BLDG N-14	1124 W CARSON ST, TORRANCE 90502	11,802	8,829	OWNED	NONE
2093	HARBOR-GENERAL SVCS OFFICE E2	1000 W CARSON ST, TORRANCE 90502	4,007	3,611	OWNED	NONE
2114	HARBOR-TRANSPORTATION OFFICE H1	1000 W CARSON ST, TORRANCE 90502	830	670	OWNED	NONE
2127	HARBOR-ADMINISTRATION OB/GYN 24	1000 W CARSON ST, TORRANCE 90502	1,535	1,192	OWNED	NONE
2889	HARBOR-MEDICAL RECORDS OFFICE F8	1000 W CARSON ST, TORRANCE 90502	4,233	2,836	OWNED	NONE
2870	HARBOR-REI BLDG F9	1000 W CARSON ST, TORRANCE 90502	4,453	3,169	OWNED	NONE
2958	DHS-CHILD HEALTH DISABILITY & PREVENTION N34	1000 W CARSON ST, TORRANCE 90502	1,125	874	OWNED	NONE
2963	HARBOR-COTTAGE #14 DHS-CHDP OFFICES	1000 W CARSON ST, TORRANCE 90502	875	678	OWNED	NONE
2964	HARBOR-NURSING (HOME HEALTH CARE) COTTAGE #18	1000 W CARSON ST, TORRANCE 90502	875	678	OWNED	NONE
3037	MONA-DIRECTOR'S BUILDING/COMFORT STATION	2291 E 121ST ST, COMPTON 90222	829	296	OWNED	NONE
3516	SAMOAN FEDERATION SERVICE CENTER	404 E CARSON ST, CARSON 90745	2,566	2,136	OWNED	NONE
4403	SOUTH SERVICES AGENCY-ADMINISTRATION BUILDING	360 W EL SEGUNDO BLVD, LOS ANGELES	2,584	1,901	OWNED	NONE
4479	ANIMAL CONTROL #3-ADMINISTRATION BUILDING	216 W VICTORIA ST, CARSON 90248	1,495	704	OWNED	NONE
5043	TORRANCE COURTHOUSE-ANNEX	3221 TORRANCE BLVD, TORRANCE 90503	16,996	9,560	OWNED	NONE
5161	PUBLIC LIBRARY-GARDENAMAYME DEAR LIBRARY	1731 W GARDENA BLVD, GARDENA 90247	14,122	11,534	OWNED	NONE
5177	TORRANCE COURTHOUSE	825 MAPLE AVE, TORRANCE 90503-5058	155,368	75,242	FINANCED	NONE
5861	PUBLIC LIBRARY-CARSON REGIONAL LIBRARY	151 E CARSON ST, CARSON 90745	33,112	27,001	OWNED	NONE
5882	PUBLIC LIBRARY-COMPTON LIBRARY	240 W COMPTON BLVD, COMPTON 90220	43,842	15,830	OWNED	NONE
6087	PUBLIC LIBRARY-VICTORIA PARK LIBRARY	17906 S AVALON BLVD, CARSON 90746	5,024	4,084	OWNED	NONE
6130	SOUTH COAST-ADMINISTRATION BUILDING	28300 CRENSHAW BLVD, PALOS VERDES	3,003	2,133	OWNED	NONE
6319	PUBLIC LIBRARY-A C BILBREW LIBRARY	150 E EL SEGUNDO BLVD, LOS ANGELES	21,843	18,287	OWNED	NONE
6332	PUBLIC LIBRARY-LOMITA LIBRARY	24200 NARBONNE AVE, LOMITA 90717	8,928	6,487	OWNED	NONE
6333	LOMITA ADMINISTRATIVE CENTER	24320 NARBONNE AVE, LOMITA 90717	30,517	20,493	OWNED	NONE
6420	COMPTON COURTHOUSE	200 W COMPTON BLVD, COMPTON 90220	576,467	205,939	FINANCED	NONE
6465	DCSS-WILLOWBROOK SENIOR CENTER	12915 S JARVIS AVE, LOS ANGELES 90061	12,858	8,670	OWNED	NONE
6721	PUBLIC LIBRARY-MASAO W SATOW LIBRARY	14433 S CRENSHAW BLVD, GARDENA 90249	6,639	5,884	OWNED	NONE
A020	SHERIFF-FIELD OPERATIONS REGION II	3010 E VICTORIA ST, RANCHO DOMINGUEZ	14,040	10,688	LEASED	NONE
A074	CSSD-DIV 5 HEADQUARTERS	20221 S HAMILTON ST, TORRANCE	47,000	37,984	LEASED	NONE
A132	FIRE-LOMITA HAZARDOUS MATERIALS OFFICE	24300 NARBONNE AVE, LOMITA 90717	2,250	2,135	LEASED	NONE
A170	SHERIFF-SOUTH BAY VEHICLE THEFT PROGRAM	ONE SPACE PARK DR, REDONDO BEACH	500	500	PERMIT	NONE
A357	OFFICE OF THE OMBUDSMAN-IOWA COURTHOUSE BLDG	18411 CRENSHAW BLVD, TORRANCE 90504	2,326	2,210	LEASED	NONE
A389	PW-INC CITY OFFICE/AREA 1 FIRE PREVENTION OFF	701 E CARSON ST (CITY HALL), CARSON	1,125	1,125	PERMIT	NONE
A414	DC&S-REGION II HEADQUARTERS/ TORRANCE OFFICE	2325 CRENSHAW BLVD, TORRANCE 90501	60,804	57,764	LEASED	NONE
A475	DCSS-LAWDALE ADULT PROTECTIVE SERVICES	14623 HAWTHORNE BLVD, LAWDALE 90260	3,443	3,271	LEASED	NONE
A560	DCSS-EAST RANCHO DOMINGUEZ SERVICE CENTER	4513 E COMPTON BLVD, R. DOMINGUEZ	4,436	3,188	LEASED	NONE
A620	PUBLIC LIBRARY-EAST RANCHO DOMINGUEZ LIBRARY	4205 E COMPTON BLVD, EAST COMPTON 90222	5,000	4,529	LEASED	NONE
A655	PUBLIC DEFENDER-TORRANCE BRANCH OFFICE	3655 TORRANCE BLVD, TORRANCE 90503	8,106	4,968	LEASED	NONE
A859	DPSS-PARAMOUNT AP DISTRICT/GAIN PROGRAM REG V	2959 E VICTORIA ST, RANCHO DOMINGUEZ	54,000	44,280	LEASED	NONE
B320	PUBLIC LIBRARY-WISEBURN LIBRARY	5335 W 135TH ST, HAWTHORNE 90250	5,088	4,331	LEASED	NONE
B710	PW-INC CITY OFFICE (LAWDALE)	14717 S BURIN AVE (CITY HALL), LAWDALE	80	76	PERMIT	NONE
C112	DCSS-ASIAN SERVICE CENTER	14112 S KINGSLEY DR, GARDENA 90249	18,180	11,420	LEASED	NONE
C600	DPSS-SOUTH FAMILY AP/SPECIAL DISTRICT OFFICES	17600 A/B S SANTA FE AVE, R. DOMINGUEZ	133,000	103,324	LEASED	NONE
C642	COMMUN DEVEL COMM/ BD OF SUP-2ND DIST OFFICE	12329 S WILMINGTON AVE, COMPTON 90222	2,001	1,546	PERMIT	NONE
D980	PUBLIC LIBRARY-HOLLYDALE LIBRARY	12000 GARFIELD AVE, SOUTH GATE 90280	5,530	4,440	LEASED	NONE
T019	TORRANCE COURTHOUSE-TRAFFIC DIVISION	3221 TORRANCE BLVD, TORRANCE 90503	2,880	2,808	OWNED	NONE
T517	SOUTH SERVICES AGENCY-PARK RESERVATION OFFICE	360 W EL SEGUNDO BLVD, LOS ANGELES	1,144	687	OWNED	NONE
T523	SHERIFF-CARSON STATION TRAILER-SSGU	21356 S AVALON BLVD, CARSON 90745	612	551	OWNED	NONE
T525	SHERIFF-CARSON STATION TRAILER-MCAD,	21356 S AVALON BLVD, CARSON 90745	672	605	OWNED	NONE
T529	HARBOR-PAYROLL TRAILER L4	1000 W CARSON ST, TORRANCE 90502	2,160	1,423	OWNED	NONE
T530	HARBOR-HUMAN RESOURCES TRAILER L2	1000 W CARSON ST, TORRANCE 90502	1,034	872	OWNED	NONE
T531	HARBOR-PATIENT FINANCIAL SERVICES 3-SOUTH	1000 W CARSON ST, TORRANCE 90502	12,240	7,713	OWNED	NONE
T825	TORRANCE COURTHOUSE-JURY ASSEMBLY ROOM	825 MAPLE AVE, TORRANCE 90503-5058	2,880	2,736	OWNED	NONE
X169	DPSS-COMPTON AP DISTRICT OFFICE	211 E ALONDRA BLVD, COMPTON 90220	48,135	38,777	OWNED	NONE
X904	HARBOR-REI EMERGENCY MEDICINE OFFICE N7	1000 W CARSON ST, TORRANCE 90502	1,011	672	OWNED	NONE
X907	HARBOR-NURSING PRACTICE AFFAIRS BUILDING N18	1000 W CARSON ST, TORRANCE 90502	2,160	1,586	OWNED	NONE
Y216	PUBLIC LIBRARY-PARAMOUNT LIBRARY	18254 COLORADO AVE, PARAMOUNT 90723	8,750	7,428	OWNED	NONE

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3.	<u>RENT:</u>	1
4.	<u>USE:</u>	1
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6.	<u>HOLDOVER:</u>	1
7.	<u>DAMAGE OR DESTRUCTION:</u>	1
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EXHIBITS

Exhibit A - Plans And Specifications

Exhibit B - Memorandum of Commencement Date

Exhibit C - Cleaning and Maintenance Schedule

Exhibit D - Community Business Enterprise Form

Exhibit E - Memorandum of Tenant Improvement Cost

Exhibit F - Construction Schedule

Exhibit G - Memorandum of Lease

Exhibit H - Work Letter Agreement



COUNTY OF LOS ANGELES
CHIEF ADMINISTRATIVE OFFICE
LEASE AND AGREEMENT

THIS LEASE AND AGREEMENT, made and entered into in duplicate original this ____ day of _____, 20__ by and between HAMILTON DUTCH INVESTORS, L.L.C., a Delaware limited liability company, hereinafter referred to as the Lessor and the COUNTY OF LOS ANGELES, a body politic and corporate, hereinafter referred to as the Lessee,

WITNESSETH:

1. DESCRIPTION OF PREMISES:

The Lessor, for and in consideration of the performance of the covenants and agreements hereinafter contained to be kept and performed by the Lessee, upon the following terms and conditions, hereby leases to the Lessee, and the Lessee hereby hires and takes of and from the Lessor, those certain premises located at 20221 South Hamilton Avenue, Los Angeles in the County of Los Angeles, State of California, more particularly

described as follows: Premises 1

The Premises 1 shall consist of approximately 47,000 rentable square feet and 188 surface parking spaces, with access on the Hamilton Avenue frontage of the Building as described in exhibit "A" of this lease.

And described as follows: Premises 2

The Premises 2 shall consist of approximately 19,825 rentable square feet and 80 surface parking spaces, with access on the West and rear of the Building as described in exhibit "A" of this lease.

Lessor and Lessee acknowledge that the Premises consist of approximately 66,825 rentable square feet. The Premises were measured by Lessor and verified independently by Lessee in accordance with the methods of measuring rentable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996, as promulgated by the Building Owners and Management Association (BOMA) International. For all purposes of this Lease, rent and other amounts are based upon such square footage and at no time, except by specific amendment to this Lease, will the amount of square footage as contained herein be adjusted if such amount is found to be in error.

2. TERM:

a. Original Term

The term of this Lease shall be for a period of ten (10) years beginning upon completion of improvements of Premise 2 by Lessor evidenced by the issuance of a Certificate of Occupancy (or a Temporary Certificate of Occupancy), or a final sign-off, if applicable) by the City of Los Angeles pursuant to Paragraph 26 and acceptance thereof by the Lessee. Notwithstanding the prior commencement of the Lease term, the rent on the existing 47,000 square feet of office space (Premises 1) shall begin effective February 1, 2002. Rent on the 19,825 square feet of expansion space (Premises 2) shall not be due and owing until said Lessee accepts the improvements to be performed by Lessor. Should there be any delays beyond the control of the Lessor, then the Lease commencement date may be adjusted accordingly upon the mutual consent of Lessee and Lessor. Said acceptance and commencement of rent shall not occur any earlier than thirty (30) days after completion of construction of the telephone intrabuilding network cable (INC) if applicable, and the telephone equipment room, including permanent

1 power and HVAC, in compliance with the attached plans and
2 specifications referenced as Exhibit "B". Additionally, said acceptance
3 and commencement of rent shall not occur any earlier than 15 days
4 after receiving a notice from Lessor indicating that all tenant
5 improvements required have been completed in compliance with the
6 attached plans and specifications (Exhibit "C") and the space is ready
7 for beneficial occupancy. In the event Lessee conducts a walkthrough
8 and it is determined by Lessee, at Lessee's reasonable discretion, that
9 the tenant improvements have not been completed, or the space is not
10 ready for Lessee's occupancy, then, Lessee shall not be obligated to
11 commence the rent per Paragraph 3 herein until actual beneficial
12 occupancy. In that event, Lessor shall be required to provide Lessee
13 with another notice, and Lessee shall not accept the space any sooner
14 than fifteen (15) days from the date of the second notice. The process
15 may be repeated until the tenant improvements are completed and the
16 space is ready for Lessee's occupancy. Lessee shall not unreasonably
17 withhold its approval. Lessee hereby agrees to make timely inspections
18 and to make timely notices of its approval or disapproval of said work.
19 Lessor and Lessee shall promptly execute the "Memorandum of
20 Commencement Date" attached hereto as Exhibit "D" following
21 commencement of the Lease term subject to any remaining minor
22 punch-list items. The Chief Administrative Officer, is hereby authorized
23 to sign on behalf of Lessee.

24
25 **b. Options to Renew:**

26 Lessee shall have the option to renew this Lease for two (2) periods of
27 up to five (5) years each option (the "Option"), by Chief Administrative
28 Office letter notifying Lessor in writing not less than one hundred twenty
29 (120) days prior to expiration of the lease term of Lessee's election to
30 exercise its option. The actual exercise of the option shall be only by
31 the Board of Supervisors prior to the expiration of the lease term.

32
33 In the event Lessee elects to exercise the option, the Base Rent shall
34 be adjusted by negotiating not to exceed ninety percent (90%) of the
35 "Fair Market Rental Value" for comparable space as of the
36 commencement date of the Option term ("New Base Rent"). As used
37 herein, the term "Fair Market Rental Value" shall mean the annual
38 amount per rentable square foot then being charged or projected to be
39 charged for similarly improved office space in comparable buildings
40 (age, design, quality, and relative location in the vicinity in which the
41 building is situated) located within a 2-mile radius of the Premises, on
42 leases for delivery on or about the applicable delivery or effective date,
43 taking into consideration annual rental rates per rentable square foot,
44 age and condition of building, the type of escalation clauses, tenant
45 improvements or allowances provided or to be provided for such
46 comparable space, rental abatement concessions, if any, the length of
47 the relevant term the extent of services to be provided to the leased
48 premises, the date as of which the Fair Market Rental Value is to
49 become effective, and any other relevant terms or conditions. In no
50 event shall the Fair Market Value be less than the amount of the Base
51 Rent for the last month of the original term of this Lease.

52
53 In the event Lessor and Lessee are unable to agree on the Fair
54 Market Rental Value, after good faith deliberations, by that date
55 which is thirty (30) days after Lessor receives Notice of Lessee's
56 exercise of the option (the "Specified Date"), then such figure
57 shall be calculated as follows:

- 58
59 (1) Lessor and Lessee shall each appoint an individual who
60 shall be designated as a Member, Appraisal Institute of
61 Real Estate Appraisers (MAI) or a member of the Society
62 of Real Estate Appraisers (SREA) and who shall have

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been active over the five (5) year period ending on the date of such appointment in the appraisal of commercial properties located in Los Angeles County. Each such appraiser shall be appointed within fifteen (15) days after the Specified Date and each shall prepare an appraisal of fair rental value to determine the Fair Market Rental Value.

(ii) If Lessor's and Lessee's respective appraisers cannot agree on the Fair Market Rental Value within forty five (45) days after the Specified Date, each shall mutually select a third appraiser who shall also conduct a fair rental value appraisal. The third appraiser shall be designated as a Member of the Appraisal Institute of Real Estate Appraisers (MAI) or a member of the Society of Real Estate Appraisers (SREA). The average of the two (2) appraisals nearest in value shall be the Fair Market Rental Value. The cost of the third appraiser shall be borne equally by Lessor and Lessee.

3. **RENT:**

The Lessee hereby agrees to pay as rent on the existing 47,000 square feet of office space (Premises 1) \$1.30 (Base and Operating Expense Rent combined) per square foot per month through January 31, 2002. Effective February 1, 2002 rent on Premise 1 shall be \$1.77 per square foot per month. The Lessee hereby agrees to pay as rent on the 19,825 square feet of expansion space (Premises 2) \$1.77 per square foot which shall not be due and owing until said Lessee accepts the improvements to be performed by Lessor. Included in the above rent for the ten year term is the Base rent of \$80,190.00, i.e \$1.20 per square foot, per month and the Operating Expense Rent of \$38,090.25, i.e. \$.57 per square foot, per month. Rents shall be payable in advance by Auditor's General Warrant. Rental payments shall be payable within fifteen days after the first day of each and every month of the term hereof provided Lessor has caused a claim therefor for each such month to be filed with the Auditor of the County of Los Angeles prior to the first day of each month.

4. **USE:**

Lessor agrees that the demised Premises together with all appurtenances thereto belonging or in any wise appertaining, shall be used by the Lessee as office space for Children Support Services Department (CSSD) and office and clinical space for Health Services (DHS) and for other governmental purposes or lawful purposes during normal working hours, after normal working hours, and on weekends and holidays as Lessee may desire. Lessor, however, will be responsible to provide lighting and HVAC services only during normal working hours. The building working hours are from 7:00 a.m. to 6:30 p.m. Monday through Friday, and from 7:00 a.m. to 3:30 p.m. on Saturday, except for legal holidays.

Additionally, Lessor shall maintain and operate, twenty-four hours daily, auxiliary air conditioning systems for that portion of space designated Major Communication Room (MCR) and telephone rooms at his sole cost. Lessee shall operate such auxiliary systems only if and when the main building systems are not operational or are needed to maintain a temperature adequate to ensure the operation and integrity of the equipment within these rooms.

5. **CANCELLATION:**

Lessee shall have the right to cancel this Lease at or any time after sixtieth (60th) month by giving Lessor not less than one hundred fifty (150) days prior

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written notice by Chief Administrative Officer letter, in the event Lessee exercises its option to cancel during the original term, Lessee shall reimburse to Lessor within 90 days of said termination notice the unamortized balance of the remaining additional tenant improvement costs expended by Lessor which have been amortized at the rate of 9.5% per annum over the ten year term of the lease.

6. **HOLDOVER:**

In case Lessee holds over beyond the end of the term provided with the consent express or implied of Lessor, such tenancy shall be for two (2) month periods only, subject to the terms and conditions of this Lease, but shall not be a renewal hereof, and the rent shall be at the rate prevailing under the terms of this Lease, but in no event less than the then current rental rate in effect. Either party may during the holdover cancel this Lease by giving the other party not less than sixty (60) days prior written notice.

7. **DAMAGE OR DESTRUCTION:**

Lessor agrees that should the demised Premises be damaged by fire, incidents of war, earthquake, or other elements as to render them reasonably unfit for Lessee's occupancy, for a period in excess of one hundred twenty (120) days, as determined by Lessee's reasonable discretion exercised within fifteen (15) days after the occurrence of the damage, then this Lease shall be terminated immediately upon the happening of any such event whereupon Lessee shall surrender the Premises and shall not be obligated for any further rental and Lessor shall refund any unearned rent paid in advance by Lessee calculated at a daily rate based on the regular monthly rental. If such damage can be corrected in less than one hundred twenty (120) days, Lessor agrees diligently to commence and complete the repair and restoration of the Premises.

In the event of any lesser damage by any such cause that results in damage to ten percent (10%) or less of net usable area of the Premises, then Lessor shall commence the repair and restoration of the Premises within fifteen (15) days of the event which necessitated the repair and restoration. In the event of any such cause which results in damage to more than ten percent (10%) of the net usable area of the Premises, then Lessee shall have the right at its sole discretion, after the 120 day period described above, to either surrender the Premises and not be obligated for any further rental under this Lease and Agreement, or to cause Lessor to commence the repair and restoration of the Premises within fifteen (15) days of the event that necessitated the repair and restoration. Lessor shall be deemed to "commence" the restoration and repair of the Premises when Lessor begins (or causes to be started) the preparation of plans and specifications for such restoration and repair; Lessor shall not be required to start physical construction in order to "commence" such restoration and repair.

Commencement of the repair and restoration under either of the aforementioned conditions shall require (1) securing the area to prevent injury to persons and/or vandalism to the improvements, and (2) the placement of a work order or contract for obtaining the Labor and Materials to accomplish the repair and restoration. If Lessor should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Lessee may give Lessor fifteen (15) working days prior written notice and thereafter perform or cause to be performed the restoration work and deduct the cost thereof from the installments of rent next due as a charge against the Lessor.

Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made effective on the date of such destruction. The proportionate reduction is to be based upon the proportion that the amount of rentable square feet within the leased Premises rendered unusable to Lessee bears to

1 the whole rentable thereof. Lessee shall not be entitled to an abatement of
2 rent pursuant to this provision when the damage to the Premises is the result
3 of negligence or intentional acts of Lessee's employees, agents, contractors,
4 invitees or guests .
5

6 **8. TENANT'S FIXTURES:**

7
8 Lessor agrees that the Lessee may remove, at its own expense, during or at
9 the expiration or other termination of the term of this Lease, or any extension
10 or holdover period thereof, as the case may be, all fixtures, equipment and all
11 other personal property placed or installed in or upon the demised Premises
12 by the Lessee, or under its authority.
13

14 **9. REPAIR, MAINTENANCE AND REPLACEMENT:**

15 **a. This Lease is a full service lease:**

16 Therefore, Lessor agrees to repair, maintain and replace as necessary
17 at Lessor's own expense the entire interior and exterior of the
18 Premises. Lessor's responsibility shall include, but not be limited to
19 lamps and tubes (excluding those in any modular furniture systems) ,
20 exposed plumbing, fire sprinklers, if applicable, windows, window
21 coverings, fire extinguishers, floor coverings, the sewer system, the
22 grounds, surface parking spaces (including resurfacing, restriping,
23 landscaping, sweeping and provision of adequate lighting, as
24 applicable), and the basic structure. Basic structure is agreed to
25 include: all permanent exterior and interior walls, floors and ceilings,
26 roof, concealed plumbing, elevators (including elevator hydraulic
27 system, and casing for elevator ram), stairways, concealed electrical
28 systems, telephone intrabuilding network cable (INC), and heating,
29 ventilating and air conditioning system and fire sprinklers, if applicable.
30 As part of Lessor's responsibilities for maintaining the Premises, Lessor
31 shall provide for (1) furnishing and maintaining sewer services and trash
32 removal, and (2) janitorial supplies (including restroom supplies) and
33 janitorial services, including a day porter if required by the County,
34 which shall be included in the Operating Expense Rent, in accordance
35 with the schedule attached to this Lease as Exhibit "E". Nothing herein
36 shall be construed to require Lessor to maintain, repair or replace
37 Lessee's personal property or trade fixtures.
38

39 **b. Failure to Repair:**

40 In the event Lessor should fail, neglect or refuse to commence the
41 repair, replacement or maintenance work required by Section
42 Paragraph 9A herein within five (5) business days after written notice
43 has been served by Lessee, (or in the event of an emergency, within
44 twenty-four (24) hours after appropriate notice has been served by
45 Lessee) or fail, neglect or refuse to pursue said replacement or
46 maintenance work with reasonable diligence to completion, the Lessee
47 at its sole discretion may upon serving a second five (5) business day
48 notice, excluding an emergency, perform or cause to be performed
49 said repair, replacement or maintenance work and deduct the
50 reasonable cost thereof from the installments of rent next due as a
51 charge to the Lessor, or the Lessee at its sole discretion may surrender
52 the Premises and shall not be liable for any further rental under this
53 Lease and Agreement. An emergency as used herein is defined as any
54 life threatening situation or in the event the premises are rendered
55 unusable because of utility disruption specifically HVAC system,
56 lighting, sewer and water.
57

58 **c. Return of Premises:**

59 Lessee agrees to return said Premises to Lessor in as good condition
60 as when rented, ordinary wear and tear, damage by earthquake, fire or
61 the elements and other disaster or casualty excepted.
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d. **Replacement:**

In the event that items specified in Paragraph 9A wear out or fail or are damaged by earthquake, fire or the elements, and/or other public disaster or casualty, the Lessor shall replace said items at its own expense, subject to the provisions of Paragraph 7.

10. **UTILITIES:**

Lessor agrees to pay when due all charges for the use of the sewer, effluent treatment, when and if imposed by any Governmental authority, all water, sprinkler standby charges, electricity, gas, and other lighting, heating, and power and other utility rents and charges accruing or payable in connection with the demised Premises during the term of this Lease or any renewal, extension, or holdover thereof, whether the same are pro-rated or measured by separate meters. Lessee shall pay for overtime HVAC and lighting at \$50.00 per hour, which shall be payable monthly within thirty (30) days of invoice for the same, provided however that the overtime charge will not be payable by Lessee to the extent the Lessor fails to bring and maintain the temperature inside the building during such overtime period to no more than 76 degrees Fahrenheit in the summertime and no less than 72 degrees Fahrenheit in the wintertime.

In the event Lessor fails or refuses to pay any or all of the charges when due, Lessee may give Lessor ten (10) calendar days prior written notice to correct and thereafter pay directly such charges and deduct the payments from the installments of rent next due as a charge against the Lessor, or if Lessor does not thereafter pay such charges in time to prevent the interruption of service to the Premises, the Lessee at its sole discretion, within two (2) business days of said interruption, may surrender the premises by written notice to Lessor and shall not be liable for any further rental under this Lease and Agreement.

11. **LESSOR'S ACCESS:**

Lessee agrees to permit the Lessor or Lessor's authorized agents free access to the demised Premises at all reasonable times for the purpose of inspection or for making necessary improvements or repairs.

12. **DEFAULT:**

a. **Default by Lessee:**

Lessee agrees that if default shall be made in the payment of rent in the manner herein provided or in any of the covenants or agreements herein contained on the part of the Lessee to be kept and performed which constitute a material breach of the Lease, it shall be lawful for the Lessor to declare said term ended and to terminate this Lease upon the giving of thirty (30) days written notice. In addition thereto, Lessor shall have such other rights or remedies as may be provided by law. Lessor may not terminate the Lease if (1) Lessee cures the default within the thirty (30) day period after the notice is given, or (2) the default cannot reasonably be cured within the thirty (30) days after notice is given, but Lessee reasonably commences to cure the default within the thirty (30) days period and diligently and in good faith continues to cure the default.

b. **Default by Lessor:**

Lessor shall not be in default in the performance of any obligation required to be performed under this Lease unless Lessor has failed to perform such obligation within thirty (30) days after the receipt of written notice of default from Lessee specifying in detail Lessor's failure to perform. If Lessor fails to perform such obligation within such thirty (30) day period, and if Lessee then delivers a second written notice to

Lessor, specifying in detail Lessor's failure to perform (or attach a copy of the prior notice), and if Lessor does not cure such default within such second (2nd) thirty (30) day period or, if such default cannot be cured within such period, commence to cure such default, and thereafter continuously and diligently proceed to cure such default, then Lessee may terminate this Lease. In addition thereto, Lessee shall have such other rights or remedies as may be provided by law. Lessee may not terminate the Lease if (1) Lessor performs and meets the obligation within the thirty (30) day period (or shorter specified period) after notice of default is given, or (2) the obligation cannot reasonably be performed within thirty (30) days after notice of default is given, but Lessor reasonably commences to cure the default within the thirty (30) day period (or shorter specified period pursuant to Paragraphs 2A, 7, 9B, 10, 16, 21, and 23L) and diligently and in good faith continues to cure the default.

Lessee shall not exercise any of its rights under this Paragraph, other than its rights to give notice, until Lessee gives notice to any person who has requested in writing notice of Lessor's default, and has specified that person's interest in the Lease. The notice to such person shall be for the same period of time as that to which Lessor is entitled. Such person shall have the right to cure the default within the same period of time, after notice, to which Lessor would be entitled.

If Lessor or such person does not cure the default, Lessee may exercise any of its rights or remedies provided for or permitted in this Lease or pursuant to law, including the right to recover any damages proximately caused by the default.

If Lessee is permitted to cure the default under the terms of this Lease, and elects to do so, then Lessee shall be entitled to reimbursement for all of its costs incurred, as well as to recovery for all damages proximately caused to it because of the default.

c. Request for Notice of Default

Lessor shall obtain prior to the Lessee's occupancy of the Premises, a Request for Notice of Default, in a recordable form, executed and acknowledged by Lessor, requesting that the County be notified of any Notice of Default filed by any of Lessor's lenders, to the address of County as specified in Section 15 of this lease.

d. Receipt of Notice

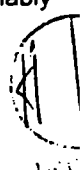
Notwithstanding anything in Paragraph 15 herein to the contrary, receipt of notice under this Paragraph shall be conclusively presumed to have occurred on the earliest of: The date of personal delivery to Lessor or to Lessor's attorney (L David Cole) at the addresses listed in Section 15 NOTICES of this Lease.

The date of delivery shown upon the United States Postal Service's return receipt for certified or registered mail.

Ten (10) days after deposit of notice to the address stipulated in Paragraph 15, sent by first class mail with the United States Postal Service, provided prior or concurrent notice has been attempted pursuant to Paragraph 15, but delivery has been refused or the notice otherwise returned without delivery.

13. ASSIGNMENT SUBLETTING:

Lessee shall not have the right to assign, or sublease this lease, except to a government agency, assignee, contractor or subcontractor as provided below, without the prior written consent of Lessor, which shall not be unreasonably



1 withheld. Any request for Lessor's consent by Lessee shall be accompanied
2 by a copy of the most recent annual and quarterly financial statements of the
3 proposed assignee or sub-lessee and a bank credit reference. Lessor shall
4 notify Lessee of its approval or disapproval of such assignee or sub-lessee
5 within fifteen (15) days of receipt of all the above information. Failure to
6 respond by Lessor within 15 days shall be deemed to constitute Lessor's
7 consent. Lessor's refusal to consent shall be deemed reasonable if the
8 proposed assignee or sub-lessee is of comparable credit worthiness to the
9 County of Los Angeles, which consent shall not be unreasonably withheld.
10 Any approval by Lessor shall be upon the condition that the assignee or sub-
11 lessee expressly assumes and agrees in writing to pay the rent and to perform
12 each and every covenant and agreement in this lease required by Lessee to
13 be paid or to be performed. In the event of Lessor's consent and assumption
14 by assignee of all of Lessee's obligations under this Lease, Lessee shall no
15 longer be liable under this Lease with respect to obligations arising from and
16 after the date of such assignment.

17
18 Notwithstanding the forgoing, Lessee shall have the right at all times to assign
19 or sub-lease to another government agency, assignee or contractor, or sub-
20 contractor of County without Lessor's written consent so long as the intended
21 use is consistent and compatible with the other tenancy within the building
22 premises and/or surrounding buildings provided that no such assignment or
23 subletting shall relieve County of its obligations under this Lease and Lessee
24 shall remain primarily liable. Lessee agrees to notify Lessor of any change in
25 tenancy.

26
27 **14. ALTERATIONS:**

28 Lessor and Lessee agree not to make any structural alterations in or on the
29 demised Premises without first securing the prior written consent of the other
30 party and further agree to make such alterations only at such time that it is
31 agreeable to said other party. Consent shall be given or denied within thirty
32 (30) days of receipt of written request. Consent shall not be unreasonably
33 withheld. Should there be no response within thirty (30) days the request is
34 deemed approved. "Structural" alterations shall be any modification to the
35 improvements which results in a change in the structural integrity of the
36 improvements or alters the gross cubic area of the improvements.
37 Notwithstanding any other provision, the Lessee may make non-structural
38 alterations without Lessor's prior written consent.

39
40 Any alterations installed by Lessee which are "trade fixtures as such are
41 defined by the law of eminent domain shall be treated as tenant's fixtures in
42 accordance with the provisions of this Lease and Agreement

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45 **15. NOTICES:**

46 Notices desired or required to be given by this Lease or by any law now or
47 hereinafter in effect shall be given by enclosing the same in a sealed envelope
48 with postage prepaid, certified or registered mail, return receipt requested, with
49 the United States Postal Service.

50
51 Any such notice and the envelope containing the same shall be addressed to
52 the Lessor as follows:

53
54
55 Hamilton Dutch Investors
56 11620 Wilshire Blvd., Suite 540
57 Los Angeles, CA 90071
58 Attn: Howard Mann

59 and to:

60 Eugene Rosenfield
61 400 Continental Boulevard, Suite 100
62 El Segundo, CA 90245

63 or such other place as may hereinafter be designated in writing by the Lessor
64

1 except that Lessor shall at all times maintain a mailing address in California.

2
3 The notices and envelopes containing the same shall be addressed to the
4 Lessee as follows:

5
6 Board of Supervisors
7 Kenneth Hahn Hall of Administration, Room 383
8 500 West Temple Street
9 Los Angeles, CA 90012

10
11 with a copy to:

12
13 Chief Administrative Office, Real Estate Division
14 222 South Hill Street, 3rd Floor
15 Los Angeles, CA 90012
16 Attention: Director of Real Estate

17
18 **16. CONDEMNATION:**

19
20 If the Premises or any portion thereof are taken under the power of eminent
21 domain, or sold under the threat of the exercise of said power (all of which are
22 herein called "condemnation") any award for the taking of all or any part of the
23 Premises shall be the property of the Lessor, to the extent it is compensation
24 for the taking of the fee or as severance damages. Lessee shall be entitled to
25 that portion of the award, if any, attributable to Lessee's trade fixtures and
26 improvements and for the bonus value of Lessee's leasehold. "Trade fixtures"
27 are agreed to include any tenant improvements installed at the Lessee's
28 request to the extent that Lessee has reimbursed Lessor for such tenant
29 improvements in a lump sum or through amortization included in the rent
30 payments. This Lease shall remain in full force and effect as to the portion of
31 the Premises remaining except that the rent shall be reduced in the proportion
32 that the area taken bears to the total leased Premises.

33
34 In the event of a partial taking of the structure, Lessor shall use the proceeds
35 of the condemnation received by Lessor to restore the Premises to a complete
36 architectural unit of a quality, appearance and functional utility at least
37 consistent with the structure as it existed prior to the taking. Rent shall abate
38 for such time and for such area as reconstruction is required and areas are not
39 secure, weather-tight, and usable as office space. Failure of Lessor to
40 commence (as defined in Section 7) such restoration within thirty (30) days of
41 the actual physical taking of a portion of the structure shall be grounds for
42 Lessee to cancel this Lease by giving Lessor fifteen (15) days advance written
43 notice of such cancellation, or Lessee, in its discretion, may elect to undertake
44 directly the restoration and deduct the costs thereof from the installments of
45 rent next payable to the Lessor. Commencement under the aforementioned
46 condition shall require (1) securing the area to prevent injury to persons and/or
47 vandalism to the improvements, and (2) the placement of a work order or
48 contract for obtaining the Labor and Materials to accomplish the restoration.

49
50 Within fifteen (15) days of receipt of the offer to acquire the property pursuant
51 to Section 7267.2 of the Government Code or, within fifteen (15) days of the
52 date lessor receives notice of the RESOLUTION of NECESSITY to condemn
53 property, whichever is earlier, Lessor shall notify Lessee in writing (1) of
54 condemnation proceeding and (2) physical extent of the Premises that will be
55 affected by the proposed taking.

56
57 If more than ten percent (10%) of the floor area of the improvements on the
58 Premises, or more than twenty-five percent (25%) of the land area of the
59 Premises, which is not occupied by any improvements, is taken by
60 condemnation, Lessee may cancel this Lease, provided Lessee gives written
61 notice of such cancellation within fifteen (15) days of such taking. The parties
62 agree that Lessor and Lessee shall each receive independently their relocation
63 assistance.

1 In the event of a partial taking of the parking area, Lessor shall use its best
2 effort to provide Lessee with two hundred thirty eight (238) exclusive off-street
3 in-and-out parking spaces within five hundred (500) feet of the demised
4 Premises. Lessee may at its sole discretion negotiate with Lessor for an
5 equitable reduction in the monthly rent based upon the Fair Market Value of
6 such parking or the loss of such parking if not replaced. If so requested by
7 Lessor, Lessee shall use its best efforts to cause the Los Angeles Department
8 of Water and power to make available any required parking on the real
9 property which it owns or controls which adjoins the Premises.

10
11 Notwithstanding the above, failure of the Lessor to provide a minimum of two
12 hundred twenty (220) spaces at all times shall entitle Lessee to cancel this
13 Lease by giving Lessor fifteen (15) days' advance written notice of such
14 cancellation.

15
16 **17. INDEMNIFICATION AND INSURANCE REQUIREMENTS:**

17 During the term of this Lease, the following indemnification and insurance
18 requirements shall be in effect.

19
20
21 **a. Indemnification:**
22 Lessor shall indemnify, defend and hold harmless Lessee, from and
23 against any and all liability, including but not limited to demands, claims,
24 actions, fees, costs, and expenses (including attorney and expert
25 witness fees), arising from or connected with Lessor's ownership,
26 repair, maintenance and other acts and/or omissions arising from
27 and/or relating to the Premises.

28
29 Lessee shall indemnify, defend and hold harmless Lessor, from and
30 against any and all liability, including but not limited to demands, claims,
31 actions, fees, costs, and expenses (including attorney and expert
32 witness fees), arising from or connected with Lessee's use of the
33 Premises.

34
35 **b. Waiver:**
36 Both the Lessee and Lessor each agree to release the other and waive
37 their rights of recovery against the other for damage to their respective
38 property arising from perils insured in the Causes-of-Loss Special Form
39 (ISO form CP 10 30).

40
41 **c. General Insurance - Lessor Requirements:**
42 Without limiting Lessor's indemnification of Lessee and during the term
43 of this Lease, Lessor shall provide and maintain the programs of
44 insurance set forth in Paragraph 17. D., Insurance Coverage Types and
45 Limits - Lessor Requirements. Such insurance shall be primary to and
46 not contributing with any other insurance or self-insurance programs
47 maintained by Lessee, and such coverage shall be provided and
48 maintained at Lessor's own expense.

49
50 **Evidence of Insurance.**
51 Certificate(s) or other evidence of coverage satisfactory to
52 Lessee shall be delivered to the Chief Administrative Office,
53 Real Estate Division, 222 S. Hill Street, 4th floor, Los Angeles,
54 CA 90012 Attn: Director of Real Estate upon execution of this
55 Lease. Such certificates or other evidence shall:

- 56 (1) Specifically identify this Lease.
57 (2) Clearly evidence all coverages required in this Lease
58 (3) Contain the express condition that Lessee is to be given
59 written notice by mail at least thirty (30) days in advance
60 of cancellation for all policies evidenced on the certificate
61 of insurance.
62 (4) Include copies of the additional insured endorsement
63 (ISO form CG 20 26) to the commercial general liability



- 1 policy, adding the Lessee as an additional insured
2 (5) identify any deductibles or self-insured retentions
3 exceeding \$25,000.
4

5 **Review of Insurance Requirements:**

6 The types of insurance and limits required under this Lease shall
7 be reviewed annually by the Lessor or its representative.
8 Coverage types and limits shall reflect the prevailing practice in
9 the Los Angeles metropolitan area for insuring similar property
10 and casualty risks, and be subject to Lessee's approval.
11 Insurance is to be provided by an insurance company
12 acceptable to Lessee with an A.M. Best rating of not less than
13 A:VII, unless otherwise approved by Lessee.
14

15 **d. Failure to Maintain Coverage**

16 Failure by Lessor to maintain the required insurance, or to provide
17 evidence of insurance coverage acceptable to Lessee, within 10 days
18 notice of request, (10 business days) shall constitute a material breach
19 of the Lease pursuant to Paragraph 12. B., Default by Lessor.
20 Alternatively, at its sole option, Lessee may purchase such required
21 insurance coverage, and without further notice to Lessor, deduct any
22 premium costs advanced by Lessee for such insurance from any rental
23 payments next due to Lessor.
24

25 **Insurance Coverage Types and Limits - Lessor Requirements:**

26 General Liability insurance (written on ISO policy form CG 00 01
27 or its equivalent) with limits of not less than the following:

28 General Aggregate:	\$ 5 million
29 Products/Complete	
30 Operations Aggregate:	\$ 2 million
31 Personal and Advertising Injury:	\$ 1 million
32 Each Occurrence:	\$ 1 million

33 **Commercial Property insurance. Such insurance shall:**

- 34 (1) Cover damage to Lessor's property, including
35 improvements and betterments, from perils covered by
36 the Causes-of-Loss Special Form (ISO form CP 10 30),
37 and include Ordinance or Law coverage.
38
39 (2) Be written for the full replacement cost of the property,
40 with a deductible of no greater than 10% of the property
41 value. Insurance proceeds shall be payable to the Lessor
42 and the Lessee as their interests may appear and be
43 utilized for repair and restoration of the Premises. Failure
44 by Lessor to use such insurance proceeds to timely repair
45 and restore the Premises shall constitute a material
46 breach of this Lease pursuant to Paragraph 12B, Default
47 by Lessor.
48
49 (3) Include a Waiver of Subrogation in favor of Lessee.
50

51 **e. General Insurance - Lessee Requirements:**

52 During the term of this Lease, Lessee shall maintain a program of
53 insurance coverage as described below. Lessee, at its sole option,
54 shall use commercial insurance and/or self-insurance coverage or any
55 combination thereof to satisfy these requirements. Certificate(s)
56 evidencing coverage will be provided to Lessor after execution of this
57 Lease at Lessor's request.
58

59 **f. Insurance Coverage Types and Limits - Lessee Requirements:**

60 GENERAL LIABILITY
61 coverage (equivalent to ISO policy form CG 00 01) with limits of
62 not less than the following:
63



General Aggregate:	\$ 2 million
Products/Completed	
Operations Aggregate:	\$ 1 million
Personal and Advertising Injury:	\$ 1 million
Each Occurrence:	\$ 1 million

Lessor shall be an Additional Insured (or its equivalent) with respect only to liability arising from Lessee's negligence in its use of the leased Premises.

18. TAXES:

Lessor shall pay promptly all real property taxes, assessments and special assessments which may be levied or assessed against the demised Premises during the term of this lease or any renewal or holdover period thereof.

In the event Lessor fails or refuses to pay any or all of the taxes or assessments when due, Lessee may give Lessor thirty (30) calendar days prior written notice and thereafter pay such taxes and assessments and deduct the payments from the installments of rent

19. RIGHT OF FIRST OFFER TO PURCHASE

A. Lessor shall not, at any time prior to the expiration of the term of this Lease, or any extension thereof, sell the Premises, or any interest therein, (other than to a "related entity" which shall mean any entity which is controlled by, controlling, or under common ownership with Lessor or any individual or corporate member of Lessor or any legal successor, devisee, heir or estate or family member of Lessor) without giving written notice thereof to Lessee, which notice is hereinafter referred to as "Notice of Sale".

B. In the event Lessor elects to sell the Premises, prior to soliciting or considering offers from any other person for the purchase and sale of the Premises, Lessor shall give notice of its intent to sell the Premises to the Lessee. For a period of thirty (30) days following Lessor's delivery of such notice, Lessee and Lessor shall attempt in good faith to agree upon the purchase and sale of the Premises for a purchase price and upon terms and conditions which are acceptable to each of them. If Lessor and Lessee are unable so to agree, not later than the last day of such thirty (30) days Lessee shall deliver to Lessor a written statement of the price and terms upon which Lessee is willing to purchase the Premises ("Lessee's Final Offer"). If Lessor does not accept Lessee's Final Offer and if thereafter Lessor negotiates with a third party and is otherwise willing to enter into an agreement with that third party on terms substantially less favorable to Lessor than Lessee's Final Offer (i.e., more than a 7.5% reduction in price or more than a 10% increase in lessors provided financing, if any), Lessor shall offer to sell the Premises to Lessee on those terms by giving Lessee written notice thereof ("Lessor's Offer"). Lessee shall have thirty (30) days from receipt of Lessor's Offer to accept Lessor's Offer. If Lessee fails to accept Lessor's Offer within such thirty (30) days or rejects Lessor's Offer in writing, Lessor shall be free to consummate the transaction with such third party without liability to Lessee. If Lessee accepts Lessor's Offer, Lessee shall consummate the transaction with Lessor on the terms and conditions specified in Lessor's Offer on the earlier of (i) the time for consummation specified in Lessor's Offer or (ii) ninety (90) days following Lessor's Offer. So long as the price and terms upon which Lessor agrees to sell the Premises are not substantially less favorable to Lessor than Lessee's Final offer, Lessor shall be free to sell the Premises to any other person for such purchase price and upon such terms and conditions as Lessor in its sole discretion may determine to accept.

20. BINDING ON SUCCESSORS:

Each and all of the terms and agreements herein contained shall be



1 binding upon and shall inure to the benefit of the successors in interest of the
2 Lessor, and wherever the context permits or requires, the successors in
3 interest to the Lessee.

4
5 **21. PARKING SPACES:**

6 Lessor at its sole cost and expense shall provide for the exclusive use by
7 Lessee during the term of this Lease and Agreement or any renewal or
8 holdover period as the case may be, two hundred thirty eight (238) off-street
9 in-and-out parking spaces located on the premises. No tandem spaces will be
10 included and all spaces will be "in and out" as long as that design is consistent
11 with County policy.

12 Lessor shall use his best effort to provide Lessee with two hundred thirty eight
13 (238) exclusive spaces at all times. If Lessor provides less than 238 spaces
14 Lessee may at its sole discretion negotiate with Lessor for an equitable
15 reduction in the monthly rent based upon the Fair Market Value of such
16 parking or the loss of such parking if not replaced.

17 Notwithstanding the above, failure of the Lessor to provide a minimum of two
18 hundred thirty eight (238) spaces at all times shall entitle Lessee to cancel this
19 Lease and Agreement by giving Lessor forty-five (45) days advance written
20 notice of such cancellation which shall be void if within such forty-five (45) day
21 period Lessor provides reasonably comparable parking spaces, within 500 feet
22 from the Premises;

23
24
25 **22. HAZARDOUS MATERIALS:**

26
27 **a. Definition:**

28 For purposes of this Agreement, the term "hazardous substances" shall
29 be deemed to include hazardous, toxic or radioactive substances as
30 defined in California Health and Safety Code Section 25316 as
31 amended from time to time, or the same or a related defined term in
32 any successor or companion statutes, and crude oil or byproducts of
33 crude oil other than crude oil which exists on the property as a natural
34 formation, and those chemicals and substances identified pursuant to
35 Health and Safety Code Section 25249.8.

36
37 **b. Warranties and Representations:**

38 Lessor hereby warrants and represents, based upon appropriate and
39 reasonable inspection of the Premises, that during its ownership of the
40 Premises; hazardous substances have not been released on the
41 Premises; that it has no knowledge of any release of hazardous
42 substances on the Premises occurring before its ownership; that it has
43 no knowledge or reason to believe that there are hazardous substances
44 on the Premises; that Lessor shall comply with all federal, state and
45 local laws and regulations concerning the use, release, storage and
46 disposal of hazardous substances; and that Lessor shall require all
47 other tenants, if any, of the subject property to comply with the
48 aforementioned rules and regulation.

49 Lessee, including its employee, agents, contractors, invitee, or guests
50 hereby warrants and represents that it shall comply with all federal,
51 state and local laws and regulations concerning the use, release,
52 storage and disposal of hazardous substances on the Premises.

53 Notwithstanding any other provision of the Paragraph 22, Lessee
54 acknowledges that it has received from Lessor's counsel under cover
55 letter of July 11, 1990, copies of the following environmental studies
56 which were performed on the subject property: (i) letter report dated
57 August 11, 1988 from ERT, (ii) assessment of potential soil
58 contamination dated March 30, 1989, prepared by Emcon Associates;
59 and Lessor has delivered to Lessee a Property Status Report Status,
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1 dated September 2000, prepared by R. Mancini & Associates, and such
2 reports show the existence of benzene and other contaminants in the
3 area of the Premises, including but not limited to an area of the property
4 surrounding an abandoned Shell Oil Company pipeline which does not
5 affect the use of the Premises. Lessor agrees to take such steps as are
6 reasonably necessary to continue to insure that the benzene and other
7 contaminants do not endanger the health and safety of anyone on the
8 premise or Lessee's use of the premises, and shall indemnify, defend
9 and hold Lessee harmless from any and all liability, loss or damage,
10 which could result from such benzene and other contaminants deposit.

11
12 **c. Notice:**

13 Lessor and Lessee agree to immediately notify each other when either
14 party learns that hazardous substances have been released on the
15 Premises or, if a multi-tenant property, on the subject property.

16
17 **d. Indemnity:**

18 Lessor agrees to indemnify, defend and save Lessee, its agents, offices
19 and employees from or against all liability, expenses (including defense
20 costs, legal fees, and response costs imposed by law) and claims for
21 damages of any nature whatsoever which arise out of the presence of
22 hazardous substances on the Premises which has not been caused by
23 Lessee.

24
25 Lessee agrees to indemnify, defend and save harmless Lessor from
26 and against all liability, expenses (including defense costs, legal fees
27 and response costs imposed by law) and claims for damages of any
28 nature whatsoever which arise out of the presence of hazardous
29 substances on the Premises caused by Lessee.

30
31 The indemnity provided each party by this provision shall survive the
32 termination of this Lease.

33
34 **e. Default:**

35 The presence or release of hazardous substances on the Premises
36 and/or subject property, which is not caused by Lessee and which
37 threatens the health and safety of Lessee's agents, officers, employees
38 or invitee, as determined by Lessee's sole discretion, shall entitle
39 Lessee to immediately terminate this Lease. In the event of such
40 termination, Lessee shall not be obligated for any further rental and
41 Lessor shall refund any unearned rent paid in advance by Lessee
42 calculated at a daily rate based on the regular monthly rental.

43
44 **f. Operating Costs:**

45 Costs incurred by Lessor as a result of the presence or release of
46 hazardous substances on the Premises and/or subject property which
47 is not caused by Lessee are extraordinary costs not considered normal
48 operating expenses and shall not be passed through to Lessee as part
49 of its obligation, if any, to pay operating expenses.

50
51 **g. Asbestos Notification:**

52 Lessor agrees to notify (County/Lessee) at least annually of Lessor's
53 knowledge of the presence of asbestos containing materials within the
54 building of which the demised Premises is part. Such notification shall
55 comply with Health and Safety Code Sections 25915 et seq as
56 amended from time to time or as required by any successor or
57 companion statutes enacted subsequent to this Lease and Agreement.

58
59 **h. Indoor Air Pollution Notification:**

60 Lessor represents and warrants that a) there have been no complaints
61 regarding the indoor air quality anywhere in the building or in the
62 ventilating system; b) he Lessor will deliver to Lessee/County copies of
63 any such complaints received; c) to the best of Lessor's knowledge



1 there are no indoor air pollution and/or air quality problems in the
2 building; and d) the Lessor will notify Lessee/County if any indoor air
3 quality or environmental problem is discovered by or reported to Lessor
4 in the building, and undertake to correct such problem at his Lessor's
5 sole cost and expense.
6

7 **23. GENERAL PROVISIONS:**

8
9 **a. Waiver**

10 The waiver by Lessor or Lessee of any term, covenant or condition
11 herein contained shall not be deemed to be a waiver of such term,
12 covenant or condition on any subsequent breach of the same or any
13 other term, covenant or condition herein contained.
14

15 **b. Marginal Headings**

16 The paragraph titles in this Lease are not a part of this lease thereof
17 and shall have no effect upon the construction or interpretation of any
18 part hereof.
19

20 **c. Time**

21 Time is of the essence of this Lease and each and all of its provisions
22 in which performance is a factor.
23

24 **d. Recordation**

25 This lease shall not be recorded but the parties shall execute and
26 acknowledge before a notary public, the Memorandum of Lease
27 attached to this Lease as Exhibit "G". The Memorandum of Lease may
28 be recorded with the Los Angeles County Recorder at Lessee's
29 expense.
30

31 Lessee shall, within thirty (30) days of the lease termination, upon
32 Lessor's request, execute and deliver to Lessor a quitclaim deed to the
33 Premises, in recordable form, designating Lessor as Transferee. The
34 quitclaim deed may be executed by the Chief Administrative Officer of
35 the County of Los Angeles or his designee.
36

37 **e. Quiet Possession**

38 Upon Lessee paying the rent hereunder Lessee shall have quiet
39 possession of the demised Premises for the entire term hereof subject
40 to all the provisions in this Lease. If any underlying lease terminates for
41 any reason or any mortgage or deed of trust is foreclosed or a
42 conveyance in lieu of foreclosure is made for any reason, this Lease
43 shall nevertheless remain in full force and effect and Lessee at all times
44 shall be entitled to quiet possession and use of the Premises and shall,
45 notwithstanding any subordination, and upon the request of such
46 successor in interest to Lessor, attorn to and become the Lessee of the
47 successor in interest to Lessor.
48

49 **f. Prior Agreements**

50 This Lease contains all of the agreements of the parties hereto with
51 respect to any matter covered or mentioned in this Lease and no prior
52 agreements or understanding pertaining to any such matter shall be
53 effective for any purpose. No provision of this Lease may be amended
54 or added to except by an agreement in writing signed by the parties
55 hereto or their respective successors-in-interest. This Lease shall not
56 be effective or binding on any party until fully executed by both parties
57 hereto.
58

59 **g. Force Majeure**

60 In the event that either party is delayed or hindered from the
61 performance of any act required hereunder by reason of strikes,
62 lock-outs, labor troubles, inability to procure materials not related to the
63 price thereof, failure of power, restrictive governmental laws and

1 regulations, riots, insurrection, war or other reasons of a like nature
2 beyond the control of such party, then performance of such acts shall
3 be excused for the period of the delay, and the period for the
4 performance of any such act shall be extended for a period equivalent
5 to the period of such delay. Nothing in this paragraph "g" shall excuse
6 either party from obligation to pay any monetary obligation to the other
7 party under this Lease when and as such payment is due.

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h. **Separability**

Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

i. **Cumulative Remedies**

No remedy or election hereunder shall be deemed exclusive but shall wherever possible be cumulative with all other remedies at law or in equity.

j. **Choice of Law**

This Lease shall be governed by the laws of the State of California, exclusive of conflict of law provisions.

k. **Warranties or Guarantees**

In the event that any of the items required to be maintained and repaired by the Lessor under the provisions of Paragraph 9A herein are protected by warranties or guarantees the Lessee shall be entitled to the full benefit of such protection as if it were the original purchaser thereof.

l. **Impairment of Title**

Lessor hereby covenants to notify Lessee in writing within thirty (30) days of each and every occurrence which may impair Lessor's title to the demised Premises. Such occurrences include, but are not limited to, default on a trust deed, transfer of any interest in any trust deed, notification of any lien recordation, notification of any foreclosure, and notification of default in the master lease. Lessor further agrees to notify Lessee, in writing, within ten (10) days of receipt of any written notice regarding redevelopment, zoning, or conditional use permits which affect the property, the subject of this Lease or real property adjacent thereto.

m. **Construction**

Any and all construction pertaining to this Lease and Agreement by Lessor or his designated contractors or subcontractors shall comply with all applicable City, County, State and Federal regulations, codes and ordinances, including but not limited to all provisions of the Labor Code of the State of California. Under the provisions of said Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction of the improvements.

Particulars of the current Prevailing Wage Scale, as approved by the Board of Supervisors, which are applicable to the work contemplated are filed with the Clerk of the Board of Supervisors and must be posted at the subject site.

n. **Interpretation**

The language of this Lease shall be construed according to its fair meaning and not strictly for or against Lessor or Lessee.

o. **Community Business Enterprise**

Lessor is encouraged to use Community Business Enterprises (CBE) in



1 all contracts when possible as sources for supplies, equipment,
2 construction and services. This shall apply during any applicable tenant
3 improvement construction, modular furniture installation and services
4 to be provided during the lease term.

5
6 Lessor shall submit evidence of CBE participation by providing
7 completed copies of the Community Business Enterprise Firm
8 Information, form attached hereto as Exhibit "F", at the time of signing
9 this Lease and Agreement and thereafter on an annual basis on or
10 before December 30th of each year of the term of this Agreement.

11
12 **p. Lobbyists**

13 Lessor and each County lobbyist or County lobbying firm as defined in
14 Los Angeles County Code Section 2.160.010, retained by Lessor, shall
15 fully comply with the County Lobbyist Ordinance, Los Angeles County
16 Code Chapter 2.160. Failure on the part of Lessor or any County
17 lobbyist or County lobbying firm retained by Lessor to fully comply with
18 the County Lobbyist Ordinance shall constitute a material breach of this
19 Agreement upon which County may immediately terminate or suspend
20 this Lease and Agreement.

21
22 **24. WARRANTY OF AUTHORITY:**

23 Each of the undersigned signatories for the Lessor hereby personally
24 covenant, warrant and guarantee that each of them, jointly and severally, have
25 the power and authority to execute this Lease upon the terms and conditions
26 stated herein and each agrees to indemnify and hold harmless the Lessee
27 from all damages, costs, and expenses, which result from a breach of this
28 material representation.

29
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31 **25. ESTOPPEL CERTIFICATE:**

32 Either party shall at any time upon not less than thirty(30) days' prior written
33 notice from the other party execute, acknowledge and deliver to the requesting
34 party a statement in writing (1) certifying that this Agreement is unmodified and
35 in full force and effect (or, if modified, stating the nature of such modification
36 and certifying that this Agreement, as so modified, is in full force and effect)
37 and the date to which the rent and other charges are paid in advance, if any,
38 and (2) acknowledging that there are not to the declarant's knowledge, any
39 uncured defaults on the part of either party hereunder, or specifying such
40 defaults if any are claimed. Any such statement may be conclusively relied
41 upon by any prospective purchaser or encumbrancer of the building complex
42 or any other interested party. Failure to deliver such statement within such
43 time shall be conclusive evidence (a) that this Agreement is in full force and
44 effect without modification except as may be represented by the requesting
45 party in the written request for the certificate, (b) that there are no uncured
46 defaults in either party's performance, and (c) that not more than one month's
47 rent has been paid in advance.

48
49
50 **26. TENANT IMPROVEMENTS:**

51
52 **a. Tenant Improvement Allowance:**

53 Lessor within ten (10) days after receipt of a duly executed copy of this
54 Lease document and County-approved preliminary plans, will, at its
55 own expense, cause a licensed California architect to prepare final
56 working drawings and specifications for the proposed interior tenant
57 improvements which are to be provided by Lessor up to a maximum
58 cost of \$940,000 on the 47,000 square feet of existing space (\$20 per
59 square foot) and up to a maximum cost of \$594,750 on the 19,825
60 square feet of new space (\$30 per square foot) as estimated by Lessor
61 for a total maximum cost of \$1,534,750. Should said tenant
62 improvements cost less, then Lessor shall pass on such savings to
63 Lessee in the form of a rent reduction over the term of the Lease at the

rate of Twelve and 94/100 Dollars (\$12.94) per month for each One Thousand Dollars (\$1,000.00) of savings. Lessor agrees to execute a work letter, ("Tenant Improvement Work Letter") substantially in the form as attached Exhibit "H".

b. Additional Tenant Improvement Allowance:

In the event that the tenant improvement cost exceeds \$1,534,750 (\$22.9667 per square foot), Lessee may authorize Lessor after review of estimates and written approval of the Chief Administrative Officer to pay the overage up to a maximum total of \$2,136,175 (\$31.9667 per square foot), including the base allowance. Lessee agrees to reimburse Lessor for tenant improvement cost above \$1,534,750 (\$22.9667 per square foot), and will amortize said cost at the rate of 9.5% per annum over the lease term in 120 equal monthly installments. The Lessee may at anytime during the Lease term pay Lessor in a lump sum for all or any portion of the tenant improvement cost and reduce the rental rate per Paragraph 3 accordingly. Lessor will notify Lessee of the tenant improvement final cost, and the amount payable monthly by Lessee as additional rent, which cannot unreasonably be withheld. For purposes of ascertaining the actual cost of said tenant improvements, Lessor shall provide to Lessee, upon the issuance of a Certificate of Occupancy, or a final sign-off by the City of Los Angeles, a detailed breakdown of the total costs of constructing the tenant improvements and execute a summarized breakdown of the total costs of the tenant improvements in the form of the attached Exhibit "G" with the right to audit these costs for a period of Twenty-four months from the date of commencement of the term of this Lease.

c. Furniture Allowance:

Lessor within ten (10) days after receipt of a duly executed copy of this Lease document and County-approved preliminary plans, will, at its own expense, cause a licensed California architect to prepare final working drawings and specifications for the proposed office furniture systems which are to be provided by Lessor up to a maximum cost of \$1,670,625 (\$25) per square foot on the entire 66,825 square feet of rentable office space and will amortize said cost at the rate of 9.5% per annum in 60 equal monthly installments during the initial five years of the lease term. The Lessee may at anytime during the Lease term pay Lessor in a lump sum for all or any portion of the tenant improvement cost and reduce the rental rate per Paragraph 3 accordingly. Lessor shall provide to Lessee, upon the acceptance of each phase of Occupancy by Lessee, which cannot be reasonably withheld, the Furniture final cost or cost by phased completion, and the amount payable monthly by Lessee as additional rent. For purposes of ascertaining the actual cost of said improvements, Lessor shall provide to Lessee, a detailed breakdown of the total costs of the furniture systems, installation and required construction of the tenant improvement (furniture systems) and execute a summarized breakdown of the total costs of the tenant improvements in the form of the attached Exhibit "G" with the right to audit these costs for a period of Twenty-four months from the date of commencement of the term of this Lease.

In the event Lessee requests a rent reduction due to its audit of these costs, Lessee shall provide Lessor with a copy of the audit summary as part of its request.

The working drawings are to be prepared in accordance with preliminary plans and specifications No. 16-01 dated 6-25, 2001. Said Plans and Specifications are also on file with the Chief Administrative Office and identified as Exhibit "A" and incorporated herein by reference thereto and Lessor has a duplicate copy. Lessor shall provide any final working drawings required from said preliminary plans with Lessee having the right to review and approve said final working

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drawings. All work, construction and materials shall be in accordance with the drawings and specifications. All circuit breakers, fire sprinklers, and plumbing shut off valves shall be labeled as to areas controlled both on the drawings and on the breaker panels and valves. Upon completion Lessor shall furnish the Chief Administrative Office with one complete set of reproducible as-built drawings of the tenant improvements plus a copy of the "as built" plans in an AutoCAD DXF file, together with the existing plans, in the possession of the owner, showing the locations of any underground utility lines and their depths.

The Premises shall meet all applicable City, County State and Federal building codes, regulations and ordinances required for beneficial occupancy. Any work, including construction, that Lessor must undertake to obtain the necessary jurisdictional approvals for occupancy shall be at Lessor's sole cost and expense and shall not be considered as part of the tenant improvement allowance. Any work to meet applicable code requirements necessitated by Lessee's special requirements shall be included as part of the tenant improvement allowance.

The Lessor shall cause its general contractor to obtain and submit three bids for each of the subcontracts related to the construction of the tenant improvements to the County for its review and approval prior to award of the contract. The bids shall include an itemized list of all materials, specifications and labor and shall include all additional costs including A/E fees, permits, reasonable contractor's profit and overhead, and project management fees (if mutually agreed upon by Lessor and Lessee and which shall not exceed 1½ % of the total tenant improvement costs including office furniture systems). Three bids for the purchase and installation of the office furniture system, prepared by the furniture dealer, shall be included in the construction estimates, if applicable.

The tenant improvement cost shall not include any costs incurred for asbestos abatement, fire sprinkler system, or if required, conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere. All work for required asbestos abatement, fire sprinkler system, or air conditioning system conversion shall be performed at the sole cost and expense of Lessor.

d. Completion

The parties agree that, subject to agreement between Lessor and Lessee upon a mutually acceptable phasing plan, the estimated time for completion of said tenant improvements is 90 days from the actual date on which the existing tenant vacates the Premises or the date of issuance of the building permit based on the Construction Schedule attached herewith as Exhibit "F". Lessor shall file for a building permit to construct the improvements within ten (10) days of completion of final working drawings and acceptance by Lessee and diligently pursue to obtain the permit as soon as possible.

Additionally, Lessor shall complete the telephone equipment room(s) including permanent power and HVAC in compliance with the plans and specifications referenced above as Exhibit "F" at least thirty (30) days prior to the estimated completion date. During this thirty (30) day period, the Lessor shall be responsible for any telephone/data equipment delivered to the site for programming prior to the completion date.

Completion may be delayed by:

Acts or omissions of Lessee or of any employees or agents of Lessee (including change orders in the work), or



Any act of God which Lessor could not have reasonably foreseen and provided for, or

Any strikes, boycotts or like obstructive acts by employees or labor organizations which Lessor cannot overcome with reasonable effort and could not reasonably have foreseen and provided for, or

Any war or declaration of a state of national emergency, or

The imposition by government action or authority of restrictions upon the procurement of labor or materials necessary for the completion of the Premises.

electrical outage beyond Lessor's control

e. Change Orders

All Lessee requested and approved change orders shall not exceed a total cost of Sixty Seven Thousand and no/Dollars (\$67,000) and Lessor shall not be required to accept any particular change order if the total cost of prior Lessee initiated change orders exceeds Sixty Seven Thousand and no/Dollars (\$67,000). The Chief Administrative Officer, is hereby authorized to approve change orders on behalf of Lessee. Lessee may pay for change order costs in lump sum, or may, at its option, amortize the change order costs over the term of the Lease including interest at the rate of nine and one half percent (9.5%) per annum, i.e., Twelve 94/1000 (\$12.94) per month for each ONE THOUSAND DOLLARS (\$1,000.00) of change order costs. Lessor, or Lessor's contractor, shall submit to the Chief Administrative Officer, with each requested change order (a) specific cost of the requested change; (b) the cumulative net total cost of all change orders previously approved; and (c) an estimate of the construction time which will be increased or shortened if the change order is approved. Each change order shall be signed and dated by the Chief Administrative Officer to be considered approved. Lessee shall have the right to audit the cost of the changes for a period of twenty-four months from the date of commencement of the term. In the event Lessee requests a rent reduction due to its audit of these costs, Lessee shall provide Lessor with a copy of the audit summary as part of its request.

f. Lessee Remedies

If Lessor fails to obtain the building permit within a reasonable time, taking all factors into consideration, or if tenant improvements have not been completed within sixty (60) days from the estimated time of completion, which period shall be extended for a reasonable time for delays enumerated in subparagraph B above, Lessee may, at its option:

Cancel the Lease upon thirty (30) days written notice to Lessor; or

Upon thirty (30) days written notice to Lessor, assume the responsibility for providing the tenant improvements itself.

If Lessee elects to provide tenant improvements itself, then:

- (1) Lessee, its officers, employees, agents, contractors and assignees, shall have free access to the Premises at all reasonable times for the purpose of constructing the tenant improvements and for any other purposes reasonably related thereto
- (2) rent shall be reduced by Lessee's total expense in



constructing the tenant improvements, including any financing charges for capital and a reasonable amount for its administrative costs, and including interest at the rate of 9.5%. The rent reduction schedule shall be as mutually agreed to between the parties or, if no such agreement is made, Lessee's total expense shall be fully amortized in equal monthly amounts over 10 years.

27. RENTAL ADJUSTMENTS:

a. Adjustment Period

For each successive twelve (12) months of the original term of this Lease, and in the event Lessee exercises its option pursuant to Paragraph 2(b) for each successive twelve (12) month period thereafter, the initial Operating Expense Rent of \$38,090.25 per month shall be adjusted. At the first anniversary date of the first day of the first full calendar month following the commencement of the terms of this Lease and every twelve months thereafter, the Operating Expense Rent shall be adjusted in accordance with the CPI formula set forth in Paragraph 27B. The "Base Index" shall be the Index published in the month immediately preceding the month the Lease commences.

b. Adjustment Formula

The method for computing the annual rental adjustment shall be by reference to the Consumer Price Index for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 = 100), herein referred to as "Index".

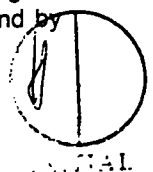
The rental adjustment for the Operating Expense Rent shall be calculated by multiplying the Lessor's base rent by a fraction, the numerator being the New Index published in the month immediately preceding the month the adjustment is effective, and the denominator being the Base Index which is the Index published in the month preceding the month in which the Lease commences then add or subtract to the total result the amount needed to amortize Lessee's additional tenant improvements plus change order costs, if any. The formula shall be as follows:

$$\frac{\text{New Index}}{\text{Base Index}} \times \$38,090.25 = \text{New Operating Expense Rent}$$

The total of the Base Rent, the Operating Expense Rent, the monthly cost to amortize additional tenant improvements and change orders, if any, shall be the new monthly rental rate, i.e.:

Base Rent
 + New Monthly Operating Expense Rent
 + the amount required to amortize Lessee's additional Tenant Improvements if any
 +/- the amount to amortize change orders, if any
 = New Monthly Rental Rate

If the Index is changed so that the base year of the Index differs from that used as of the commencement date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. In the event the parties are unable to agree upon a substitute index (if the original index is discontinued without a replacement) then upon demand by



1 either party, the matter shall be submitted to arbitration in accordance
2 with the provisions of Code of Civil Procedure Section 1280 et seq as
3 they now exist or may later be amended for the purpose of determining
4 an alternate method of computing the rent adjustment based upon the
5 increase in the cost of living.

6
7 c. General Provisions:

8 In no event shall the Operating Expense Rent adjustment based
9 upon the CPI formula set forth in this Paragraph 27 result in an
10 annual increase greater than five percent (5%) per year of the
11 monthly base operating expense Rent of \$38,090.25 (i.e.,
12 \$1,904.51 per month annually).

13
14 In no event shall the Operating Expense Rent adjustment based
15 upon the CPI formula set forth in this Paragraph 27 result in an
16 annual increase less than three percent (3%) per year of the
17 monthly base operating expense Rent of \$38,090.25 (i.e.,
18 \$1142.70 per month annually).

19
20 28. SUBORDINATION

21 Without the necessity of any additional document being executed by Lessee
22 for the purpose of effecting a subordination, and at the election of Lessor or
23 any bona fide mortgage or deed of trust beneficiary with a lien on all or any
24 portion of the Premises with respect to the land of which the Premises are a
25 part, this Lease shall be subject and subordinate at all times to (i) all ground
26 leases or underlying leases which may now exist or hereafter be executed
27 affecting the building housing the Premise or the land upon which such
28 building is situated or both, and (ii) the lien of any mortgage or deed of trust
29 which may now exist or hereafter be executed in any amount for which the
30 building containing the Premises, land, or underlying leases, or Lessor's
31 interest or estate in any of said items is specified as security. Notwithstanding
32 the forgoing, Lessor, mortgages, or beneficiary shall have the right to
33 subordinate or cause to be subordinated any such leases or underlying leases
34 or any such liens to this Lease. If any underlying lease terminates for any
35 reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu
36 of foreclosure is made for any reason, this Lease shall remain in full force and
37 effect and Lessee at all times shall be entitled to quiet possession and use of
38 the premises and shall, notwithstanding any subordination and upon the
39 request of such successor in interest to Lessor, attorn to and become the
40 Lessee of the successor in interest to Lessor. Lessee covenants and agrees
41 to execute and deliver, within ten (10) days following a demand by Lessor and
42 in the form requested by Lessor, ground lessor, mortgagee or beneficiary, any
43 additional documents, evidencing the priority or subordination of the Lease
44 with respect to any such ground leases or the lien of any such mortgage or
45 deed of trust.

46
47
48 29. ASSIGNMENT BY LESSOR:

49 Lessor may assign, transfer, mortgage, hypothecate or encumber Lessor's
50 right, title and interest in and to this Agreement (including the right to receive
51 rental payments and its duties and obligations hereunder), and Lessor may
52 execute any and all instruments providing for the payment of rent directly to an
53 assignee or transferee which purchases or encumbers Lessor's entire interest
54 in the Property. Any other consent, transfer, mortgage, hypothecation or
55 encumbrance of Lessor's right, title and interest in and to this Agreement or
56 any portion thereof shall be permitted only if the conditions set forth in
57 subparagraphs B and D below are met.

58
59 Any document or agreement purporting to assign, transfer, mortgage,
60 hypothecate or encumber Lessor's right, title and interest in and to this
61 Agreement or any portion thereof, is hereinafter referred to as a "Security
62 Agreement." Any Security Agreement which is executed without full
63


INITIAL

1 compliance with the requirements of this Section 28 shall be void

2
3 Each assignee or transferee under the Security Agreement shall certify and
4 agree in writing that such assignee or transferee has read and is familiar with
5 the requirements or Sections 5950-5955 of the California Government Code,
6 which prohibits the offer or sale of any security constituting a fractional interest
7 in this Agreement or any portion thereof, without the prior written consent of
8 the County.

9
10 Violation by Lessor of the provisions of Section 5951 of the California
11 Government Code will constitute a material breach of this Agreement, upon
12 which the County may impose damages in an amount equal to the greater of
13 (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental
14 payments payable by the County during the entire term of this agreement, it
15 being expressly agreed that the aforesaid amount shall be imposed as
16 liquidated damages, and not as a forfeiture or penalty. It is further specifically
17 agreed that the aforesaid amount is presumed to be the amount of damages
18 sustained by reason of any such violation, because from the circumstances
19 and nature of the violation it would be impracticable and extremely difficult to
20 fix actual damages. In addition, the County may exercise or pursue any other
21 right or remedy it may have under this Agreement or applicable law.

22
23 Lessor shall give County notice and a copy of each Security Agreement and
24 any other instrument relating thereto (including, but not limited to, instruments
25 providing for the payment of rent directly to an assignee or transferee) at least
26 two weeks prior to the effective date thereof.

27
28 Lessor shall not furnish any information concerning County or the subject
29 matter of this Agreement (including, but not limited to, offering memoranda,
30 financial statements, economic and demographic information, and legal
31 opinions rendered by the office of the County Counsel) to any person or entity,
32 except with County's prior written consent. Lessor shall indemnify, defend and
33 hold County and its officers, agents and employees harmless from and against
34 all claims and liability alleged to arise from the inaccuracy or incompleteness
35 of any information furnished by Lessor in violation of this subparagraph E.

36
37 The provisions of this Paragraph 28 shall be binding upon and applicable to
38 the parties hereto and their respective successors and assigns. Whenever in
39 this Section 28 Lessor is referred to, such reference shall be deemed to
40 include Lessor's successors or assigns, and all covenants and agreements by
41 or on behalf of Lessor herein shall bind and apply to Lessor's successors and
42 assigns whether so expressed or not.

43
44 **30. CONSIDERATION OF GAIN PROGRAM PARTICIPANTS:**

45
46 Should Lessor require additional or replacement personnel after the effective
47 date of this Agreement, Lessor shall give consideration for any such
48 employment, openings to participants in the County's Department of Public
49 Social Services' Greater Avenues for Independence (GAIN) Program who
50 meet Lessor's minimum qualifications for the open position. The County will
51 refer GAIN participants by job category to the Lessor.

52
53 **31. SOLICITATION OF CONSIDERATION:**

54
55 It is improper for any County Officer, employee or agent to solicit
56 consideration, in any form, from a Lessor with the implication, suggestion or
57 statement that the Lessor's provision of the consideration may secure more
58 favorable treatment for the Lessor in the award of the lease or that the
59 Lessor's failure to provide such consideration may negatively affect the
60 County's consideration of the Lessor's submission. A Lessor shall not offer or
61 give, either directly or through an intermediary, consideration, in any form, to
62 a County officer, employee or agent for the purpose of securing favorable
63 treatment with respect to the award of the lease.

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A Lessor shall immediately report any attempt by a County Office, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the Lessor's submission being eliminated from consideration.

32. LIMITATION OF AUTHORITY:

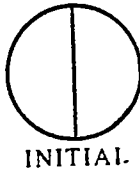
Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Lessor understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal Board action.

No County officer, employee, agent, or independent contractor has any authority to alter, add or delete the material terms of this Lease; and Lessor may not rely upon any representations to the contrary.

This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for tenant improvements or other project costs of Lessor which are subject to reimbursement by County. **County shall not reimburse Lessor for any expenses which exceed this ceiling.**

33. IRREVOCABLE OFFER:

In consideration for the time and expense that County will invest including but not limited to preliminary space planning, legal review, and preparation and noticing for presentation to the County Real Estate Management Commission in reliance on Lessor's covenant to lease to County under the terms of this lease offer, the Lessor, subject to lenders approval, promises to keep this offer open until October 31, 2001. If Lessee does not receive a satisfactory Lender commitment by that date, this Lease and any offer made hereby may be terminated by written notice from Lessor to Lessee upon payment of up to a maximum of \$1000 as liquidated damages to the County.



IN WITNESS WHEREOF, the Lessor has executed this Lease or caused it to be duly executed, and the County of Los Angeles by order of its Board of Supervisors, has caused this Lease to be executed on its behalf by the Mayor of said Board and attested by the Clerk thereof the day, month, and year first above written.

LESSOR
HAMILTON DUTCH INVESTORS, L.L.C.
A Delaware limited liability company

By: [Signature]
Name: H. S. Mann
Title: member

By: [Signature]
Name: _____
Title: _____

ATTEST:

VIOLET VARONA LUKENS
Executive Officer-Clerk
of the Board of Supervisors

COUNTY OF LOS ANGELES

By: _____
Deputy

By: _____
Mayor, Board of Supervisors

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By: Francis E. Scott
Deputy: Francis E. Scott



Exhibit B - Memorandum of Commencement Date

This Agreement is dated this _____ day of _____, 20____, for reference purposes only, by and between Lessor Hamilton Dutch Investors, LLC and Lessee County of Los Angeles.

1. The parties hereto have entered into a Lease dated as of _____ (the "Lease") for the leasing by Lessor to Lessee of the buildings located at 20221 S. Hamilton Avenue, Los Angeles ("the Premises").

2. Lessor and Lessee hereby confirm the following:

(a) That all construction by Lessor, if any, required to be done pursuant to the terms of the Lease has been completed in all respects subject to any remaining punchlist items;

(b) That Lessee has accepted possession of the Premises and now occupies the same; and

(c) That the term of the Lease commenced _____.

IN WITNESS WHEREOF, Lessor and Lessee have respectfully signed this Agreement.

Lessor: HAMILTON DUTCH INVESTORS, LLC

By _____
Howard S. Mann, Member

By _____
Eugene S. Rosenfeld, Member

Lessee:

COUNTY OF LOS ANGELES

By _____
Chuck W. West
Director of Real Estate

Exhibit C - Cleaning and Maintenance Schedule

This list reflects the various cleaning and maintenance requirements for the leased office space. Responsibility for this cleaning and maintenance service belongs to the Lessor

Daily (Monday through Friday)

1. Carpets vacuumed
2. Composition floors dust-mopped
3. Desks, desk accessories and office furniture dusted. Papers and folders left on desks not to be moved.
4. Waste baskets, other trash receptacles emptied.
5. Chairs and waste baskets returned to proper position.
6. Fingerprints removed from glass doors and partitions.
7. Drinking fountains cleaned, sanitized and polished.
8. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
9. Bulb and tube replacements, as required.
10. Graffiti expunged as needed within two (2) working days after notice by Lessee.
11. Floors washed as needed.
12. Kitchen/Lunchroom supplies replenished including paper towels and soap.

Weekly

1. Low-reach areas, chair rungs, baseboards and insides of door-jambes dusted.
2. Window sills, ledges and wood paneling and molding dusted.

Monthly

1. Floors washed and waxed in uncarpeted office area.
2. High-reach areas, door frames and tops of partitions dusted.
3. Upholstered furniture vacuumed, plastic and leather furniture wiped.
4. Picture moldings and frames dusted.
5. Wall vents and ceiling vents vacuumed.

Quarterly

1. Light fixtures cleaned and dusted, but not less frequently than Quarterly.
2. Wood furniture polished.
3. Draperies or mini blinds cleaned as required, but not less frequently than Quarterly.
4. Carpet professionally spot cleaned as required to remove stains.

Semi-Annually

1. Windows washed as required inside and outside but not less frequently than twice annually.
2. All painted wall and door surfaces washed and stains removed, as needed
3. All walls treated with vinyl covering washed and stains removed, as needed.

Annually

1. Carpets cleaned.

As Needed

1. The sidewalks, driveways, parking areas and all means of access and egress for the demised Premises should be maintained in good repair, clean and safe condition at all times.
2. All lawns, shrubbery and foliage on the grounds of the demised Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.



Exhibit D - Community Business Enterprise Form

INSTRUCTIONS: All Lessors shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of CBE participation. The information requested below is for statistical purposes only. On final analysis and consideration, leases will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR Section 23.5.

Firm Name	
Address	
Contact Name	
Telephone No.	
Total # of Employees	
Business Structure*	

*Corporation, Partnership, etc.

I. MINORITY/WOMEN PARTICIPATION IN FIRM

(Partners, Associates Partners, Managers, Staff, etc.)

	OWNERS PARTNERS	ASSOCIATE PARTNERS	MANAGERS	STAFF	TOTAL
Black/African American					
Hispanic/Latin					
Asian American					
Portuguese American					
A. Indian/Alaskan					
All Others					
TOTAL					
Women*					

*Should be included in counts above and reported separately

II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

	TOTAL # OF OWNERS	% OF OWNERSHIP
Black/African American		
Hispanic/Latin American		
Asian American		
Portuguese American		
American Indian/Alaskan Native		
All Others		
TOTAL		
Women*		

*Should be included in counts above and reported separately

III. CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

Is your firm currently certified as a minority owned business firm by the:

	yes	no
State of California?		
City of Los Angeles?		
Federal Government?		

IV. WE DO NOT WISH TO PROVIDE THE INFORMATION REQUIRED IN THIS FORM.

Initial	
Initial here if applicable	

SIGNED: *[Signature]* *Shankton (Shankton, L)*
 TITLE: *Manager*
 DATE: *7/5/01*

Exhibit E - Memorandum of Tenant Improvement Cost

This Agreement is dated this _____ day of _____, 2001, for reference purposes only, by and between Lessor, Hamilton Dutch Investors, LLC, and Lessee, County of Los Angeles.

1. The parties hereto have entered into a Lease dated as of _____ (the "Lease") for the leasing by Lessor to Lessee of the buildings located at 20221 S. Hamilton Avenue, Los Angeles ("the Premises").

Lessor and Lessee hereby confirm the following:

A. The final total cost of the tenant improvements is _____ (\$_____).

This is comprised of:

<u>Lease Budget</u>		<u>Actual Cost</u>
\$ 1,534,750.00	Tenant Improvement Allowance	\$ _____
\$ 601,425.00	Additional Tenant Improvement Allowance	\$ _____
\$ 67,000.00	Change Order Allowance	\$ _____
\$ 1,670,625.00	Furniture Allowance	\$ _____
\$ 3,875,800.00	Total Allowance	

B. The final total cost of the modular furniture, if applicable, (which is included in Paragraph 2A is _____ (\$_____).

IN WITNESS WHEREOF, Lessor and Lessee have respectfully signed this Agreement.

Lessor: HAMILTON DUTCH INVESTORS, LLC

By _____
Howard S. Mann (Member)

By _____
Eugene S. Rosenfeld (Member)

Lessee:

COUNTY OF LOS ANGELES

By _____
Chuck W. West
Director of Real Estate

Exhibit F - Construction Schedule

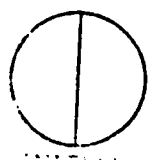


Exhibit G - Memorandum of Lease

RECORDING REQUESTED:
THE COUNTY OF LOS ANGELES

WHEN RECORDED MAIL TO:

Chief Administrative Office
Leasing and Space Management
222 South Hill Street, 4th floor
Los Angeles, CA 90012

This document is recorded for the benefit of the County of Los Angeles and recording is exempt from recording fees pursuant to California Government Code section 27383. This transaction is exempt from documentary transfer tax pursuant to California Revenue and Taxation Code section 11922.

MEMORANDUM OF LEASE

This Memorandum of Lease ("Memorandum") is made and entered into by and between Hamilton Dutch Investors (the "Lessor"), and the County of Los Angeles, a public body corporate and politic duly organized and existing under the laws of the State of California (the "Lessee") who agree as follows:

Lessor and Lessee have entered into that certain Lease and Agreement dated as of _____, 20__, (the "Lease"). Pursuant to the Lease, the Lessor has leased to the Lessee real property located _____ in the County of Los Angeles, State of California, described in Exhibit A attached hereto and incorporated herein by reference, commencing on _____, 20__, and ending on a date years after the rent commencement date, unless such term is extended or sooner terminated pursuant to the terms and conditions set forth in the Lease. Lessor shall be responsible for providing full (modified) services during the term of the Lease, subject to the terms and conditions of the Lease.

(ADDITIONAL LANGUAGE REGARDING ANY PURCHASE OPTION, OPTION TO RENEW OR EXTEND, RIGHT OF REFUSAL, OR UNIQUE PROVISIONS WHICH SHOULD BE A MATTER OF RECORD, SHALL BE INSERTED IN THIS PORTION OF THE FORM)

This Memorandum has been prepared for the purpose of giving notice of the Lease and of its terms, covenants, and conditions, and for no other purposes. The provisions of this Memorandum shall not in any way change or affect the provisions of the Lease, the terms of which remain in full force and effect.

 Dated: _____, 20__
LESSOR:

LESSEE:

_____ Dated: _____, 20__
Chuck W. West
Director of Real Estate
COUNTY OF LOS ANGELES

EXHIBIT "H"

WORK LETTER

This WORK LETTER ("Work Letter") pertains to the construction of tenant improvements as provided in Lease, between Hamilton Dutch Investors ("Lessor") and the COUNTY OF LOS ANGELES, a body politic and corporate ("Lessee"), in connection with the Premises located at 20221 S. Hamilton Avenue, Los Angeles:

1. The purpose of this Work Letter is to set forth how the Tenant Improvements (as defined in Section 8 below) in the Premises are to be constructed, who will undertake the construction of the Tenant Improvements, who will pay for the construction of the Tenant Improvements, and the time schedule for completion of the construction of the Tenant Improvements. The provisions of the Lease, except where clearly inconsistent or inapplicable to this Work Letter as it relates to Tenant Improvements, are incorporated into this Work Letter.

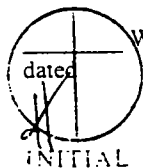
2. Preparation of Plans; Construction Schedule and Procedures. Delivery of all plans and drawings referred to in this Section 2 shall be by messenger service or personal hand delivery, unless otherwise agreed by Lessor and Lessee. Lessor shall arrange for the construction of the Tenant Improvements in accordance with the following schedule:

(a) Selection of Architect and Engineer. Lessor shall on or before August 17, 2001 shall solicit at least three (3) proposals from qualified licensed architects ("Architect")/engineers ("Engineer,") familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings. The Architect and the Engineer shall be selected by Lessor subject to Lessee's consent, which consent shall not be unreasonably withheld, and which consent (or refusal to consent for reasonable reasons) shall be granted within three (3) business days after Lessor has submitted the name of the Architect and the Engineer to Lessee along with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until the Architect and the Engineer is/are finally approved by Lessee and written consent has been delivered to and received by Lessor.

(b) Base Building Plans. Prior to the execution of the Lease, Lessors has submitted instructions and building plans and specifications representing the "as built" premises in an Autocad 2000 format ("Base Building Plans") to Lessee sufficient to allow Lessee to complete a Space Plan and specification (as defined in Subsection (c) below). In the event that Lessee incurs increased costs because of incomplete plans, such increased costs will be reimbursed to Lessee by Lessor, and any delay caused thereby shall be deemed to constitute a Lessor Delay.

(c) Preparation and Approval of Space Plan. Lessee shall submit to the Architect and Lessor an executed Space Plan and specification for the Premises showing all demising walls, corridors, entrances, exits, doors, interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room ("Space Plan").

Lessee shall submit to Lessor the Space Plan for Lessor's review and approval. Within five (5) days after Lessor receives the Space Plan, Lessor shall either approve or disapprove the Space Plan for reasonable and material reasons (such as but not limited to the following: (i) adverse effect on the Building Structure; (ii) possible damage to the Building Systems; (iii) non-compliance with applicable codes; (iv) effect on the exterior appearance of the Building or (v) unreasonable interference with the normal and customary business operations of other tenants in the Building (each, a "Design Problem") and return the Space Plan to Lessee. In such event, Lessor shall require, and Lessee shall make the minimum changes necessary in order to correct the Design Problems and shall return the



Work Letter

Space Plan to Lessor, which Lessor shall approve or disapprove within five (5) day after Lessor receives the revised Space Plan. This procedure shall be repeated until the Space Plan is finally approved by Lessor and written approval has been delivered to and received by Lessee. The Space Plan may be submitted by Lessee in one or more stages and at one or more times, and the time periods for Lessor's approval shall apply with respect to each such portion submitted.

(d) Preparation and Approval of Working Drawings. Within ten (10) days of the date the Space Plan is finally approved by Lessor, the "Plan Approval Date", or the date the Lease is approved by the Board of Supervisors, whichever date later occurs, Lessor shall commence with the preparation of Working Drawings by the Architect, the "Working Drawings", which shall be compatible with the design, construction and equipment of the Building, comply with all applicable laws, be capable of physical measurement and construction, contain all such information as may be required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined in Subsection (e) below), and contain all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. Such Working Drawings must incorporate such items as have been specified by Lessor as required for use in the Building, as set forth in Schedule 2 attached to this Work Letter. The Working Drawings may be submitted in one or more stages and at one or more times.

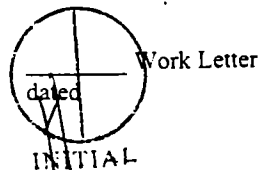
Lessor shall provide Lessee the Working Drawings, or such portion as has from time to time been submitted, for review. However, Lessor shall be solely responsible to approve the Working Drawings ensuring that such drawings fully comply with all applicable building codes and are free from errors or omissions on the part of the Architect.

(e) Preparation and Approval of Engineering Drawings. Lessor shall cause the Architect/Engineer, to coordinate all engineering drawings prepared by the designated Engineer, showing complete mechanical, electrical, plumbing, and HVAC plans ("Engineering Drawings") to be integrated into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times, for Lessee's review.

(f) Integration of Working Drawings and Engineering Drawings into Final Plans. After Lessee has reviewed and Lessor has approved the Engineering Drawings, Lessor shall cause the Architect to integrate the approved Working Drawings with the approved Engineering Drawings (collectively "Final Plans") and deliver five (5) sets of the Final Plans to Lessee.

(g) Schedule. Within ten (10) days of the Plan Approval Date, Lessor shall submit a detailed construction schedule, subject to approval by Lessee which approval shall not be withheld provided the schedule conforms to the Construction Scheduled attached to the Lease as Exhibit "F", outlining date specific completion of certain project benchmarks including, but not limited to, completion of Working Drawings including respective engineered drawings; submission of plans to local jurisdiction for review; issuance of building permit; submission of plans to contractors for bidding; award of construction contract; construction commencement; construction completion; projected move in date; etc... As the project continues, Lessor shall amend the schedule to reflect any changes to the projected dates.

(h) Budget. As provided in Section 9, Lessor shall prepare the Preliminary Construction Budget for Lessee's review within thirty (30) days of the Plan Approval Date in substantially the form attached as Schedule 3 (or in other form in compliance with Construction Specifications Institute (CSI), to be updated weekly until the completion of the tenant improvements and acceptance thereof by Lessee.


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(3) Commencement Date. The "Commencement Date" shall have the definition set forth in Paragraph 2 of the Lease.

(a) Rental Payment Effective Date. Notwithstanding the actual Commencement Date, the payment of rent may be delayed or accelerated, as the case may be, by one (1) day for each day of delay in the design of or Lessee's move-in into the Premises that is caused by any Force Majeure Delay or Lessor Delay or Lessee Delay. No Lessor Delay, Force Majeure Delay or Lessee Delay shall be deemed to have occurred unless and until the party claiming such delay has provided written notice to the other party specifying the action or inaction that such notifying party contends constitutes a Lessor Delay, Force Majeure Delay or Lessee Delay, as applicable. If such actions or inaction is not cured, or disputed in writing by the other party, within five (5) business days after receipt of such notice, then a Lessor Delay, Force Majeure Delay or Lessee Delay, as set forth in such notice, shall be deemed to have occurred commencing as of the date such notice is received and continuing for the number of days the design of the Tenant Improvements and/or Lessee's move-in into the Premises was in fact delayed as a direct result of such action or inaction.

(4.) Delay

(i) Lessee Delay. The term "Lessee Delay" as used in the Lease or this Work Letter shall mean any delay that Lessor may encounter in the performance of Lessor's obligations under this Work Letter because of any act or omission of any nature by Lessee or its agents or contractors, including any: (1) delay attributable to changes in or additions to the Final Plans (as defined in Section 2(f) above or to the Tenant Improvements requested by Lessee; (2) delay attributable to the postponement of any Tenant Improvements at the request of Lessee; (3) delay by Lessee in the submission of information or the giving of authorizations or approvals within the time limits set forth in this Work Letter; and (4) delay attributable to the failure of Lessee to pay, when due, any amounts required to be paid by Lessee pursuant to the Lease or this exhibit.

In addition, since many project may have change orders, the first ten (10) cumulative business days of any delay which results from a change order initiated by Lessee shall constitute a grace period, the "Grace Period", and shall not constitute a Lessee Delay.

(ii) Force Majeure Delay. The term "Force Majeure Delay" as used in the Lease or this Work Letter shall mean any delay incurred by Lessee in the design of its Tenant Improvements or its move-in into the Premises attributable to any: (1) actual delay or failure to perform attributable to any strike, lockout or other labor or industrial disturbance (whether or not on the part of the employee of either party hereto), civil disturbance, further order claiming jurisdiction, act of public enemy, war, riot, sabotage, blockade, embargo; (2) delay due to changes in any applicable laws (including, without limitation, the ADA), or the interpretation thereof; or (3) delay attributable to lightning, earthquake, fire, storm, hurricane, tornado, flood, washout, explosion, or any other similar industry wide or Building-wide cause beyond the reasonable control of the party from whom performance is required, or any of its contractors or other representatives. Any prevention, delay or stoppage due to any Force Majeure Delay shall excuse the performance of the party affected for a period of time equal to any such prevention, delay or stoppage (except the obligations of Lessor to timely pay contractor).

(iii) Lessor Delay. The term "Lessor Delay" as used in the Lease or this Work Letter shall mean any delay in the design of the Tenant Improvements or the Substantial completion of the Premises which is due to any act or omission of Lessor (wrongful, negligent or otherwise), its agents or contractors (including acts or omissions while acting as agent or contractor for Lessee). The term Lessor Delay shall include, but shall not be limited to any: (1) delay



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in the giving of authorizations or approvals by Lessor; (2) delay attributable to the acts or failures to act, whether willful, negligent or otherwise, of Lessor, its agents or contractors; (3) delay attributable to the interference of Lessor, its agents or contractors with the design of the Tenant Improvements or the failure or refusal of any such party to permit Lessee, its agents or contractors, access to and priority use of the Building or any Building facilities or services, including hoists, freight elevators, passenger elevators, and loading docks, which access and use are required for the orderly and continuous performance of the work necessary for Lessee to complete its move-in into the Premises; (4) Lessor's failure to complete all telecommunication rooms (including painting, floor covering, lighting, conduit access, permanent power and HVAC systems) and installation of Lessee's tel/com cabling (if such work is required pursuant to the Lease), serving the Premises at least thirty (30) days prior to the Commencement Date; (5) delay attributable to Lessor giving Lessee incorrect or incomplete Building Requirements or Base Building Plans, or revisions made to such Building Requirements or Base Building Plans subsequent to the delivery of such items to Lessee (collectively, "Incomplete Plans") in either case, in addition to such delay being deemed a Lessor Delay, Lessor shall increase the Tenant Improvement Allowance by an amount sufficient to reimburse Lessee for the increased costs incurred by Lessee as a result thereof; (6) failure of Lessor to deliver the Base Building Plans and/or the Building Requirements to Lessee at least sixty (60) days prior to the execution of the Lease; (7) delay attributable to Lessor's failure to allow Lessee sufficient access to the Building and/or the Premises during the Construction Period to move into the Premises over one (1) weekend prior to the commencement of rent; (8) delay by Lessor in administering and paying when due the Tenant Improvement Allowance (in which case, in addition to such delay being deemed a Lessor Delay, Lessee shall have the right to stop the construction of the Tenant Improvements); (9) delay caused by the failure of the Base Building to comply with the ADA or any other improvements required to be performed by Lessor in order for the Premises to comply with the provisions detailed in Schedule 1 attached hereto (in which case, in addition to such delay being deemed a Lessor Delay, the required work shall not be considered as part of the Tenant Improvement Allowance and all required work shall be completed at Lessor's sole cost an expense); (10) power outages outside of the control of the Lessor; and (11) lessors inability to acquire construction supplies due to supplier shortage or strike.

Furthermore, if during the course of construction, building defects are discovered that would otherwise not have been discovered by a reasonably diligent inspection of the Premises at the time construction commenced, and a change to the construction contract is generated as a result thereof, any delay in the completion of the project as a result thereof shall not be considered a Lessor delay, however, the ensuing delay shall not be credited towards the Grace Period provided to Lessee.

(5) Substantially Complete. The term "Substantially Complete" or "Substantial Completion" as used in this Work Letter shall mean compliance with all of the following: (1) the shell and core of the Building are complete and in compliance with all applicable laws and codes, and all of the Building Systems are operational to the extent necessary to service the Premises; (2) Lessor has sufficiently completed all the work required to be performed by Lessor in accordance with this Work Letter including the installation of modular furniture systems, if so required by the Lease, (except minor punch list items which Lessor shall thereafter promptly complete) such that Lessee can conduct normal business operations from the Premises; (3) Lessor has obtained a certificate of occupancy for the Building, or a temporary certificate of occupancy for that portion of the Building that includes all of the Premises, or its equivalent (except to the extent delayed by any Lessee



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Delay); (4) Lessee has been provided with the number of parking privileges and spaces to which it is entitled under the Lease; (5) Lessee has been delivered, at least 30 days prior to the Commencement Date, reasonable access to the Premises (and other required portions of the Building and the Site including the completion of all telecommunications rooms power and HVAC that serve the telecommunications room) sufficient to allow Lessee to install its freestanding work stations, (unless such installation is part of the modular workstations to be installed by Lessor pursuant to the Lease) fixtures, furniture, equipment, and telecommunication and computer cabling systems (unless installation of telecommunication cabling is Lessor's responsibility pursuant to the Lease) and to move into the Premises over one (1) weekend and, (6) In the event lessor is responsible for the installation of telecommunication systems, then such systems shall be completely operational.

In the event that the use of the freight elevators and/or hoists is not sufficient to meet Lessee's requirements, Lessor shall cause to be made operational (a) temporary construction elevator and hoist, or (b) Lessee shall have priority usage of two (2) passenger elevators in the elevator bank that services the Premises in order to assist Lessee in the installation of Lessee's fixtures, furniture and equipment. In no event shall Lessee's remedies or entitlements for the occurrence of a Lessor Delay be abated, deferred, diminished or rendered inoperative because of a prior, concurrent, or subsequent delay resulting from any action or inaction of Lessee.

6. Representatives. Lessee has designated Thomas Shepos as its sole representative with respect to the matters set forth in the Work Letter, who until further notice to Lessor, shall have the full authority and responsibility to act on behalf of Lessee as required in this Work Letter. Lessor has designated Howard Mann, whose mailing address for purposes of any notices to be given regarding matters pertaining to this Work Letter only is listed in Paragraph 15, Page 7 of lease, as its sole representative with respect to the matters set forth in the Work Letter, who until further notice to Lessee, shall have the full authority and responsibility to act on behalf of Lessor as required in this Work Letter during the period of construction of the Tenant Improvements.

7. Contractor and Review of Plans.

(a) Selection of Contractor. Lessor's contractor, which is selected by Lessor, shall select subcontractors which are selected pursuant to a procedure whereby the Final Plans and a construction contract approved by Lessee are submitted to subcontractors, selected by Lessor and approved by Lessee, sufficient in number so that a minimum of three (3) bids are received and who are requested to each submit a sealed fixed price contract bid price (on such contract form as Lessor shall designate) to construct the Tenant Improvements designated on the Final Plans, to Lessor and Lessee, who shall jointly open and review the bids. Lessor and Lessee, after adjustments for the inconsistent assumptions to reflect an "apples to apples" comparison, shall select the most qualified bidder offering the lowest price and such subcontractor ("Contractor") shall enter into a construction contract with Lessor, or his Contractor consistent with the terms of the bid to construct the Tenant Improvements ("Construction Contract").

(b) Actual Review Costs. Lessor shall review the Space Plan, Working Drawings, Engineering Drawings and Final Plans at its sole cost and expense. Furthermore, Lessee shall not pay to Lessor any fee for profit, overhead or general conditions in connection with the construction of the Tenant Improvements unless Lessor, as part of its original offer to Lease, has revealed the fees attributable to project management.

(c) Meetings: Upon selection of Contractor, Lessor shall immediately identify a time and date for the purposes of holding weekly construction meetings that is

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mutually acceptable to all parties. During the course of construction, meeting shall be held at least once per week, unless Lessee directs otherwise. A kickoff construction meeting shall be held within five (5) days of the date the contractor is selected.

8. Tenant Improvements. The term "Tenant Improvements" shall mean all improvements shown in the Final Plans as integrated by the Architect, and, to the extent specified in the Final Plans, all signage, modular workstations, built-ins, related cabinets and reception desks, to the extent specified in the millwork or comparable contracts, all telecommunication equipment and related wiring, and all carpets and floor coverings, but, except as provided above, Tenant Improvements shall not include any personal property of Lessee.

9. Tenant Improvement Allowance.

Amounts.

Base Building Compliance: Lessors sole cost and expense

Any work, including construction, that Lessor must undertake to (1) obtain the necessary jurisdictional approvals for a Certificate of Occupancy including amounts required to be expended to cause the Premises to comply with the access requirements of the ADA, and; (2) make existing building systems pursuant to Schedule 1, attached hereto, including but not limited to electrical service and HVAC equipment fully operational for the proposed office occupancy, shall be at Lessor's sole cost and expense. Furthermore, the Tenant Improvement Allowance shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease including all expenses associated with curing any such "Sick Building Syndromes", (ii) fire sprinkler system installation or upgrade, (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere.

Base Tenant Improvement Allowance:	<u>\$1,534,750.00</u>
Additional Tenant Improvement Allowance:	<u>\$ 601,425.00</u>
Furniture Allowance	<u>\$ 1,670,625.00</u>
Change Orders:	<u>\$ 66,825.00</u>
Total Allowances	<u>\$ 3,873,625.00</u>

Not more than thirty (30) days from the date of Lessor's receipt of Lessee's Space Plan, Lessor shall submit to Lessee a detailed budget, the "Preliminary Construction Budget", in a format similar to Schedule 3 attached hereto. Said budget shall be revised within ten (10) days of the date the contractor is selected, the "Final Construction Budget". Lessee shall have five (5) days from the date of Lessee's receipt of said budget to approve or disapprove the Final Construction Budget. Construction shall not begin until such time as Lessee indicates its approval or disapproval of the Final Construction Budget or the five (5) day period expires without any response from the Lessee.

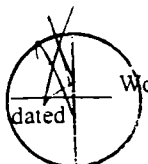
10. Life-Fire Safety Codes/Disabled Access Codes/Earthquake Safety Codes. In the event that, because the Premises and/or the Building as initially constructed do not comply with current life-fire safety codes, disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes, Lessee incurs increased design or construction costs that it would not have incurred had the Premises and/or the Building already been in compliance with the applicable life-fire safety codes, disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes, applicable to new construction, such increased costs or such costs shall not included in the calculation of tenant improvements attributable to Lessee's allowances and Lessee' shall have no financial responsibility for such costs. Any delay in the design or construction of


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the Tenant Improvements or Tenant's move-in into the Premises because of the non-compliance of the Building and/or Premises with the applicable life-fire safety codes and disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes shall constitute a Lessor Delay.

11. Lessor to Construct Base Building. Lessor hereby agrees that the Base Building shall include the items set forth in the "Base Building Description" attached hereto as Schedule 1 and shall otherwise be in accordance with the Base Building Plans, and the cost to bring the Building into compliance thereof shall not be included in the Tenant Improvement Allowance. Lessor may make further revisions to such Base Building Plans as long as the Building, when constructed, will be comparable in appearance, design, efficiency, and quality as the building initially described in the Base Building Plans.

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**SCHEDULE 1
BASE BUILDING DESCRIPTION**

The building is a completed building and is presently being occupied by the County in 47,000 square feet of the building. The County is negotiating to lease the additional 19,825 square feet of built out office space. Lessor either has, or shall, supply, furnish, install and finish the tenant improvements requested in the County specifications in compliance with all applicable laws (including, without limitation, the ADA), regulations and building codes, which shall be included in the Tenant Improvement Allowances.

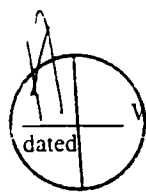
The County, unless otherwise specified to be Lessor's responsibility, as Lessee, will supply the following:

- All telecommunication and data design, wiring, equipment and installation.
- Panic Alarm System design, wiring, equipment and installation.
- CCTV cameras only (Installation by Lessor).
- Checkpoint entry programming, card readers and final hookup at system end (Installation by Lessor).
- All computer and computer related equipment and installation.
- All mail room furnishings and equipment.
- Security equipment and installation except as noted above.
- All electronic units providing: (Please specify, if any required)

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**SCHEDULE 2
BUILDING STANDARD TENANT IMPROVEMENT ITEMS
[*To Be Provided By Landlord*]**

All items listed below, except those items which are preceded by an asterisk (*), may be substituted for items of equal or higher quality at Tenant's election, and Tenant shall receive a credit toward the costs of such substituted items equal to the costs that would have been incurred for the items listed below.


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ATTACHMENT A

CONSTRUCTION COSTS	<u>ORIGINAL</u>	<u>APPROVED</u>	<u>REVISED</u>	<u>PREVIOUS</u>	<u>CURRENT</u>	<u>TOTAL TO DATE</u>	<u>BALAN</u>
DEMOLITION	<u>CONTRACT</u>	<u>ADJUSTMENT</u>	<u>CONTRACT</u>	<u>BILLINGS</u>	<u>BILLING</u>	<u>AMOUNT</u> _____ %	<u>REMAIN</u>
21000 DEMOLITION/ABATEMENT							
22000 EARTHWORK & SHORING							
23100 DRIVEN PILES							
24800 LANDSCAPING							
25000 SITE DRAINAGE & UTILITIES							
25100 ASPHALT PAVING							
28000 FOUNTAIN ALLOWANCE							
20000 SUBTOTAL - SITE WORK							
30000 PARKING STRUCTURE							
30000 PARKING STRUCTURE							
30000 SUBTOTAL - PARKING STRUCTURE							
30000 CONCRETE							
32000 REINFORCING STEEL							
33000 SITE - CONCRETE							
33000 BUILDING & GARAGE CONCRETE							
33600 SHOTCRETE							
SUBTOTAL - CONCRETE							
40000 MASONRY							
40000 MASONRY							
45000 STONE & TRIM							
40000 SUBTOTAL - MASONRY							
50000 METALS							
51000 STRUCTURAL STEEL							
52000 METAL DECKING							
54000 MISC. IRON & STEEL							
50000 SUBTOTAL - METALS							
60000 WOOD & PLASTICS							
61000 ROUGH CAPENTRY							
62000 COUNTER TOPS							
62000 CASEWORK							
60000 SUBTOTAL - WOOD & PLASTICS							

