County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE
713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
http://cao.co.la.ca.us

DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
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First District

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Second District

ZEV YAROSLAVSKY
Third District

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Fourth District

MICHAEL D. ANTONOVICH
Fifth District

October 17, 2006

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:

FIVE-YEAR LEASE
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
20151 NORDHOFF STREET, CHATSWORTH
(THIRD DISTRICT) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Mayor to sign the attached five-year lease with Mann Children's Trust (Lessor) for the occupancy of 73,595 rentable square feet of office space and 300 parking spaces for the Department of Children and Family Services (DCFS) at 20151 Nordhoff Street, Chatsworth, at an initial maximum annual rental cost of $2,197,179. The rental costs are 87 percent offset by State and Federal subvention funding.

2. Authorize the Internal Services Department (ISD), or the Lessor, at the direction of the Chief Administrative Officer (CAO), to acquire telephone, data and low voltage systems at a cost not to exceed $1,900,000. All or part of the telephone, data and low voltage systems may be paid in a lump sum or financed over a five-year term not to exceed $462,302 per year, in addition to other TI allowances provided under the lease.

3. Consider the attached Negative Declaration, together with the fact that no comments were received during the public review process, find that the project will not have a significant effect on the environment, find that the Negative Declaration reflects the independent judgment of the County, approve the Negative Declaration and find that the project will have no adverse effect on wildlife resources and authorize the CAO to complete and file a Certificate of Fee Exemption for the project.

4. Authorize the CAO, DCFS and ISD to implement the project. The lease will be effective upon approval by your Board, but the term and rent will not commence until completion of the improvements by the Lessor and acceptance by the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since December 1995, DCFS has leased 43,268 square feet of office space at 12020 Chandler Boulevard, North Hollywood for a regional office.

DCFS provides services to families in crisis with the primary goal of maintaining the family unit and reunifying families as quickly as possible. The program provides comprehensive direct full service child protection systems of prevention, preservation, and permanency planning to ensure that children grow up safe, physically and emotionally healthy, educated and in permanent homes. The Adoption units are responsible for assessing child adoptability, case management and supervision and providing services involving the finalization of the adoption process. Revenue Enhancement units provide support to social workers assisting in finding placement for children that must be detained in out-of-home care. The proposed lease will support these operations. The relocation and addition of staff from the existing offices to the proposed location will provide the workstations necessary to accommodate growth for new programs under development as well as adjustments toward the department's goal of reuniting families in the shortest period of time possible. The office will have public intake and is in close proximity to public transportation routes.

This facility is being relocated due to the current lessor's intention to adapt and reuse the building from commercial office building to residential condominiums. The existing lease expired in December 2005, has been operating on a month-to-month holdover since that time with the authorization of the lessor, and will terminate upon commencement of the new proposed lease. The current North Hollywood office houses most of the staffing for the East San Fernando Valley and West San Fernando Valley service areas, as divided by the 405 freeway. The new facility will house 299 staff serving the East Valley program and 116 for the West Valley for a total of 415 employees in 73,595 square feet of office. Approximately 20 staff serving the East Valley, currently housed in the Pasadena office, and approximately 20 staff serving the West Valley, currently housed in the Santa Clarita DCFS office, will relocate to the new, larger facility. The move from Pasadena will create vacancies that are intended to be backfilled by anticipated growth. The move from Santa Clarita will relieve some overcrowding and create some vacancies; the vacancies created by the move will be backfilled by anticipated growth.

The proposed expansion to the Nordhoff facility will serve the San Fernando Valley community, by consolidating staff whose clients reside in the Valley.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we provide organizational effectiveness and ensure that service delivery systems are efficient, effective and goal oriented (Goal 3) and that we strengthen the County's fiscal capacity (Goal 4). In this case, the proposed lease supports these goals with a suitably located office with appropriate workspace for DCFS as well as housing multiple departmental functions in a single location.

FISCAL IMPACT/FINANCING

The proposed lease will provide DCFS the use of 73,595 rentable square feet of office space and 300 parking spaces at an initial monthly base rent of $106,713 or $1,280,553 annually.

PROPOSED LEASE	20151 NORDHOFF STREET, CHATSWORTH
Area	73,595 rentable square feet
Term	Five years, commencing upon Board's approval and completion of the TI.
Annual Base Rent	$ 1,280,553* ($1.45 /sf/month) subject to 3% annual increases
Additional TI allowance	$ 916,626** ($1.04 /sf/month)
Maximum Annual Rent	$ 2,197,179** ($2.49 /sf/month)
Cancellation	After four years with six months written notice and payment of the unamortized balance of the applicable Base TI, Additional TI and commissions.
Parking (included in Rent)	300 parking spaces.

*Excludes utilities, which per BOMA costs an additional $2.32sf annually, or $170,740.

** Annual amortization of the additional TI of $50 per square foot (i.e. $3,679,750) at nine percent.

This is a modified gross lease whereby the Lessor is responsible for operating costs associated with the County's occupancy with the exception of utility costs, which will be paid for by the department through ISD. Included in the rent is a $35 per square foot, ($2,575,825), Base TI allowance provided by the Lessor to be used for refurbishment of the existing office space. In addition, the County may utilize an additional TI of up to $50 per square foot, or $3,679,750, which may be amortized over the term of the lease at nine percent interest, or paid whole or in part via a lump sum payment during the term of the lease. The rent is subject to automatic three percent increases in lieu of any annual operating expense pass-through or Consumer Price Index adjustments. Parking is included in the rental rate and will be provided in the adjacent secured parking lot servicing the facility.

Sufficient funding for the proposed lease is included in the 2006-07 Rent Expense budget and will be billed back to the department. DCFS has sufficient funds in its 2006-07 operating budget to cover the projected lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease will serve as administrative office space for a comprehensive full service direct child protection system which includes Adoptions and Revenue Enhancement operations of DCFS. The proposed five-year lease will provide 73,595 rentable square feet of office space and 300 parking spaces located adjacent to the subject facility with valet service to optimize parking capacity. While the number of parking spaces is less than the 332 required by the department, there is sufficient un-metered street parking in the surrounding area to meet the anticipated needs of clients and staff. The lease contains the following provisions:

- Five-year term commencing after completion of the improvements by the Lessor and acceptance by the County;

- A modified gross basis whereby the County is responsible for utilities expenses. All other operational and maintenance costs associated with the premises are the responsibility of the Lessor;

- A TI allowance of $2,575,825, or $35 per square foot, included in the base rental rate for improvement of the premises;

- A reimbursable additional TI allowance of $3,679,750, or $50 per square foot, which may be paid in a lump sum or amortized over the five-year term at an annual interest rate of nine percent;

- Lessor will provide valet and day porter service eight hours per day to accommodate parking and janitorial needs of staff;

- A cancellation provision allowing the County to cancel anytime after four years of the term upon six months prior written notice and payment of a cancellation fee equal to the unamortized balance of a portion of the Base TI, Additional TI costs and commissions at nine percent interest;

- One two-year option to extend the lease with 180 days prior written notice.

The CAO Real Estate Division staff conducted a survey within the project area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could suitably accommodate this requirement. Based upon said survey, staff has established that the rental range for similar sized space is between $16.20 and $19.30 per square foot per year on a modified-gross basis, i.e., minus utilities expense. Thus, the annual rental rate of $17.40 modified-gross with parking for the proposed lease represents a rate within the market range for the area. Attachment B shows County-owned or leased facilities in the proximity of the service area and there are no suitable County-owned or leased facilities available for the program.

The Department of Public Works has completed a seismic inspection of the facility and found it suitable for County occupancy. Construction of the TI will be completed in compliance with ADA and building codes. The lease has been reviewed by the Auditor-Controller and it meets the criteria set-forth for an Operating Lease.

The proposed lease was submitted for review to your Board's appointed Real Estate Management Commission on July 12, 2006. After careful review, the Commission approved the lease.

The premises in the proposed lease are located in a low-rise commercial building and do not provide the necessary amenities or available space to operate a child care center, nor is it financially feasible for the Department at this time.

ENVIRONMENTAL DOCUMENTATION

This CAO has made an initial study of environmental factors and has concluded that this project will have no significant impact on the environment and no adverse effect on wildlife resources. Accordingly, a Negative Declaration has been prepared and a notice posted at the site as required by the California Environmental Quality Act (CEQA) and the California Administrative Code, Section 15072. Copies of the completed Initial Study, the resulting Negative Declaration, and the Notice of Preparation of Negative Declaration, as posted, are attached. No comments to the Negative Declaration were received. A fee must be paid to the State Department of Fish and Game when certain notices are filed with the Register-Recorder/County Clerk. The County is exempt from paying this fee when your Board finds that a project will have no impact on wildlife resources.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease will provide the necessary office space for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, DCFS concurs in this lease recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return three originals of the executed lease agreement and the adopted, stamped Board letter, and two certified copies of the Minute Order to the CAO, 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:WLD
CEM:NCH:hd

Attachments (3)

c: Department of Children and Family Services
Internal Services Department
Auditor-Controller
County Counsel

20151NordhoffBL

Attachment A

DEPARTMENT OF PUBLIC SOCIAL SERVICES
20151 NORDHOFF STREET, CHATSWORTH
Asset Management Principles Compliance Form[1]

			Yes	No	N/A
1.	**Occupancy**				
	A	Does lease consolidate administrative functions?[2]			X
	B	Does lease co-locate with other functions to better serve clients?[2]	X		
	C	Does this lease centralize business support functions?[2]			X
	D	Does this lease meet the guideline of 200 sq. ft of space per person?[2] **Yes, ratio is 177 square feet per person.**	X		
2.	**Capital**				
	A	Is it a substantial net County cost (NCC) program? **The office space is largely subvented.**		X	
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment B?	X		
	G	Was build-to-suit or capital project considered? **Space requirement does not meet timeframe for this type of project.**		X	
3.	**Portfolio Management**				
	A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			X
	D	Why was this program not co-located?			
		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. _X_ The Program is being co-located.			
	E	Is lease a full service lease?[2] **County pays for utilities costs. Owner will not pay utilities and DCFS will be operating within a stand alone facility.**		X	
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
		[1]As approved by the Board of Supervisors 11/17/98			

[2]If not, why not?

Attachment B

DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SPACE SEARCH - 10-MILE RADIUS OF 20151 NORDHOFF STREET, CHATSWORTH

LACO	FACILITY NAME	ADDRESS	SQUARE GROSS	FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
A076	BOARD OF SUP-5TH DISTRICT FIELD OFFICE	21949 PLUMMER ST BUILDING 2, CHATSWORTH 91311	1200	1140	LEASED	NONE
A624	BOS-FIELD OFFICE DISTRICT 5	21943 PLUMMER ST, CHATSWORTH	2550	2423	LEASED	NONE
A503	DPSS-WEST VALLEY CALWORKS/GAIN REG II PROGRAM	21415 PLUMMER ST, CHATSWORTH 91311	97280	87552	LEASED	NONE
A504	DPSS-WEST VALLEY CALWORKS/IHSS PROGRAM OFFICE	21615 PLUMMER ST, CHATSWORTH 91311	67220	60498	LEASED	NONE
A362	DPSS-CANOGA PARK REGIONAL MEDI-CAL OFFICE	9035 CANOGA AVE, CANOGA PARK 91304	44835	32052	LEASED	NONE
X165	CHATSWORTH COURTHOUSE	9425 PENFIELD AVE, CHATSWORTH 91311	302435	165247	FINANCED	NONE
5858	DHS-PACOIMA PUBLIC HEALTH CENTER	13300 VAN NUYS BLVD, PACOIMA 91331	5404	3098	OWNED	NONE
A502	HEALTH SERVICES-FOOTHILL CENTER BLDG	12502 VAN NUYS BLVD, PACOIMA 91331	850	808	LEASED	NONE
A502	HEALTH SERVICES-FOOTHILL CENTER BLDG	12502 VAN NUYS BLVD, PACOIMA 91331	6664	5998	LEASED	NONE
Y582	FIRE-PACOIMA FORESTRY DIV OFFICE	12605 OSBORNE ST, PACOIMA 91331	612	551	OWNED	NONE
Y658	FIRE-PACOIMA OFFICE TRAILER	12605 OSBORNE ST, PACOIMA 91331	600	580	OWNED	NONE
T601	FIRE-PACOIMA OFFICE TRAILER #1	12605 OSBORNE ST, PACOIMA 91331	625	604	OWNED	NONE
T602	FIRE-PACOIMA OFFICE TRAILER #2	12605 OSBORNE ST, PACOIMA 91331	625	604	OWNED	NONE
T599	FIRE-PACOIMA VEGETATIVE MANAGEMENT TRAILER #1	12605 OSBORNE ST, PACOIMA 91331	625	563	OWNED	NONE
T600	FIRE-PACOIMA VEGETATIVE MANAGEMENT TRAILER #2	12605 OSBORNE ST, PACOIMA 91331	625	563	OWNED	NONE
T562	WHITEMAN AIRPORT-ABLE AVIONIX OFFICE	12653 OSBORNE ST, PACOIMA 91331	520	410	OWNED	NONE
6247	WHITEMAN AIRPORT-ADMIN BLDG 5	12653 OSBORNE ST, PACOIMA 91331	4657	3795	OWNED	NONE
T534	WHITEMAN AIRPORT-TRAILER	12653 OSBORNE ST, PACOIMA 91331	500	432	OWNED	NONE
F309	PW FLOOD-HANSEN YARD OFFICE	10179 GLENOAKS BLVD, SUN VALLEY 91352	2236	1901	OWNED	NONE
F311	PW FLOOD-HANSEN YARD OFFICE	10179 GLENOAKS BLVD, SUN VALLEY 91352	1612	1450	OWNED	NONE
5872	DHS-CANOGA PARK HEALTH CENTER (P/PP SITE)	7107 REMMET AVE, CANOGA PARK 91303	5308	3094	OWNED	NONE
A213	DHS-NORTH DISTRICT HEALTH FACILITIES OFFICE	15643 SHERMAN WAY, VAN NUYS 91406	3712	3600	LEASED	NONE
A316	SHERIFF-NORTH HILLS T.R.A.P. UNIT	8353 N SEPULVEDA BLVD, NORTH HILLS 91343	1500	1500	LEASED	NONE
D310	DPSS-EAST VALLEY WS DISTRICT OFFICE	14545 LANARK ST, PANORAMA CITY 91402	96360	39588	OWNED	NONE
0505	MID VALLEY-FORMER BOWLING ALLEY(NONHABITABLE)	7501 VAN NUYS BLVD, VAN NUYS 91405	28269	22615	OWNED	NONE
6359	MID VALLEY-SAN FERNANDO VALLEY SERVICE CENTER	7555 VAN NUYS BLVD, VAN NUYS 91405	17698	10623	FINANCED	NONE
A383	DHS-SAN FERNANDO DISTRICT ENVIRONMENTAL HLTH	6851 LENNOX AVE, VAN NUYS 91405	7537	7160	LEASED	NONE
A494	PROBATION-VAN NUYS JUVENILE SERVICES ANNEX	7100 VAN NUYS BLVD, VAN NUYS 91405	1900	1710	LEASED	NONE
A494	PROBATION-VAN NUYS JUVENILE SERVICES ANNEX	7100 VAN NUYS BLVD, VAN NUYS 91405	2484	2360	LEASED	NONE
A491	PROBATION-VAN NUYS AREA JUVENILE SERVICES	14540 HAYNES ST, VAN NUYS 91411	13500	11475	LEASED	NONE
A565	APD - VAN NUYS OFFICE	14553 DELANO ST, VAN NUYS	2750	2612	LEASED	NONE
4705	PROBATION-EAST SAN FERNANDO VALLEY AREA OFFIC	14414 W DELANO ST, VAN NUYS 91401	15825	8362	OWNED	NONE
5273	VAN NUYS COUNTY ADMINISTRATIVE CENTER BLDG	14340 W SYLVAN ST, VAN NUYS 91401	9849	6992	OWNED	NONE
7278	VAN NUYS COURTHOUSE - EAST	6230 SYLMAR AVE, VAN NUYS 91401	180296	88650	OWNED	NONE
4400	VAN NUYS COURTHOUSE - WEST	14400 ERWIN ST, VAN NUYS 91402	320391	125801	FINANCED	NONE
Y472	VAN NUYS COURTHOUSE-BUILDING A	6280 SYLMAR AVE, VAN NUYS 91401	4740	3165	OWNED	NONE
Y473	VAN NUYS COURTHOUSE-BUILDING B	6280 SYLMAR AVE, VAN NUYS 91401	4740	3148	OWNED	NONE
Y474	VAN NUYS COURTHOUSE-BUILDING C	6280 SYLMAR AVE, VAN NUYS 91401	4740	3148	OWNED	NONE
Y476	VAN NUYS COURTHOUSE-BUILDING E	6280 SYLMAR AVE, VAN NUYS 91401	3373	1987	OWNED	NONE
Y477	VAN NUYS COURTHOUSE-BUILDING F	6280 SYLMAR AVE, VAN NUYS 91401	576	495	OWNED	NONE
T027	VAN NUYS COURTHOUSE-TRAILER C	6230 SYLMAR AVE, VAN NUYS 91401	3164	2824	OWNED	NONE
T026	VAN NUYS COURTHOUSE-TRAILER D	6230 SYLMAR AVE, VAN NUYS 91401	8116	7086	OWNED	NONE
Y442	VAN NUYS COURTHOUSE-TRAILER F	14400 W DELANO ST, VAN NUYS 91401	11037	6470	OWNED	NONE
A608	BOS/DPW ET AL-ONE STOP SHOP (VARIOUS DEPTS)	26600 AGOURA ROAD, CALABASAS 91302	10346	9829	LEASED	NONE
A145	CHILD SUPPORT SERVICES-DIVISION I HDQUARTERS	15531 VENTURA BLVD, ENCINO 91436-3157	45775	30602	LEASED	NONE

ORIGINAL FILED

APR 26 2006

LOS ANGELES, COUNTY CLERK

COUNTY OF LOS ANGELES
CHIEF ADMINISTRATIVE OFFICE

TEN-YEAR LEASE

NEGATIVE DECLARATION

I. Location and Description of the Project

The proposed project is for the County of Los Angeles to lease facilities at 20151 Nordhoff Street, Chatsworth, California, which will be used by the Department of Children and Family Services for general administrative functions. The facility, located in the Third Supervisorial District approximately 26 miles from the Los Angeles Civic Center, includes approximately 74,000 square feet of office space. Department of Children and Family Services shall have use of approximately 300 off-street parking spaces for Children and Family Services' staff and visitors. The Landlord has no expansion plans beyond the scope of this project.

II. Finding of No Significant Effect

Based on the attached initial study, it has been determined that the project will not have a significant effect on the environment.

III. Mitigation Measures

None required.

INITIAL STUDY

I. Location and Description of Project

These proposed leased premises are located at 20151 Nordhoff Street, Chatsworth, located in the Third Supervisorial District approximately 27 miles northeast of the Los Angeles Civic Center and 4 miles southwest of the 118-Ronald Reagan freeway (see attached map).

The building to be used is owned by Nordhoff Net LLC and is intended for use as office space. Located at the site are approximately 300 exclusive off-street parking spaces for Children and Family Services' use and public parking located within the parking lot and surrounding area.

This project consists of leasing this facility for ten years in which will be located Department of Children and Family Services' offices. It is anticipated that an average of 320 employees will be occupying the premises with the maximum employee occupancy anticipated to be approximately 400 per day. In addition to the employees, it is anticipated that an average of 20-30 members of the public per day will be visiting the facility for normal administrative purposes. No expansion of existing premises will occur for this project and no exterior alterations, except for interior tenant improvements and furnishings, will be performed for this project.

II. Compatibility with General Plan

This project site is currently designated as Regional Center Commercial in the City of Los Angeles General Plan and zoned LAP. The proposed project would be consistent with these designations.

III. Environmental Setting

The project site is located in an area of commercial type facilities. The site includes approximately 158,000 square feet of developed property. The site is bordered by Commanche Street on the east side and Bahama Street on the north.

IV. Identification of Environmental Effects

A. The impact of the proposed project on existing land forms will be negligible as no reshaping of the soil nor excavation nor foundations, utility lines, sewer lines or water lines is anticipated.

B. The project will not conflict with adopted environmental plans and goals of the City of Los Angeles.

C. The project will not have a substantial demonstrable negative aesthetic effect on the site. The existing facility will be continued to be maintained as part of the lease arrangement.

D. No rare or endangered species of animal or plant or the habitat of the species will be affected by the project. Nor will it interfere substantially with the movement of any resident fish or wildlife species or migratory fish or wildlife species.

E. The project will not breach published national, state or local standards relating to solid waste or litter control.

F. Development will not substantially degrade water quality, contaminate water supply, substantially degrade or deplete ground water resources, or interfere substantially with ground water recharge.

G. There are no known archeological sites existing at the project site.

H. The proposed project will not induce substantial growth or concentration of population.

I. The project will not cause a substantial increase to existing traffic. Nor will it affect the carrying capacity of the present street system. This is a government use of private property for legal services purposes. The County's use is in conformance with uses approved by the City of Los Angeles.

J. The project will not displace any persons from the site.

K. The project will not substantially increase the ambient noise levels to adjoining areas. Noise generated by the proposed County use does not exceed that previously experienced in the area when occupied by private tenants.

L. The proposed developed project will not cause flooding, erosion or siltation.

M. The project will not expose people or structures to major geologic hazards.

N. The project is will not expend a sewer trunk line. All necessary utilities are available currently to the facility.

O. No significant increased energy consumption is anticipated by the County's use of the premises as compared to previous uses.

P. The project will not disrupt or divide the physical arrangement of established community; nor will it conflict with established recreational, educational, religious or scientific uses of the area.

Q. No public health or safety hazard or potential public health or safety hazard will be created by this project.

R. The project will not violate any ambient air quality standard, contribute substantially to an existing or projected air quality violation, or expose sensitive receptors to substantial pollutant concentrations.

V. Discussions of Ways to Mitigate Significant Effects

The proposed project is not expected to create any significant effects on the environment. To mitigate any effects upon the surrounding community the following measures will be implemented:

A. None Required.

VI. Initial Study Preparation

This study was prepared by Nevin Harrison of the Los Angeles County Chief Administrative Office, Real Estate Division. This study was completed on April 26, 2006.

DATE POSTED – APRIL 27, 2006

NOTICE OF PREPARATION OF NEGATIVE DECLARATION

This notice is provided as required by the California Environmental quality Act and California Administrative Code Title 14 Division 6, Section 15072 (a) (2) B.

A Negative Declaration has been prepared for this site based on an Initial Study which consists of completion and signing of an Environmental Information Form showing background information as follows:

1. Name of Proponent - County of Los Angeles
   Chief Administrative Office

2. Address/Phone No. - 222 South Hill Street, 3rd Floor
   Los Angeles, California 90012

Agent	Telephone
Nevin Harrison	(213) 974-4159

3. Date Information Form Submitted – April 27, 2006

4. Agency Requiring Information Form - Los Angeles County
   Chief Administrative Office
   Real Estate Division

5. Name of Proposal, if Applicable -

6. Address of Facility Involved – 20151 Nordhoff Street
   Chatsworth, CA 91311

Interested parties may obtain a copy of the Negative Declaration and the completed Environmental Information Form/Initial Study by contacting the Real Property Agent indicated under 2 above and referring to the proposal by name or to the facility by address.

Si necesita informacion en espanol, por favor de comunicarse con el agente designado, para asistencia en obtener una traduccion.

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APR 2 6 2006

LOS ANGELES, COUNTY CLERK

NEGATIVE DECLARATION

Department Name: Children and Family Services
Project: Adoptions & Revenue Enhancement programs

Pursuant to Section 15072, California Environmental Quality Act and California Administrative Code Title 14, Division 6

1. Description of Project

The leasing of existing office space in an existing commercial building to be used by the County of Los Angeles, Department of Children and Family Services as an administrative office.

2. a. Location of Project (plot plan attached)

20151 Nordhoff Street
Chatsworth, CA 91311

b. Name of Project Proponent

County of Los Angeles
Chief Administrative Office
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012

3. Finding for Negative Declaration

It has been determined that this project will not have a significant effect on the environment based on information shown in the attached Environmental Information Form dated April 26, 2006 which constitutes the Initial Study of this project.

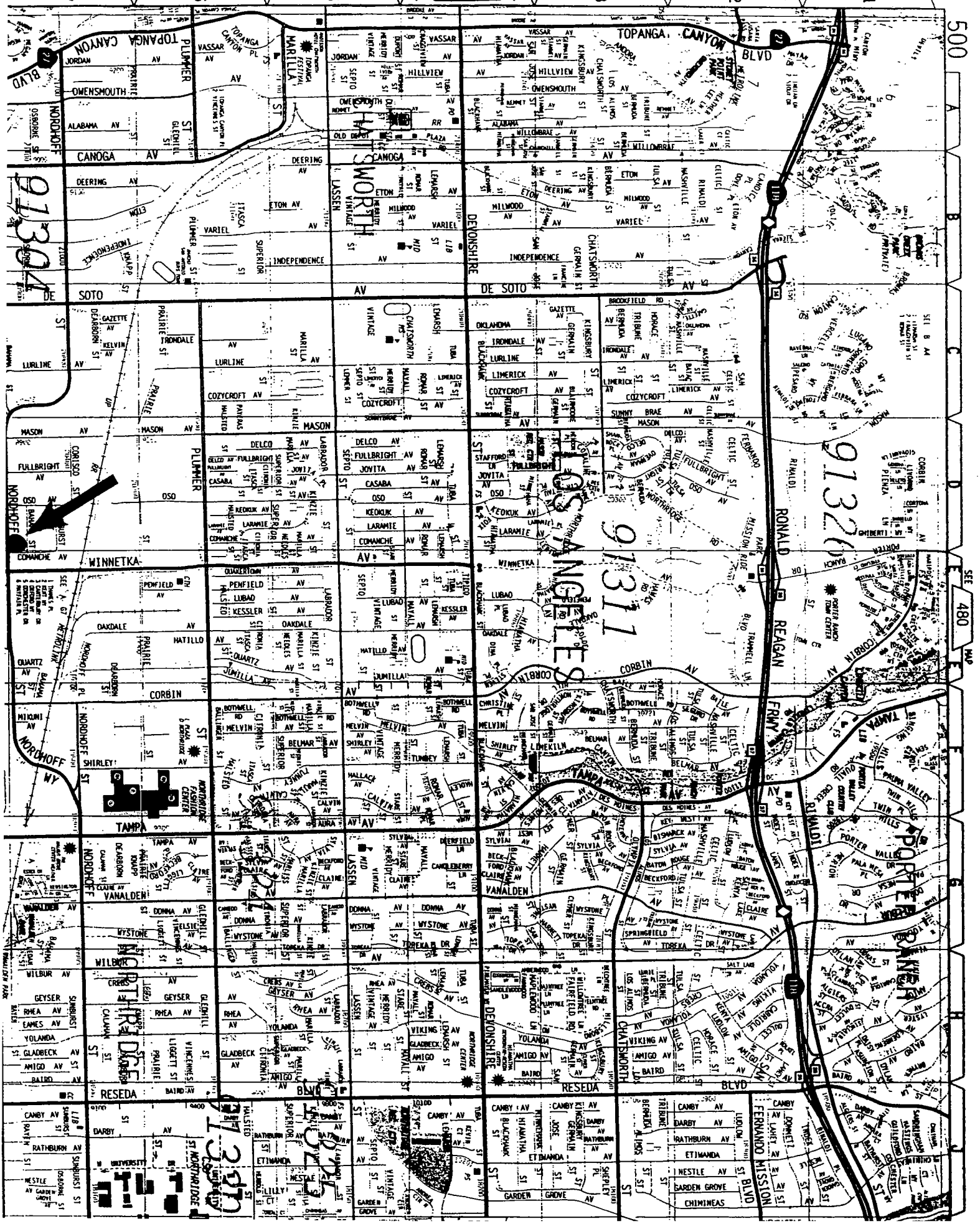
4. Initial Study

An Initial Study leading to this Negative Declaration has been prepared by the Chief Administrative Office and is attached hereto.

5. Mitigation Measures Included in Project

None required.

Date	Real Property Agent	Telephone
April 26, 2006	Nevin Harrison	(213) 974-4159


TOPANGA CANYON BLVD
VASSAR
JORDAN
OWENSMOUTH
HILLVIEW
ALABAMA
WILLOWBRAE
CANOGA AV
DEERING
ETON
MILWOOD
VARIEL
INDEPENDENCE
DE SOTO AV
CHATSWORTH
DEVONSHIRE
LASSEN
MARILLA ST
PLUMMER
NORDHOFF ST
PRAIRIE
IRONDALE
LURLINE
COZYCROFT
MASON
FULLBRIGHT
JOVITA
CASABA
OSO
KEOKUK
LARAMIE
COMANCHE
WINNETKA
QUARTOWN
PENFIELD
LUBAO
KESSLER
OAKDALE
HATILLO
QUARTZ
JUMILLA
CORBIN
BOTHWELL
MELVIN
SHIRLEY
BELMAR
TUNNEY
HALLACK
CALVIN
LAURA
TAMPA
VANALDEN
SYLVIA
DEERFIELD
CLAIRE
DONNA
WYSTONE
TOPEKA
WILBUR
GEYSER
RHEA
EAMES
YOLANDA
GLADBECK
AMIGO
BAIRD
RESEDA BLVD
CANBY
DARBY
RATHBURN
ETIWANDA
NESTLE
GARDEN GROVE
CHIMINEAS
RONALD REAGAN FRWY
RIVALDI
FERNANDO MISSION BLVD
NORTHRIDGE
CHATSWORTH
LOS ANGELES
91304
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91330
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SEE 480 MAP

COUNTY OF LOS ANGELES

CHIEF ADMINISTRATIVE OFFICE

LEASE AGREEMENT

DEPARTMENT: Department of Children and Family Services, as Tenant

LANDLORD: Mann Children's Trust pursuant to a Trust Agreement dated January 6, 1978, as amended from time to time, for the benefit of Victoria Mann Simms

20151 Nordhoff Street
Chatsworth, California

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COUNTY OF LOS ANGELES

CHIEF ADMINISTRATIVE OFFICE

LEASE AGREEMENT

THIS LEASE is entered into as of the _____ day of _____, 2006 between Mann Children's Trust pursuant to a Trust Agreement dated January 6, 1978, as amended from time to time, for the benefit of VICTORIA MANN SIMMS ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION. The following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease:

(a)	Landlord's Address for Notice:	c/o Simms Commercial Development 9320 Wilshire Blvd., Ste. 300 Beverly Hills, CA 90212 Attn: Ronald Simms Fax Number: (310) 246-1531
(b)	Tenant's Address for Notice:	Board of Supervisors Kenneth Hahn Hall of Administration, Room 383 500 West Temple Street Los Angeles, California 90012 With a copy to: Chief Administrative Office Real Estate Division 222 South Hill Street, 3rd Floor Los Angeles, California 90012 Attention: Director of Real Estate Fax Number: (213) 217-4971
(c)	Premises:	Approximately 73,595 rentable square feet in the Building (defined below) as shown on Exhibit A attached hereto.

(d)	Building:	The building located at 20151 Nordhoff Street, Chatsworth, California, which is located upon the real property described more particularly in Exhibit B attached hereto (the "Property").
(e)	Term:	Five (5) years commencing five (5) days after Tenant's Acceptance of the Premises as defined in Section 4(a) (the "Commencement Date"); and terminating at midnight on the day before the fifth (5th) anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
(f)	Projected Commencement Date:	March 1, 2007
(g)	Commencement Date:	Five (5) days after Tenant's Acceptance of the Premises.
(h)	Irrevocable Offer Expiration Date:	November 30, 2006
(i)	Basic Rent:	$106,712.75 per month (which is based upon a rental rate of $1.45 per rentable square foot (adjustable only as provided in Sections 2(b) and 5 hereof.)
(j)	Early Termination Notice Date:	Fourth (4th) Anniversary of Commencement Date.
(k)	Rentable Square Feet in the Premises:	73,595
(l)	Use:	General office.

(m)	Parking Spaces:	Three Hundred (300)
(n)	Normal Working Hours:	7:00 a.m. to 9:00 p.m., Monday through Friday and 9:00 a.m. to 2:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California.
(o)	Phase 1 Environmental Assessment Report:	A report dated April 27, 1998 prepared by Secor International, Inc.

1.2 Defined Terms Relating to Landlord's Work Letter:

(a)	Base Tenant Improvement Allowance:	$35.00 per rentable square foot.
(b)	Additional Tenant Improvement Allowance:	$50.00 per rentable square foot.
(c)	Maximum Change Order Allowance:	N/A
(d)	Additional Tenant Improvement Amortization Rate:	9% per annum
(e)	Tenant's Work Letter Representative:	Nevin Harrison and/or an assigned or designated staff person from the Chief Administrative Office – Real Estate Division to act on behalf of Tenant.
(f)	Landlord's Work Letter Representative:	Arron Latt (with Project Management Collaboration) and/or an assigned staff person of Landlord.
(g)	Landlord's Address for Work Letter Notice:	c/o 9320 Wilshire Blvd., Ste. 300 Beverly Hills, CA 90212 Attn: Ron Simms

	(h) Tenant's Address for Work Letter Notice:	Board of Supervisors Kenneth Hahn Hall of Administration, Room 383 500 West Temple Street Los Angeles, California 90012 With a copy to: Chief Administrative Office Real Estate Division 222 South Hill Street, 3rd Floor Los Angeles, California 90012 Attention: Director of Real Estate Fax Number: (213) 217-4971
1.3	Exhibits to Lease:	Exhibit A - Floor Plan of Premises Exhibit B - Legal Description of Property Exhibit C - Commencement Date Memorandum and Confirmation of Lease Terms Exhibit D - HVAC Standards Exhibit E - Cleaning and Maintenance Schedule
1.4	Landlord's Work Letter: (executed concurrently with this Lease and made a part hereof by this reference):	Landlord's Work Letter Addendum A: Base Building Improvements Addendum B: Tenant Improvements
1.5	Supplemental Lease Documents: (delivered to Landlord and made a part hereof by this reference):	Document I: Subordination, Non-disturbance and Attornment Agreement Document II: Tenant Estoppel Certificate Document III: Community Business Enterprises Form Document IV: Memorandum of Lease Document V: Request for Notice

2. PREMISES.

(a) Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto.

(b) Tenant shall have the right within ninety (90) days of approval of this Lease by the Board of Supervisors of the County of Los Angeles ("Board of Supervisors") to field-measure and verify the exact footage of the Premises and/or the Building All measurements shall be taken in accordance with the methods of measuring rentable/usable 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 except that no penthouse mechanical room space shall be included in the measurement. Should this measurement be less than the square footage stated above, Tenant shall have the right to adjust such square footage and reduce the Basic Rent in Section 1 accomplished by the mutual execution of a memorandum of understanding between the Landlord and the Tenant. Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no adjustment made to either the square footage or the Basic Rent in the event the measured square footage exceeds the amount represented by Landlord. Should Landlord and Tenant not agree with respect to the results of the measurement conducted pursuant to this subsection (b) Landlord shall appoint an independent firm or person who is experienced in making such measurements whose determination with respect to which measurement is correct shall be final and binding upon the parties. Landlord and Tenant shall share equally in the fees of such firm.

3. INTENTIONALLY OMITTED.

4. COMMENCEMENT AND EXPIRATION DATES.

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within thirty (30) days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached as Exhibit C. The Commencement Date shall be five (5) days after Tenant's Acceptance of the Premises. The term "Tenant's Acceptance of the Premises" as used in this Lease shall mean the date upon which the Premises are Substantially Complete. The term "Substantially Complete" or "Substantial Completion" as used in this Lease 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) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease, including the installation of modular furniture systems, if so required (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises; (3) Landlord 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; (4) Tenant has been provided with the number of parking privileges and spaces to which it is entitled under this Lease; and (5) if Landlord is responsible for the installation of telecommunication systems, then such systems shall be completely operational. If the Substantial Completion of the Tenant Improvements are delayed as a result of a Tenant Delay, then the date of the Substantial Completion of the Tenant Improvements shall be deemed to be the date the Substantial Completion of the Tenant Improvements would have occurred, but for the Tenant Delay.

(b) Termination Right. If the Commencement Date has not occurred within one hundred eighty (180) days from the Projected Commencement Date, subject to Tenant Delays or Force Majeure Delays as provided in Landlord's Work Letter, which has been executed concurrently herewith, Tenant may thereafter, at any time before the Commencement

Date occurs, terminate this Lease effective upon the giving of written notice to Landlord and the parties shall have no further obligations to one another hereunder.

(c) Early Possession. Tenant shall be entitled to possession of the Premises not less than thirty (30) days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Such early occupancy shall be subject to all provisions hereof but shall not advance the Termination Date, and Tenant shall not pay Basic Rent for such early occupancy period.

(d) Early Termination. Tenant shall have the right to terminate this Lease at any time after the Early Termination Notice Date, as defined in Section 1, by giving Landlord not less than one hundred eighty (180) days prior written notice executed by the Chief Administrative Officer of Tenant. Within sixty (60) days of such early termination, Tenant shall reimburse Landlord for: (a) the principal amount of the Additional Tenant Improvement Allowance and the Maximum Change Order Allowance (to the extent utilized) remaining unpaid to Landlord as of the date of termination of this Lease; and (b) the principal balance, applying a five (5) year amortization schedule with an interest factor of nine percent (9%), remaining as of the date of termination of this Lease, of (i) the brokerage commission paid by Landlord pursuant to Section 29(c) and, (ii) $10.00 per rentable square foot (as a portion of the $35.00 per rentable square foot Base Tenant Improvement Allowance).

5. RENT. Tenant shall pay Landlord the Basic Rent stated in Section 1 during the Term hereof within fifteen (15) days after a claim therefor for each such month has been filed by Landlord with the Auditor of the County of Los Angeles (the "County") prior to the first day of each month. Basic Rent for any partial month shall be prorated in proportion to the number of days in such month. Basic Rent for the first full month of the Term shall be paid by Tenant to Landlord upon Tenant's Acceptance of the Premises.

Basic Rent shall be adjusted during the Term in accordance with the following schedule:

Monthly Period	Basic Rent Per Rentable Square Foot	Basic Rent Per Month
Months 1-12	$1.45	$106,712.75
Months 13-24	$1.49	$109,914.13
Months 25-36	$1.54	$113,211.56
Months 37-48	$1.58	$116,607.90
Months 49-60	$1.63	$120,106.14

6. USES. The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use.

7. HOLDOVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy which is terminable only upon ninety (90) days written notice from Landlord or thirty (30) days written notice from the Chief Administrative Officer of Tenant at the last monthly Basic Rent payable under this Lease (as such Basic Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. COMPLIANCE WITH LAW. Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including without limitation, the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises.

9. DAMAGE OR DESTRUCTION.

(a) Damage. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenantable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within ten (10) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. The failure to do so shall be a material Default hereunder. Basic Rent shall abate to the extent that the Premises are unusable by Tenant (except to the extent Landlord does not receive rental income insurance proceeds on account thereof and the damage was caused by any act or omission of Tenant or any agent, employee or representative of Tenant). If (i) Landlord recovers rental income insurance proceeds as a result of an abatement of rent hereunder due to damage caused by any act or omission of Tenant or any agent, employee or representative of Tenant, and (ii) Landlord is able to evidence that its insurance premiums have increased as a result of its claim relating to such act or omission of Tenant or any agent, employee or representative of Tenant, then Tenant shall be responsible for reimbursing Landlord for such increased insurance premiums to the extent that Landlord has established that said increase is attributable to Tenant (which reimbursement shall be paid by Tenant to Landlord within thirty (30) days following written demand therefor). Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

(b) Tenant Termination Right. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days for any reason, then Tenant may terminate this Lease by giving written notice within ten (10) days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Basic Rent shall be abated from the date the Premises became untenantable. In the event that Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided insurance proceeds are available to repair the damages.

(c) Damage In Last Year. Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Landlord or Tenant may terminate this Lease by giving notice to the other not more than thirty (30) days after such destruction, in which case (a) Landlord shall have no obligation to restore the Premises, (b) Landlord may retain all insurance proceeds relating to such destruction, and (c) this Lease shall terminate as of the date which is thirty (30) days after such written notice of termination..

(d) Default By Landlord. If Landlord is required to repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Tenant may (a) declare a default hereunder or (b) perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum, from the Basic Rent next due as a charge against the Landlord.

10. REPAIRS AND MAINTENANCE.

(a) Landlord Representations. Landlord represents to Tenant, to the best of Landlord's actual knowledge, that as of the date hereof (i) the Premises (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) complies with all current laws, codes, and ordinances, including use the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirements; and (iii) the Premises are free of the presence of any Hazardous Materials (as hereinafter defined) and (iv) Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation. Landlord represents, to the best of Landlord's actual knowledge, based upon a professional inspection of the Premises and the Building and the Environmental Report that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Environmental Report). Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos containing materials to the extent required by law and provide Tenant with an updated report from a licensed California Asbestos contractor to that effect.

(b) Landlord Obligations. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Building, including without limitation, all permanent

exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intrabuilding network cable; (ii) mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building; and (iii) exterior windows of the Building. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to: (1) the floor covering; (2) interior partitions; (3) doors; (4) the interior side of demising walls; and (5) signage. To the extent repairs are necessitated due to the negligence or willful misconduct of Tenant or any of Tenant's agents, employees or representatives (with repairs for any other reason to be performed by Tenant, at Tenant's expense), Landlord shall be entitled to be reimbursed by Tenant for any repair costs incurred by Landlord pursuant to the preceding sentence, such reimbursement to be paid by Tenant to Landlord within fifteen (15) days after the delivery of a written request therefor from Landlord (provided that Landlord shall not be entitled to be reimbursed for repair costs which result from damage or disrepair to any items which are Landlord's responsibility under this Lease or from Landlord's negligence or willful misconduct). Without limiting the foregoing, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Tenant, which consent shall not be unreasonably withheld or delayed, (b) be at least equal in quality, value and utility to the original work or installation, and (c) be in accordance with all laws.

(c) Tenant's Right to Repair. If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than five (5) days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten (10) days, Tenant shall be entitled to deduct from Basic Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

11. SERVICES AND UTILITIES. Landlord shall furnish the following services and utilities to the Premises:

(a) HVAC. Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), in amounts required by Tenant as determined in its sole discretion for the use and occupancy of the Premises for normal office purposes to a standard comparable to other comparable buildings and not less than the standard set forth in Exhibit D attached hereto. Tenant's HVAC usage in the Premises shall be separately metered and Tenant shall be solely responsible for all costs incurred in connection with such HVAC usage.

(b) Electricity. Landlord shall furnish to the Premises the amount of electric current provided for in the Working Drawings but in any event not less than seven (7) watts of electric current (connected load) per square foot of Rentable Square Feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide (the cost of which shall be applied against the Tenant Improvement Allowance) the existing or new transformers or subpanels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises. Landlord shall comply with all applicable Title 24 requirements in connection therewith (the cost of which shall be applied against the Tenant Improvement Allowance). Tenant shall be solely responsible for the cost of all electricity consumed from the Premises (which consumption shall be separately metered).

(c) Elevators. N/A.

(d) Water. Landlord shall make available water, at Tenant's sole expense, for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

(e) Janitorial. Landlord shall provide janitorial service on five (5) nights per week generally consistent with that furnished in comparable office buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit E attached hereto.

(f) Access. Landlord shall furnish to Tenant's employees and agents access to the Premises on a seven (7) day per week, twenty-four (24) hour per day basis.

(g) Interruption of Services. Landlord shall not be liable and rent shall not abate for any failure to furnish, or interruption in furnishing any of the services or utilities described in this Section 11, when such failure results from any Force Majeure Delay unless such interruption continues for more than ten (10) consecutive days and Tenant is effectively unable to conduct its business from the Premises as a result thereof (in which event Tenant shall be entitled, as its sole remedy, to rental abatement hereunder for any continued interruption beyond ten (10) consecutive days).

12. LANDLORD ACCESS. Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or Premises, Basic Rent shall be prorated based upon the percentage of the Premises or Building rendered untenantable

and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

13. TENANT DEFAULT.

(a) Default. The occurrence of any one or more of the following events (a "Default") shall constitute a material default and breach of this Lease by Tenant:

(i) the failure by Tenant to make any payment of Basic Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten (10) days after written notice to Tenant;

(ii) the failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of thirty (30) days after written notice from Landlord specifying in detail the nature of the default; provided, however, if more than thirty (30) days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion (but in no event shall such cure be later than 90 days after such written notice from Landlord).

(b) Termination. Tenant agrees that if a Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law.

(c) No Effect on Indemnity. Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

14. LANDLORD DEFAULT.

(a) Remedies. In addition to the provisions for Landlord's default provided by Sections 9(d), 10(c) 19 and 20(b), Landlord shall be in default in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within ten (10) business days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10(c)) ; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such ten (10) business day period, Landlord shall not be deemed to be in default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the default by Landlord ("Landlord Default") is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (i) to remedy such default or breach and deduct the costs thereof (including but not limited to attorneys' fees)

plus interest at the rate of ten percent (10%) per annum from the installments of Basic Rent next falling due; (ii) to pursue the remedy of specific performance; (iii) to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Basic Rent next coming due; and/or (iv) to terminate this Lease.

(b) Waiver. Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

(c) Emergency. Notwithstanding the foregoing cure period, Tenant may cure any default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition or materially and adversely affect the operation of Tenant's business in the Premises.

(d) Tenant agrees to give any beneficiary under any deed of trust encumbering the Building (a "Mortgagee"), by registered or certified mail (i) a copy of any notice of default served upon Landlord by Tenant, provided that prior to such notice Tenant has been notified in writing of the address of such Mortgagee and (ii) an additional thirty (30) days to cure any such default prior to Tenant terminating this Lease. Tenant shall have all the rights and remedies set forth in Section 14 (a) during such additional thirty (30) day period, except that Tenant shall have no right to terminate the Lease.

15. ASSIGNMENT AND SUBLETTING. Tenant may assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises without first obtaining Landlord's prior consent; provided, however, no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto.

16. ALTERATIONS AND ADDITIONS.

(a) Landlord Consent. Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. However, Landlord's consent shall not be required (but prior notice shall nonetheless be provided to Landlord) for any Alteration that satisfies all of the following criteria: (1) complies with all Laws; (2) is not visible from the exterior of the Premises or Building; (3) will not materially affect the systems or structure of the Building; and (4) does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building. If Landlord fails to respond in writing within thirty (30) days of such request, Landlord shall be deemed to approve the Alterations.

(b) End of Term. Any Alterations not removed by Tenant shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term.

17. CONDEMNATION.

(a) Controlling Terms. If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(b) Total Taking. If the Premises are totally taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

(c) Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within thirty (30) days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Basic Rent shall be equitably abated.

(d) Restoration. Notwithstanding the preceding paragraph, if, within thirty (30) days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within ninety (90) days after Landlord so notifies Tenant, this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in effect, except that Basic Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

(e) Award. The Award (as defined below) shall be divided between Landlord and Tenant as their respective interests may appear. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises.

(f) Waiver of Statute. Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the superior court to terminate this Lease in the event of a partial taking of the Premises.

18. INDEMNIFICATION.

(a) Tenant's Indemnity. Tenant shall indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Tenant or its employees, or arising from any breach or default under this Lease by Tenant or arising from Tenant's use of the Premises. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees.

(b) Landlord's Indemnity. Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors, or arising from any breach or default under this Lease by Landlord. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

19. INSURANCE.

(a) Landlord's Insurance. During the term of this Lease, Landlord shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates) and (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value. Landlord shall carry insurance on any furniture and furnishings which shall be considered the property of Landlord and on all modular furniture installed in the Premises. Insurance proceeds shall be payable to Landlord and Tenant as their interests may appear and be utilized for repair and restoration of the Premises.

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (1) per occurrence and general aggregate amount of $5,000,000; (2) products/completed operations aggregate of $2,000,000 and (3) personal and advertising injury of $1,000,000.

(iii) Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or to use any insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Lease.

(b) Insurance Requirements. All insurance policies required to be maintained by Landlord under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All liability and property damage and other casualty policies of Tenant shall be written as primary policies, not contributing with, and not in excess of coverage which Landlord may carry.

(c) Certificates. Landlord shall deliver to Tenant on the Commencement Date of this Lease and thereafter at least fifteen (15) days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates must document that each party has named the other as an additional insured (or its equivalent) on its general liability and property insurance policy, and that Tenant has been named a loss payee on Landlord's commercial property insurance policy, as required. Further, all certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given to Tenant in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

(d) Waiver of Subrogation. Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

20. PARKING.

(a) Tenant's Rights. Tenant shall have the right to the number of exclusive reserved parking stalls set forth in Section 1 without charge for the Term of this Lease. Some tandem parking shall be permitted and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all other parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building.

(b) Remedies. Landlord acknowledges that it is a material term of this Lease that Tenant receive all of the Parking Spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the Parking Spaces required above are not available to Tenant,

(in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation), Tenant may (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective thirty (30) days thereafter or (b) deduct from the Basic Rent thereafter accruing hereunder an amount each month equal to the Basic Rent times the percentage of Parking Spaces not so provided times 1.5 but such deduction from Basic Rent shall be not less than ten percent (10%) nor more than one hundred percent (100%).

(c) Landlord shall provide, at Landlord's expense, a parking attendant to, among other things, facilitate the aforementioned tandem parking five (5) days per week, at least eight (8) hours per day. Such parking attendant will not require any form of parking tickets.

21. ENVIRONMENTAL MATTERS.

(a) Hazardous Materials. Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants ("Tenant's Affiliates") to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises or the Building or the Property, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Property. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, judgments, causes of action, damages, penalties, fines, taxes, costs, liabilities, losses and expenses resulting from any breach by Tenant of its obligations under this Section 21(a).

(b) Landlord Indemnity. Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection

with the presence of Hazardous Materials on, under or about the Premises, Building or Property or other violation of laws relating to Hazardous Materials other than caused by Tenant or Tenant's Affiliates during the term of this Lease. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup, remediation or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency provided that, in the case of the presence of Hazardous Materials not caused by Landlord or Landlord's employees, agents, customers, visitors, invitees, licensees, contractors, or assignees, Tenant shall give notice to Landlord of the presence of Hazardous Materials and (i) Landlord's indemnity shall be limited only to the cost of any required or necessary repair, cleanup, remediation, or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency; and (ii) Landlord shall not be liable and rent shall not abate due to the presence of any such Hazardous Materials unless Tenant is effectively unable to conduct its business from the Premises as a result thereof and such interruption continues for more than ten (10) consecutive days of Tenant's Normal Working Hours (in which event Tenant shall be entitled, as its sole remedy, to rental abatement hereunder for any continued interruption beyond ten (10) consecutive days of Tenant's Normal Working Hours). Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. All of the provisions of subsection 9(c), including, without limitation, notice to Landlord and all Tenant rights and remedies, shall apply to an event or circumstance which requires the action of Landlord under this Section 21(b). Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

22. ESTOPPEL CERTIFICATES. Tenant shall, within thirty (30) days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Document II in the Supplemental Lease Documents delivered to Landlord concurrently herewith (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate and other statements reasonably requested by any lender or prospective purchaser. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

23. TENANT IMPROVEMENTS. Prior to the Commencement Date, Landlord shall construct the Tenant Improvements in the manner set forth in the Landlord's Work Letter executed by Landlord and Tenant concurrently herewith.

24. LIENS. Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien.

25. SUBORDINATION AND MORTGAGES.

(a) Subordination and Non-Disturbance. Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently herewith and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included herein.

(b) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently herewith within thirty (30) days after the execution of this Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Document V in the Supplemental Lease Documents delivered to Landlord concurrently herewith.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section , Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of Default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional ten (10) days within which to cure such Default.

26. SURRENDER OF POSSESSION. Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in the condition in which it was delivered to Tenant, ordinary wear and tear and any Alterations approved by Landlord excepted, and otherwise in a "broom-clean" condition. In connection therewith, Tenant shall notify Landlord at least thirty (30) days prior to the expiration of the Lease Term whether Tenant elects to (i) remove, fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture) (collectively, "Tenant's FF&E"), or (ii) surrender Tenant's FF&E to Landlord upon the expiration of the Lease Term. If Tenant elects to remove Tenant's FF&E, Tenant shall do so on or before the expiration of the Lease Term and Tenant shall be responsible, at its sole expense, for repairing any damage to the Premises or the Property caused by such removal.

27. SIGNAGE. Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances.

28. QUIET ENJOYMENT. So long as Tenant is not in default hereunder, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises during the Term of this Lease, subject to the terms and conditions of this Lease.

29. GENERAL.

(a) Headings. Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

(c) Brokers. Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. Tenant shall receive from Landlord, within ten (10) days after the execution of this Lease (and after the full approval of this Lease by the County Board of Supervisors), an amount equal to One Hundred Twenty-Eight Thousand and No/100ths Dollars ($128,000.00) as a result of the execution of this Lease. Landlord will pay a commission to Landlord's broker pursuant to a separate commission agreement.

(d) Entire Agreement. This Lease (and the Landlord's Work Letter, Supplemental Lease Documents and the separate commission agreement) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

(e) Severability. 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 the remaining provisions hereof shall nevertheless remain in full force and effect.

(f) Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

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

(h) Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

(i) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

(j) Consent. Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) days after written request is made therefore, together with all necessary information.

(k) Community Business Enterprises. Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Document III in the Supplemental Lease Documents delivered to Landlord concurrently herewith.

(l) Memorandum of Lease. If requested by Tenant, Landlord and Tenant shall execute and acknowledge a Memorandum of Lease in the form of Document IV in the Supplemental Lease Documents delivered to Landlord concurrently herewith, which Memorandum may be recorded by Tenant in the Official Records of Los Angeles County.

30. 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. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord 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 Landlord 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 Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Administrative Officer of the County or its delegee (the "Chief Administrative Officer") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Basic Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an Early Termination Notice or otherwise, signing estoppel

certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

31. ACKNOWLEDGEMENT BY LANDLORD. Landlord acknowledges that it is aware of the following provisions:

(a) Consideration of GAIN Program Participants. Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give consideration for any such employment, openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

(b) Solicitation of Consideration. It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the Lease or that landlord's failure to provide such consideration may negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the Lease.

Landlord shall immediately report any attempt by a County officer, 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 landlord's submission being eliminated from consideration.

(c) Landlord Assignment.

(i) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Basic Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

(ii) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof, is hereinafter referred to as a "Security Agreement."

(iii) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, the County

hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing (other than direct bond financing).

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

(v) Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Basic Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(vi) Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity (other than to Landlord's broker, attorney, accountant and any prospective buyer, lender or investor), except with County's prior written consent. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

(vii) The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns whether so expressed or not.

32. IRREVOCABLE OFFER. In consideration for the time and expense that Tenant will invest, including, but not limited to, preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section I.

33. OPTION TO RENEW.

(a) Terms of Option. Provided that no material Default has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have one option to renew this Lease for an additional period of two years (the "Extension Term").

(b) Exercise of Option. Tenant must exercise its option to extend this Lease by giving Landlord written notice of its intent to do so by Chief Administrative Office letter no later than 180 days prior to the end of the initial Term. The actual exercise of the option shall be only by the Board of Supervisors of the County of Los Angeles.

(c) Terms and Conditions of Extension Term. The Extension Term shall be on all the terms and conditions of this Lease, provided that Basic Rent for the Extension Term shall be the rate in effect during the last year of the original lease term, increased by three percent (3%), and upon each anniversary date of the commencement of the Extension Term the rent then in effect will increase by three percent (3%) for the remainder of the Extension Term. Tenant shall have the right to terminate this Lease at the one year anniversary date of the Extension Term by giving not less than 180 days prior written notice.

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

LANDLORD: Mann Children's Trust pursuant to a Trust Agreement dated January 6, 1978, as amended from time to time, for the benefit of Victoria Mann Simms

By:_____
Name: RONALD SIMMS
Its: TRUSTEE

TENANT: COUNTY OF LOS ANGELES
a body politic and corporate

By:_____
Name:_____
Mayor, Board of Supervisors

_____

ATTEST:

Sachi Hamai
Executive Officer-Clerk
of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:
Raymond G. Fortner, Jr.
County Counsel

By: Kathleen D. Felice
Deputy: Kathleen D. Felice

EXHIBIT A

FLOOR PLAN OF PREMISES

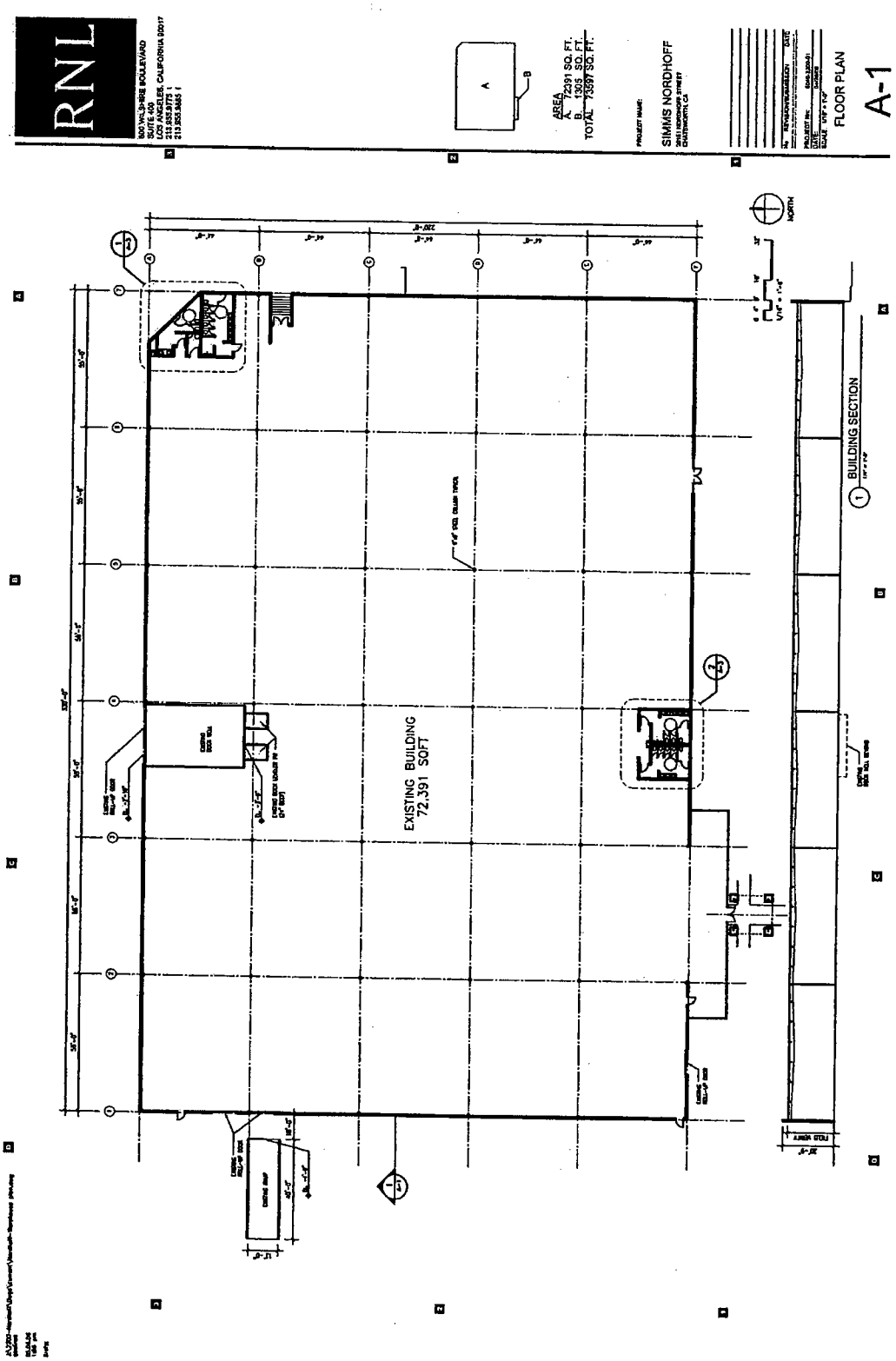

EXHIBIT A-1

3904545v11

EXHIBIT B

LEGAL DESCRIPTION OF PROPERTY

PARCEL 1:

LOT 1 OF TRACT NO. 24329, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 682, PAGES 3 AND 4 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

PARCEL 2;

LOTS 12 AND 13 OF TRACT NO. 24326, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 682, PAGES 1 AND 2 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

EXHIBIT C

COMMENCEMENT DATE MEMORANDUM
AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain lease ("Lease") dated _____, 2006, between County of Los Angeles, a body politic and corporate ("Tenant"), and _____, a _____ ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at _____ _____ ("Premises"),

Landlord and Tenant hereby acknowledge as follows:

(1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____ ("Possession Date");

(2) Tenant has accepted possession of the Premises and now occupies the same;

(3) The Lease commenced on _____ ("Commencement Date");

(4) The Premises contain _____ rentable square feet of space; and

(5) Basic Rent Per Month is _____.

IN WITNESS WHEREOF, this Memorandum is executed this _____ day of _____ _____, 200__.

"Tenant"	"Landlord"
COUNTY OF LOS ANGELES, a body politic and corporate	_____, a _____
By: _____ Name: _____ Its: _____	By: _____ Name: _____ Its: _____

EXHIBIT D

HVAC STANDARDS

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Normal Working Hours established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions generally consistent with the following parameters: of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one zone for approximately each 1,000 square feet and one diffuser for each 200 square feet of usable square footage within the Premises. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.

EXHIBIT E

CLEANING AND MAINTENANCE SCHEDULE

1. DAILY (Monday through Friday)

A. Carpets vacuumed.
B. Composition floors dust-mopped.
C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
D. Waste baskets, other trash receptacles emptied.
E. Chairs and waste baskets returned to proper position.
F. Fingerprints removed from glass doors and partitions.
G. Drinking fountains cleaned, sanitized and polished.
H. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
I. Bulb and tube replacements, as required.
J. Graffiti expunged as needed within two (2) working days after notice by Tenant.
K. Floors washed as needed.
L. Kitchen/Lunchroom supplies replenished including paper supplies and soap.
M. Exclusive day porter service for eight (8) hours per day, five (5) days per week.

2. WEEKLY

A. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.
B. Window sills, ledges and wood paneling and molding dusted.

3. MONTHLY

A. Floors washed and waxed in uncarpeted office area.
B. High-reach areas, door frames and tops of partitions dusted.
C. Upholstered furniture vacuumed, plastic and leather furniture wiped.
D. Picture moldings and frames dusted.
E. Wall vents and ceiling vents vacuumed.
F. Carpet professionally spot cleaned as required to remove stains.
G. HVAC chiller water checked for bacteria, water conditioned as necessary.

4. QUARTERLY

A. Light fixtures cleaned and dusted, but not less frequently than Quarterly.
B. Wood furniture polished.
C. Draperies or mini-blinds cleaned as required, but not less frequently than Quarterly.
D. HVAC units serviced for preventative maintenance purposes, all filters changed (as necessary).

5. SEMI-ANNUALLY

A. Windows washed as required inside and outside but not less frequently than twice annually.

B. All painted wall and door surfaces washed and stains removed.

C. All walls treated with vinyl covering washed and stains removed.

6. ANNUALLY

A. Furniture Systems and any other fabric or upholstered surfaces including chairs, couches, walls, etc., spot cleaned, or if determined to be necessary in Tenant's sole discretion, professionally cleaned in their entirety using a water extraction system.

B. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.

C. Touch-up paint all interior painted surfaces in a color and finish to match existing.

7. AS NEEDED

A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.

B. All lawns, shrubbery and foliage on the grounds of the 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.

C. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning: (i) heavy traffic areas as needed with a minimum frequency of bi-monthly [six (6) times per year]; (ii) moderate traffic areas cleaned as needed with a minimum of once every six (6) months [two (2) times per year]; and (iii) clean light traffic areas a minimum of once per year. Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.

D. All walls repainted and wall coverings replaced throughout the Premises. The paint finish should be eggshell or semi-gloss as directed by Tenant and in a color acceptable to Tenant. In no event will Landlord be required to repaint or replace wall coverings more than one (1) time in a five (5) year period (the "Occurrence"). The initial tenant improvements completed prior to Tenant's occupancy or as a condition to the renewal of the Lease shall not constitute and Occurrence for the purpose of determining the frequency of this work.

8. GENERAL

Landlord shall, upon request of Tenant, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

LANDLORD'S WORK LETTER

For

COUNTY OF LOS ANGELES
CHIEF ADMINISTRATIVE OFFICE
LEASE AND AGREEMENT

DEPARTMENT: Department of Children and Family Services, as Tenant

LANDLORD:

Mann Children's Trust pursuant to a Trust Agreement
dated January 6, 1978, as amended from time to time
for the benefit of Victoria Mann Simms

20151 Nordhoff Street
Chatsworth, California

LANDLORD'S WORK LETTER

This Work Letter supplements the Lease (the "Lease") dated _____, 2006, executed concurrently herewith, by and between Mann Children's Trust pursuant to a Trust Agreement dated January 6, 1978, as amended from time to time, for the benefit of Victoria Mann Simms, as Landlord, and COUNTY OF LOS ANGELES as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

The parties hereby agree as follows:

1. **Basic Work Letter Information**. The following terms as used herein shall have the meanings provided in this Section unless otherwise specifically modified by provisions of this Work Letter.

(a)	Base Tenant Improvement Allowance	$2,575,825.00 (i.e., $35.00 per rentable square foot of the Premises)
(b)	Additional Tenant Improvement Allowance	$3,679,750.00 (i.e., $50.00 per rentable square foot of the Premises)
(c)	Maximum Change Order Allowance	N/A
(d)	Additional Tenant Improvement Amortization Rate:	9% per annum
(e)	Basic Rent Reduction per $1,000	N/A
(f)	Tenant's Work Letter Representative	Nevin Harrison or an assigned staff person of the Chief Administrative Office-Real Estate Division
(g)	Landlord's Work Letter Representative	
(h)	Landlord's Address for Work Letter Notice	
(i)	Tenant's Address for Work Letter Notice	Board of Supervisors Kenneth Hahn Hall of Administration Room 383 500 West Temple Street Los Angeles, California 90012

With a copy to:
Chief Administrative Office-
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Fax Number: (213) 217-4971

(j) Addenda

Addendum A: Base Building Improvements
Addendum B: Tenant Improvements

2. **Construction of the Building**.

2.1 Base Building Improvements. Landlord has constructed or shall construct the base Building improvements as a part of the Building described on Addendum A hereto (the "Base Building Improvements"). To the extent that the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, such changes or additions (provided Tenant has approved same in writing), including without limitation, those described on Addendum B hereto, shall be considered Tenant Improvements (as defined below).

2.2 Additional Costs Not Tenant Improvement Costs.

(a) In the event that the Building as initially constructed does not comply with current life-fire safety codes, disabled access codes as it pertains to Building ingress and egress (including, without limitation, the ADA), and/or earthquake safety codes as of the date of this Lease (without any reference to the Tenant Improvements), and Landlord incurs increased design or construction costs that it would not have incurred had the Building been in compliance with such codes, such costs shall not be included in the calculation of Tenant Improvement Costs as defined below and Tenant shall have no financial responsibility for such costs.

(b) Any work that Landlord must undertake to cause the Premises to comply with the access requirements of the ADA in accordance with subparagraph (a) above or make existing building systems, including, but not limited to, electrical service and HVAC equipment, fully operational shall be at Landlord's sole cost and expense. Tenant Improvement Costs 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 "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, (iv) utility costs incurred during construction, (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease, or (vi) supervision or overhead costs of Landlord.

(c) Landlord shall be solely responsible for all costs and expenses necessary to increase permitted structural floor loading in order to accommodate Tenant's libraries, file rooms, unusual live loads and other such uses, provided that the cost shall be included in the Base Tenant Improvement Allowance or the Additional Tenant Improvement Allowance.

2.3 Base Building Plans. Landlord has delivered to Tenant "as built" plans and specifications for the Building in an AutoCAD 2000 format. In the event Tenant incurs additional costs because such plans and specifications are incomplete or inaccurate, such increased costs will be reimbursed to Tenant and any delay caused thereby shall not be a Tenant Delay, as defined below.

3. **Selection of Architect and Engineer**. Landlord shall promptly solicit at least three (3) proposals from qualified licensed architects ("Architect") and engineers ("Engineer") familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings as defined below. The Architect and the Engineer shall be selected by Landlord subject to Tenant'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 Landlord has submitted the name of the Architect and the Engineer to Tenant together 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 Tenant and written consent has been delivered to and received by Landlord.

4. **Selection of Contractor**. The Final Plans, as defined below, and a proposed construction contract approved by Tenant, shall be submitted to contractors, selected by Landlord and approved by Tenant, sufficient in number so that a minimum of three (3) bids are received. Each approved contractor shall be requested to submit a sealed fixed price contract bid price (on such contract form as Landlord shall designate) to construct the Tenant Improvements designated on the Final Plans. Landlord and Tenant shall jointly open and review the bids. Landlord and Tenant, after adjustments for inconsistent assumptions, shall select the most qualified bidder offering the lowest price and such contractor ("Contractor") shall enter into a construction contract ("Construction Contract") with Landlord consistent with the terms of the bid to construct the Tenant Improvements.

5. **Preparation of Plans and Specifications and Construction Schedule**.

5.1 Preparation of Space Plan. Concurrently with the execution of this Lease, Tenant shall submit to Landlord a space plan and specifications 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 (the "Space Plan").

5.2 Preparation and Approval of Working Drawings. Within ten (10) days of the date the Space Plan is submitted to Landlord (the "Plan Submission Date"), Landlord shall instruct the Architect to commence preparation of Working Drawings (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 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. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant the Working Drawings, or such portion as has from time to time

been submitted, for review. Landlord shall be solely responsible for insuring that the Working Drawings fully comply with all applicable building codes and are free from errors or omissions on the part of the Architect.

5.3 Preparation and Approval of Engineering Drawings. Landlord shall cause the Architect to coordinate all engineering drawings prepared by the 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 Tenant's review.

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has approved the Engineering Drawings, Landlord 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 Tenant. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements) and power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements.

5.5 Approval of Plans by Tenant. Approval by Tenant shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements.

5.6 Schedule. Within sixty (60) days after the Plan Submission Date (plus a 10-day extension if Landlord is proceeding in good faith), Landlord shall submit to Tenant a detailed construction schedule, subject to approval by Tenant which approval shall not be unreasonably withheld, setting forth the dates for specific completion of certain project benchmarks including, but not limited to, completion of Working Drawings, completion of Engineering 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 Commencement Date and other similar dates. As the construction continues, Landlord shall amend the schedule from time to time to reflect any changes to the projected dates.

6. Final Construction Budget and Payment of Tenant Construction Costs

6.1 Construction Budget. Within fifteen (15) days after the Plan Submission Date, Landlord shall submit to Tenant a preliminary budget (the "Preliminary Budget"). Such budget shall be revised into final form within ten (10) days from of the date the Contractor is selected and will be referred to herein as the "Final Construction Budget". Tenant shall have five (5) days from the date of receipt of the Final Construction Budget to approve or disapprove the Final Construction Budget. Construction of

the Tenant Improvements shall not begin until such time as Tenant indicates its approval or disapproval of the Final Construction Budget or the five (5) day period expires without any response from Tenant. In the event Tenant disapproves the Final Construction Budget due to matters related to cost and the Final Construction Budget is ten percent (10%) or more higher in cost than was projected in the Preliminary Construction Budget, then any delay caused by the necessity to rebid or redesign the Tenant Improvements shall not be considered a Tenant Delay. Landlord shall review the Space Plan, Working Drawings, Engineering Drawings and Final Plans at its sole cost and expense. No fee for profit, overhead or general conditions in connection with the construction of the Tenant Improvements shall be included in the Final Construction Budget unless approved by Tenant.

6.2 Additional Tenant Improvement Allowance. All improvements required by the Working Plans and modular furniture described in the Modular Specifications, as further described in Addendum B hereto, shall be Tenant Improvements and shall be at Landlord's sole cost and expense ("Tenant Improvements"), not to exceed, in the aggregate, the Base Tenant Improvement Allowance and the Additional Tenant Improvement Allowance. Without limiting anything to the contrary set forth herein, Landlord shall have no responsibility with respect to the selection of the modular furniture (which shall be Tenant's responsibility). Costs of Tenant Improvements shall include costs for furniture, telecommunications equipment, soft costs incurred by Landlord, and any other costs designated in writing by Tenant in the aggregate not to exceed the Base Tenant Improvement Allowance and the Additional Tenant Improvement Allowance ("Tenant Improvement Costs"). Landlord shall be solely responsible for any delay or increased cost in completing the Tenant Improvements except for delays or costs arising from Tenant Delays as defined below. It is anticipated that the Tenant Improvement Costs will exceed the Base Tenant Improvement Allowance so that Tenant may authorize Landlord to pay the overage in an amount not exceeding the Additional Tenant Improvement Allowance. The amount of the Additional Tenant Improvement Allowance shall be paid to Landlord as provided herein. Subject to Paragraph 8 below, Tenant shall be solely responsible for any and all Tenant Improvement Costs in excess of the Base Tenant Improvement Allowance and Additional Tenant Improvement Allowance.

6.3 Method of Payment. That portion of the Additional Tenant Improvement Allowance used to pay for the Tenant Improvement Costs may, at Tenant's election, be paid to Landlord (i) in a lump sum when the Tenant Improvements are Substantially Complete, or (ii) in amortized monthly payments over the term of the Lease at the Additional Tenant Improvement Amortization Rate. Tenant may at any time during the Term prepay Landlord in a lump sum for all or any portion of the Tenant Improvement Costs, amortizing any remaining amount in monthly payments over the term of the Lease at the Additional Tenant Improvement Amortization Rate.

7. Construction of Tenant Improvements.

7.1 Tenant Improvements. Tenant Improvements to be constructed by Landlord are described more particularly on Addendum B hereto.

7.2 Bids. Unless waived by Tenant in writing, any major contractors, subcontractors and materials providers providing labor and/or materials for the Tenant Improvements shall be selected only after three (3) bids have been solicited from responsible and qualified persons. Landlord shall submit three (3) sealed fixed price bids for the construction of the Tenant Improvements to Tenant for its review prior to the award of the Construction Contract. The bids shall be jointly opened and reviewed. The bids shall include an itemized list of all materials and labor and shall include all additional costs, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Three (3) 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.

(a) Permits. Landlord shall secure the approval of governmental authorities, and all permits required by governmental authorities having jurisdiction over such approvals and permits for the Tenant Improvements, promptly after approval of the Final Plans.

(b) Commencement of Construction. Landlord shall commence construction of the Tenant Improvements within fifteen (15) days after issuance of all such necessary permits. Landlord shall commence and, once commenced, shall thereafter diligently proceed to construct and complete all Tenant Improvements, subject to any cessation that may be caused by Force Majeure Delays.

7.3 Construction. Construction of the Tenant Improvements will be subject to the following terms and conditions:

(a) Notice of Nonresponsibility. Landlord and the Contractor shall cooperate with Tenant in posting a notice or notices of nonresponsibility by Tenant.

(b) Decorating Decisions. All design and programming, space planning and interior decorating services, such as selection of wall paint colors and/or wall coverings, furniture, fixtures, carpeting and any or all other decorator selection efforts required by Tenant, shall be provided by Landlord at Landlord's expense (to be applied against the Base Tenant Improvement Allowance or Additional Tenant Improvement Allowance) in accordance with Tenant's Space Plan. Landlord shall consult with Tenant with respect to all such decorating services and decisions. Notwithstanding the foregoing, (i) Landlord and Tenant acknowledge that Tenant shall be responsible for making all final decisions with respect to and submitting to Landlord any and all plans, designs, orders or other requirements relating to decorating decisions (collectively, the "Design Order(s)"), and (ii) Landlord shall have no responsibility for reviewing the accuracy or completeness of such Design Order(s). Landlord's only responsibility shall be to cause the Design Order(s) to be submitted to the appropriate suppliers in order to cause such Design Order(s) to be filled.

(c) Clean-Up and Substandard Work. Landlord will be responsible for all clean-up with respect to the Tenant Improvements, whether in the Premises themselves or in other areas utilized by Landlord or its contractors, and agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of substandard work performed by Landlord's contractor or contractors (as reasonably determined by Tenant according to the usual standards of work in the Building) or as a result of inadequate clean-up.

(d) Compliance with Laws. Construction of the Tenant Improvements shall comply with all applicable laws and regulations and shall be subject to the general inspection of Tenant. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including, but not limited to, all provisions of the Labor Code of the State of California. Under the provisions of the 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, are filed with the Clerk of the Board of Supervisors and must be posted at the site.

7.4 Conformed Plans. Within sixty (60) days after Substantial Completion of the Tenant Improvements and receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans ("as-builts") incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such "as-built" or "record documents" shall be submitted on three and one-half inch (3½") 1.4Mb magnetic media diskettes in Auto CAD R 12.dwg (or later version) format or .DXF format, along with one complete set of mylar transparencies of drawings and one complete set of specifications.

8. **Change Orders**. Tenant and Landlord may make changes, additions, deletions or alterations in the Final Plans ("Change Order") provided both Tenant and Landlord approve such changes in writing and the cost of same together with all Tenant Improvement Costs does not exceed the Base Tenant Improvement Allowance and the Additional Tenant Improvement Allowance. Landlord shall submit to the Chief Administrative Officer with each requested Change Order (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Tenant Improvements with Change Orders previously approved, and (iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved. Each Change Order must be signed and dated by the Chief Administrative Officer.

9. **Furniture System**.

9.1 Tenant shall deliver to Landlord within ten (10) days after execution hereof, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, Landlord and/or Landlord's architect (with Tenant) shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors. Prior to submission for bids, Landlord shall review the bid package with Tenant and Tenant shall have the right to approve or disapprove the bid package. Landlord shall provide at its cost the modular furniture set forth in the Modular Specifications and shall not be responsible for the cost of such modular furniture in excess of the Additional Tenant Improvement Allowance. Tenant shall reimburse the Landlord in a lump sum or in accordance with a financed

transaction entered into between Landlord and the furniture vendor acceptable to the Tenant, including, but not limited to, a lease purchase agreement, provided the outstanding balance can be no more than One Dollar ($1) at the end of a term not to exceed sixty (60) months.

9.2 Tenant may opt to finance the lump-sum payment for the cost of modular furniture through lease-purchase financing with a third-party Landlord (Creditor"). In the event the Tenant elects to enter into a lease-purchase financing of the furniture and telecommunications equipment (the "Personal Property") through a Creditor, Landlord expressly agrees as follows:

(a) The Personal Property shall not become part of the realty or real property, but shall remain personal property removable by the Creditor and its assigns, provided that any damage occasioned by such removal shall be repaired by Creditor.

(b) Landlord shall be notified by Creditor of any plan by Creditor to remove the Personal Property.

(c) This section shall be binding on the representatives, successors and assigns of all parties hereto and shall inure to the benefit of the successors-in-interest to all parties hereto.

(d) Landlord does hereby waive any right to gain possession of any of Personal Property during the term of this Lease.

10. **Tenant Improvement Costs Adjustment and Right to Audit**. Within five (5) days of the issuance of a Certificate of Occupancy (or temporary certificate of occupancy), or a final sign-off by the City of Los Angeles, which ever occurs first, Landlord shall provide to Tenant a statement showing in reasonable detail all Tenant Improvement Costs and the total amount payable hereunder by Tenant to Landlord. Upon approval of the statement by Tenant, payments by either party pursuant to the Lease and this Landlord's Work Letter shall be adjusted as appropriate, based upon such statement. Tenant shall have the right to audit these costs for a period of twenty-four (24) months from the date of acceptance by Tenant of the Premises. In the event the audit shows that Tenant is entitled to a reduction in payments to the Landlord under this Landlord's Work Letter, and if Landlord does not dispute such audit, Tenant shall provide Landlord with a copy of the audit summary and Landlord shall pay Tenant the amount of any over-payment made by Tenant within thirty (30) days and future payments shall be adjusted as appropriate based upon the audit results.

11. **Exclusions**. The Tenant Improvement cost shall not include any costs incurred for asbestos abatement, fire sprinkler system, or 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 Landlord.

12. **Telephone/Computer Room and Equipment**. Landlord shall use its commercially reasonable efforts to complete the telephone equipment room(s) including permanent power and HVAC, in compliance with the Space Plan and specifications provided by Tenant, at least thirty

(30) days prior to the Projected Commencement Date. During this thirty (30) day period, the Landlord shall be responsible for any telephone/data equipment delivered to the site for programming prior to the Projected Commencement Date. Tenant acknowledges that (i) a supplemental HVAC unit will be installed as part of the Tenant Improvements to serve such equipment room(s) (the cost of which shall be applied against the Tenant Improvement Allowance) and that such unit will be separately metered, and (ii) Tenant shall be solely responsible for all utility costs incurred in connection with the provision of HVAC to such equipment room(s).

13. **Delay**.

13.1 Tenant Delays and Force Majeure Delays. Except as set forth herein, no delay in the completion of construction of the Tenant Improvements shall be considered in the determination of the Commencement Date of the Lease and, except as set forth herein or in the Lease, under no circumstance shall Tenant be charged with any delay whatsoever as a result of delay in the construction of Tenant Improvements. Subject to the provisions of Section 13.2, the Projected Commencement Date set forth in the Lease shall be extended one (1) day for each day that: (i) Tenant fails or refuses to give authorizations or approvals within the time periods required herein or other acts of Tenant or its agents but only to the extent such delays delay the commencement or completion of construction of the Tenant Improvements (referred to herein as "Tenant Delay(s)"); or (ii) Substantial Completion of the Tenant Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)") or (iii) the Substantial Completion of the Tenant Improvements are delayed due to a Change Order requested by Tenant.

13.2 Limitations.

(a) Notice. No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless Landlord has provided written notice, within forty eight (48) hours of the event giving rise to such claim, in compliance with the Lease, to Tenant specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred only commencing as of the date Tenant received such notice from Landlord.

(b) Mitigation. Tenant Delays and Force Majeure Delays shall delay the Projected Commencement Date only in the event that Substantial Completion of the Tenant Improvements is delayed, despite Landlord's reasonable efforts to adapt and compensate for such delays, which efforts Landlord shall be obligated to make (provided such additional cost incurred by Landlord due to such effort does not exceed $1,000 on a cumulative basis, unless Tenant agrees to pay to such excess).

(c) Concurrent Delays. Tenant Delays and Force Majeure Delays shall be recognized hereunder only to the extent the same are not concurrent with any other Tenant Delay or Force Majeure Delay which is effective hereunder. For example, if there are ten (10) days of Tenant Delays and four (4) days of Force Majeure Delays which occur during the same ten (10) day period of such Tenant Delays, then the Projected Commencement Date would be extended

by only ten (10) days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, the Projected Commencement Date would be extended by fourteen (14) days.

(d) Change Orders. Landlord may not claim that a Change Order requested by Tenant was the cause of a delay in the construction of the Tenant Improvements unless the anticipated delay is specified in writing in the Change Order authorization or is otherwise communicated to Tenant in writing within 72 hours following the date Landlord signs the Change Order authorization. Landlord and Tenant shall agree upon a standard form of Change Order prior to the commencement of the Tenant Improvements.

14. **Tenant Remedies**. If Landlord fails to obtain the building permit to construct the Tenant Improvements within a reasonable time, taking all factors into consideration, or if Tenant Improvements have not been completed within one hundred eighty (180) days from the Projected Commencement Date, Tenant may, at its option:

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

14.2 Upon thirty (30) days written notice to Landlord, assume the responsibility for providing the Tenant Improvements itself. If Tenant elects to provide tenant improvements itself, then:

(a) Tenant, its officers, employees, agents, contractors and assignees, shall have free access to the Premises and the Building at all reasonable times for the purpose of constructing the Tenant Improvements and for any other purposes reasonably related thereto; and

(b) Rent shall be reduced by Tenant'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 six percent (6%) ("Tenant's Total Expense"). The rent reduction schedule shall be as mutually agreed to between the parties or, if no such agreement is made, Tenant's Total Expense shall be fully amortized in equal monthly amounts over five (5) years and deducted from the rent payable hereunder.

Any default by Landlord under the terms of this Landlord's Work Letter shall constitute a default under the Lease and shall entitle Tenant to exercise all remedies set forth in the Lease.

15. **Representatives**.

(a) Tenant Representative. Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Landlord's Work Letter who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Tenant's Address for Work Letter Notice as set forth in Section 1.

(b) Landlord Representative. Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on

behalf of Landlord as required in this Landlord's Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Landlord's Address for Work Letter Notice as set forth in Section 1.

16. **Elevator Usage During Move-In**. N/A

17. **Construction Meetings**. During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, unless Tenant directs otherwise, at a time and place which is mutually convenient. An initial construction meeting shall be held within five (5) days of the date the Contractor is selected.

18. **Delivery**. Delivery of all plans and drawings referred to in this Work Letter shall be by commercial messenger service or personal hand delivery, unless otherwise agreed by Landlord and Tenant.

19. **Depreciation.** During the term of the Lease, Landlord shall be deemed to own and have the right to depreciate the cost of the Tenant Improvements and any Alterations, including the furniture, fixtures and equipment located within the Premises.

LANDLORD:

Mann Children's Trust pursuant to a Trust Agreement
dated January 6, 1978, as amended from time to time,
for the benefit of Victoria Mann Simms

By: _____
Name: RONALD SIMMS
Title: TRUSTEE
Date Signed: 7/14/06

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate

By: _____
Name: William Dawson
Title: Acting Director of Real Estate
Date Signed: 10-5-06

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ADDENDUM A To Landlord's Work Letter

BASE BUILDING IMPROVEMENTS

Landlord has constructed (or will construct) the Building to include the following:

(a) the Building shell and exterior, including perimeter window frames, mullions and glazing in good condition;

(b) the core area, including mechanical, electrical, sprinkler, plumbing, life safety, heating, air conditioning, ventilation and structural systems within the Building core, stubbed out to the face of the core wall at locations determined by Landlord;

(c) men's and women's toilet rooms, including necessary plumbing fixtures, ceramic tile floors, accessories, ceilings and lighting, with running hot and cold water;

(d) unpainted exterior dry wall or lath and plaster covering the exposed side of all exposed core walls, core and perimeter columns and the interior exposed side of all exterior building wall areas except at and under windows;

(e) public stairways;

(f) passenger and freight elevators [none];

(g) parking facilities;

(h) ground floor lobby;

(i) finished elevator lobbies (with carpet, lights, finished walls and ceiling) [none];

(j) exterior plazas and landscaping [none];

(k) loading dock and/or area [none];

(l) drinking fountains at the core;

(m) electrical/telephone closet with not less than seven (7) watts per square foot of rentable area of normal power in the floor electrical closet;

(n) conduit access sufficient for Tenant's electrical wiring (no additional improvement to increase conduit access will be furnished by Landlord unless there is not sufficient riser space as required for a 1.5" diameter signal cable from the Building main telecommunication vault to the telephone closets on floors, in which case Landlord, at no cost to Tenant and without deduction from the Base Tenant Improvement Allowance, shall cause such riser space to be made available to Tenant, and provided further that Tenant shall be responsible for the cost for removing the riser floor seal at each floor and the patching of each seal after installation of Tenant's cable);

(o) two (2) 208/120 and one (1) 480/277 volt panels connected to the Building power system;

(p) mechanical equipment room with ducted mechanical exhaust system;

(q) concrete floors with trowelled finish, level to specified tolerances and designed to support a minimum live load of fifty (50) pounds per square foot and a partition load of twenty (20) pounds per square foot;

(r) standard window coverings;

(s) primary HVAC duct for cooling and primary HVAC duct for heating (heating is for perimeter zone only) to loop from the mechanical equipment room around the building core;

(t) hot and cold air loops located within the Premises;

(u) primary fire sprinkler distribution, including secondary piping and sprinkler heads as required for the unoccupied Premises;

(v) primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution;

(w) access at panels in the service core for distribution of Building requirements electrical power (initially 120/208 V for power and 277V for fluorescent lighting) up to the limits permitted under applicable law at the time the Building receives the initial temporary certificate of occupancy for the Building; and

(x) gypsum board on the service core walls, columns and sills in the Premises.

ADDENDUM B To Landlord's Work Letter

TENANT IMPROVEMENTS

Tenant improvements shall include:

(a) Tenant ceilings and lighting;

(b) Floor finish in the Premises (except elevator lobbies and public corridors on multi-tenant floors and toilet rooms);

(c) Interior finishes of any kind within the Premises (except elevator lobbies and public corridors on multi-tenant floors and core area toilet rooms);

(d) Interior partitions, doors and hardware within the Premises;

(e) Terminal boxes and reheat coils or other HVAC or air distribution devices to or within the Premises;

(f) Tenant's furniture, fixtures and equipment, including telephones, computers and cabling therefor;

(g) Distribution of electrical services, plumbing services and sprinklers from the core to the Premises, and domestic hot water heater and associated hot water piping;

(h) Any and all signs for Tenant and the power therefor;

(i) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms and extinguishers;

(j) Additional and/or above standard electrical capacity; and

(k) Fiber optic access.