



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.lacounty.gov>

DAVID E. JANSSEN
Chief Administrative Officer

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December 19, 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 AMENDMENT NO. 2 TO LEASE NO. 71199
FIRE DEPARTMENT
1255 CORPORATE CENTER DRIVE, SUITE 328, MONTEREY PARK
(FIRST DISTRICT) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chairman to sign the attached Amendment No. 2 to Lease No. 71199, with Arden Realty Limited Partnership, L.P. (Lessor), for the continued occupancy of 3,079 square feet of office space, including 12 parking spaces at 1255 Corporate Center Drive, Monterey Park for an additional five-year term, at the initial base annual rent of \$75,744 on a full service basis. The rent costs will be fully funded by Consolidated Fire Protection District Funds.
2. Find that the Amendment is categorically exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987 and Section 15061 (b) (3) of the State CEQA Guidelines.

3. Approve the project and authorize the Chief Administrative Officer (CAO) and the Fire Department (FIRE) to implement the project. The lease will be effective January 8, 2007.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since 1998, the County of Los Angeles has leased the subject premises comprising 3,079 rentable square feet of office space for use by FIRE. The premises houses FIRE's Employee Relations program, consisting of twelve employees, with three additions anticipated in the future for a total of fifteen staff positions. Approval of the proposed Amendment will allow FIRE to continue operating from this location. The Amendment establishes the terms and conditions for the extension of the lease term, sets the rental rate during the extension period, and sets forth the performance of certain deferred maintenance by the Lessor.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs we enhance the quality and productivity of the County workforce (Goal 2), and strengthen the County's fiscal capacity (Goal 4). The proposed Amendment supports these goals by housing the Employee Relations program, whose activities are of a sensitive nature, in a private setting, away from headquarters, yet centrally located to Department activity. By extending the lease term at the current location, the County will not incur the additional expenditures associated with the construction of tenant improvements for a new facility and relocation of the program at this time.

FISCAL IMPACT/FINANCING

The annual cost of this Amendment will initially be \$75,744. The annual rent thereafter is subject to yearly fixed step increases of three percent compounded annually. This is a full service lease whereby the Lessor is responsible for all operating costs associated with the County's occupancy. This is a modification from the previous lease arrangement whereby the County paid for operating expenses incurred over a base year allowance. Twelve on-site parking spaces are included in the rental rate.

1255 Corporate Center Dr.	Current Lease	Proposed Lease Amendment	Change
Area (Square Feet)	3,079	3,079	None
Term (years)	5 (1/08/02-1/07/07)	5 (effective upon Board approval or 1/08/07, whichever is later).	+ 5 years
Annual Base Rent	\$63,921 (\$20.76)	\$75,744 (\$24.60)	+\$11,823 (18%)
Step Rent adjustment	None (previously flat rent + operating expense pass-throughs over the base year operating expense level)	3% fixed step increase per year	+3% step increase, and the elimination of the pass through
Service/ Operating Expenses above Base Year	Modified Full Service Tenant pays operating expenses above base year (currently \$5,052.84/year)	Full service gross (operating expenses included in the rent)	No pass through of operating expenses
Parking	12 parking spaces included in the rent	12 parking spaces included in the rent	None
Cancellation	After 36 th month, 90 days notice	After 36 th month, 180 days notice	+ increase in the notice period from 90 to 180 days
Option	None	None	None

Sufficient funding for the base rent of the proposed Amendment is included in the 2006-07 Rent Expense budget and will be billed back to FIRE. Projected lease costs will be fully funded through the Consolidated Fire Protection District Funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed Amendment for the premises will extend the lease for a term of five years for the 3,079 square feet of office space and 12 on-site parking spaces currently occupied by FIRE. The projected Amendment commencement date is January 8, 2007, and will terminate five years thereafter. The proposed Amendment contains the following terms:

- The Amendment sets the rental rate during the first year of the Amendment term at \$2.05 per square foot per month, on a full service gross basis.
- Identifies rental rate increases with fixed annual step increments of three percent over the previous year's rent, i.e. three percent compounded annually.
- The Amendment converts the lease terms to full service by including all operating expenses in the rental rate.
- Provide a cancellation provision after the 36th month of the extended lease term, upon six months prior written notice.

The CAO Real Estate Division staff surveyed the immediate 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 more economically. Attachment B shows all County owned and leased facilities within a three mile radius of the subject facility. Two facilities shown on the attached Exhibit B with indication of available space are both scheduled to be fully occupied by other County programs.

Based on the survey, staff has established that the rental range for similar space is between \$1.95 and \$2.20 per square foot per month on a full service gross basis. Thus, the annual rental rate of \$24.60 (\$2.05 per square foot/month) full service gross for the proposed extended lease term is within the range of market rates for this area.

The program was approved for 3,859 rentable square feet, or 780 square feet more than the existing premises. However, budget constraints do not permit relocation of the program and incurring the costs of constructing the tenant improvements in a different facility.

The Department of Public Works has completed a seismic inspection of the facility and found it suitable for the County's occupancy.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed Amendment to extend the lease term 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, FIRE concurs with this recommendation to approve this Amendment No. 2 to Lease No. 71199, extending the term for an additional five years. The Amendment has been reviewed and approved as to form by County Counsel.

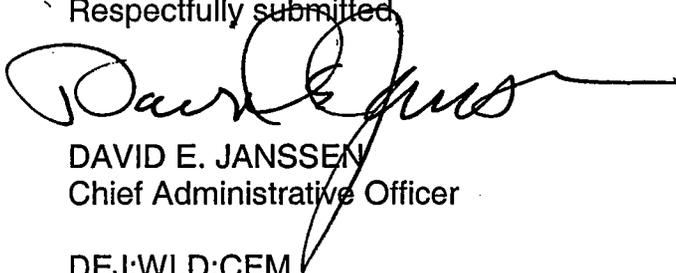
NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

This Office has made an initial study of environmental factors and has concluded that this project is exempt from CEQA as specified in Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

CONCLUSION

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

Respectfully submitted,



DAVID E. JANSSEN
Chief Administrative Officer

DEJ:WLD:CEM
MS:FC:hd

Attachments (2)

c: County Counsel
Auditor-Controller
Fire Department

Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>	Yes	No	N/A
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 205sq.ft. per person due to the inefficiency of the facility.		X	
2.	<u>Capital</u>			
A	Is it a substantial net County cost (NCC) program?		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? The size of the program does not warrant a build-to-suit.		X	
3.	<u>Portfolio Management</u>			
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?			
D	Why was this program not co-located?		X	
	1. ___ The program clientele requires a "stand alone" facility.			
	2. <u>X</u> 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. ___ The Program is being co-located.			
E	Is lease a full service lease? ²	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			

²If not, why not?

**FIRE DEPARTMENT
SPACE SEARCH 3 MILE RADIUS FROM 1255 CORPORATE CENTER DRIVE
MONTEREY PARK**

LACO	FACILITY NAME	ADDRESS	SQUARE GROSS	FEET NET	OWNERSHIP	SQ. FT. AVAILABLE
C760	DPSS-EAST L A GROW EMPLOYMENT SERVICES CENTER	2200 N HUMBOLDT ST, LOS ANGELES 90031	23655	17554	LEASED	NONE
C269	DPSS-LINCOLN HEIGHTS WS DISTRICT OFFICE	4077 N MISSION RD, LOS ANGELES 90032	26000	18575	LEASED	NONE
0122	THOMAS A TIDEMANSON BUILDING-ANNEX BUILDING	900 S FREMONT AVE, ALHAMBRA 91803	87000	73950	FINANCED	NONE
X900	THOMAS A TIDEMANSON PUBLIC WORKS BUILDING	900 S FREMONT AVE, ALHAMBRA 91803	536168	363876	FINANCED	NONE
A471	THE ALHAMBRA COMPLEX - EAST TOWER	1000 S FREMONT AVE, ALHAMBRA 91803	194142	166446	LEASED	NONE
A473	THE ALHAMBRA COMPLEX - SHERIFF'S OMBUDSMAN	1000 S FREMONT AVE, ALHAMBRA 91803	3774	3265	LEASED	NONE
0901	DHS-ALHAMBRA HEALTH CENTER (CLOSED)	612 W SHORB ST, ALHAMBRA 91803	25344	14292	FINANCED	14292
5979	CENTRAL ARRAIGNMENT COURTHOUSE	429 BAUCHER ST, LOS ANGELES 90012	83692	30638	FINANCED	NONE
C863	MED CTR-PATIENT FINANCIAL SERVICES OFFICE	1910 N MAIN ST, LOS ANGELES 90031	13300	8919	LEASED	NONE
6483	MED CTR-MASONRY SHOP OFFICE - BUILDING 100	1739 GRIFFIN AVE, LOS ANGELES 90031	1040	950	OWNED	NONE
5260	CORONER-ADMINISTRATION / INVESTIGATIONS BLDG	1102 N MISSION RD, LOS ANGELES 90033	22479	14251	OWNED	NONE
0135	MED CTR-GARDENER'S OFFICE/STORAGE BUILDING	1200 N STATE ST, LOS ANGELES 90033	612	530	OWNED	NONE
0284	MED CTR-HEALTH RESEARCH ASSOC'N-TRAILER T-25A	1200 N STATE ST, LOS ANGELES 90033	1200	1000	OWNED	NONE
0808	MED CTR-OLD ADMINISTRATION BUILDING (UNUSED)	1100 N MISSION RD, LOS ANGELES 90033	18651	11430	OWNED	11430
0837	MED CTR-PERSONNEL OFFICE BUILDING	1200 N STATE ST, LOS ANGELES 90033	2980	1761	OWNED	NONE
0838	MED CTR-QUALITY ASSURANCE UTILIZATION REVIEW	1200 N STATE ST, LOS ANGELES 90033	2980	2341	OWNED	NONE
5509	MED CTR-ANNEX 1/ MASONRY SHOP OFFICE	1200 N STATE ST, LOS ANGELES 90033	910	736	OWNED	NONE
5510	MED CTR-ANNEX 2/ VOLUNTEERS' OFFICE & STORAGE	1200 N STATE ST, LOS ANGELES 90033	910	831	OWNED	NONE
5699	MED CTR-CHAPLAIN'S CENTER	1200 N STATE ST, LOS ANGELES 90033	1940	1454	OWNED	NONE
6496	MED CTR-TRANSPORTATION BUILDING	1830 GRIFFIN AVE, LOS ANGELES 90033	1050	940	OWNED	NONE
T226	MED CTR-LOCAL WORKER HIRING PROGRAM BLDG 304	1200 N STATE ST, LOS ANGELES 90033	1440	1200	PERMIT	NONE
T539	MED CTR-CLINICAL RESEARCH TRAILER	1200 N STATE ST, LOS ANGELES 90033	780	672	OWNED	NONE
T541	MED CTR-HOME CARE TRAILER T-4	1200 N STATE ST, LOS ANGELES 90033	1376	1223	OWNED	NONE
T542	MED CTR-PATIENT FINANCIAL SERVICES T-5	1200 N STATE ST, LOS ANGELES 90033	10512	7872	OWNED	NONE
T543	MED CTR-RESEARCH COMMITTEE TRAILER	1200 N STATE ST, LOS ANGELES 90033	384	330	OWNED	NONE
T544	MED CTR-QUALITY ASSURANCE/UTILIZATION REVIEW	1200 N STATE ST, LOS ANGELES 90033	4334	3629	OWNED	NONE
T546	MED CTR-PATIENT FINANCIAL SERVICES OFFICE T-16	1240 N MISSION RD, LOS ANGELES 90033	5190	4095	OWNED	NONE
T547	MED CTR-PATIENT FINANCIAL SERVICES T-15	1240 N MISSION RD, LOS ANGELES 90033	2588	1967	OWNED	NONE
T555	MED CTR-PATIENT FINANCIAL SERVICES T-17	1200 N STATE ST, LOS ANGELES 90033	4661	3482	OWNED	NONE
T556	MED CTR-PATIENT FINANCIAL SERVICES TRAILER	1200 N STATE ST, LOS ANGELES 90033	2973	2461	OWNED	NONE
T618	MED CTR-REPLACEMENT PROJECT REAL ESTATE OFFIC	1200 N STATE ST, LOS ANGELES 90033	944	785	OWNED	NONE
T619	MED CTR-RESEARCH COMMITTEE OFFICE TRAILER T-25	1200 N STATE ST, LOS ANGELES 90033	820	702	OWNED	NONE
T620	MED CTR-EMERGENCY MEDICAL SVCS TRAILER T-18	1200 N STATE ST, LOS ANGELES 90033	1200	1049	OWNED	NONE
3100	NORTHEAST JUVENILE JUSTICE CENTER BLDG-1	1601 EASTLAKE AVE, LOS ANGELES 90033	47379	26024	OWNED	NONE
3102	JUVENILE HALL-ADMINISTRATION BUILDING-4	1605 EASTLAKE AVE, LOS ANGELES 90033	75907	33945	OWNED	NONE
3374	PW CENTRAL YARD-SURVEY OFFICE (CLOSED)	1525 ALCAZAR ST, LOS ANGELES 90033	2219	1616	OWNED	1616
4799	PW CENTRAL YARD-DIVISION ADMINISTRATION	1525 ALCAZAR ST, LOS ANGELES 90033	10438	7224	OWNED	NONE
T504	PW CENTRAL YARD-STORAGE TRAILER	1525 ALCAZAR ST, LOS ANGELES 90033	168	135	OWNED	135
4946	MED CTR-INTERNS & RESIDENTS BUILDING	2020 ZONAL AVE, LOS ANGELES 90033	142448	79494	OWNED	NONE
C110	MED CTR-EXPENDITURE MANAGEMENT	2064 MARENGO ST, LOS ANGELES 90033	9602	7010	LEASED	NONE
C111	MED CTR-EXPENDITURE MANAGEMENT ANNEX	1063 N CHICAGO ST, LOS ANGELES 90033	3338	1823	LEASED	NONE
X294	PW CENTRAL YARD-SHOP OFFICE BLDG	2275 ALCAZAR ST, LOS ANGELES 90033	1400	1260	OWNED	NONE
1491	DHS-CREMATORIAL OFFICE/RESIDENCE	3301 E 1ST ST, LOS ANGELES 90063	1517	1106	OWNED	NONE
Y307	PUBLIC LIBRARY-CITY TERRACE LIBRARY	4025 E CITY TERRACE DR, EAST LOS ANGELES 90063	8007	6984	OWNED	NONE
X707	PUBLIC LIBRARY-ANTHONY QUINN LIBRARY	3965 CESAR E CHAVEZ AVE, CITY TERRACE 90063	7275	6077	OWNED	NONE
6131	DCSS-EAST LOS ANGELES SERVICE CENTER	133 N SUNOL DR, EAST LOS ANGELES 90063	28514	21777	OWNED	NONE
A930	PUBLIC LIBRARY-EL CAMINO REAL LIBRARY	4264 E WHITTIER BLVD, EAST LOS ANGELES 90023	3280	2563	OWNED	NONE
X201	EDMUND D EDELMAN CHILDREN'S COURT	201 CENTRE PLAZA DR, MONTEREY PARK 91754	275530	181958	FINANCED	NONE
A423	SHERIFF-PERSONNEL AND RECRUITMENT CENTER	101 CENTRE PLAZA DR, MONTEREY PARK 91754	37590	33831	LEASED	NONE
3542	FIRE-ADMINISTRATIVE HEADQUARTERS BUILDING	1320 N EASTERN AVE, LOS ANGELES 90063-3294	39015	24288	FINANCED	NONE
T557	FIRE-MANUAL REVISIONS TRAILER	1320 N EASTERN AVE, LOS ANGELES 90063-3294	520	479	CONSOLIDATED FIRE	NONE
X155	ISD-EASTERN AVE COMPLEX TELECOM BUTLER BLDG	1112 N EASTERN AVE, LOS ANGELES 90063	4960	4638	OWNED	NONE
5863	ISD-ADMINISTRATIVE HEADQUARTERS	1100 N EASTERN AVE, LOS ANGELES 90063	80309	58826	FINANCED	NONE
5870	ISD-EASTERN AVE COMPLEX TELECOM BRANCH BLDG	1110 N EASTERN AVE, LOS ANGELES 90063	37742	28973	FINANCED	NONE
T039	SHERIFF-EASTERN COMPLEX FLEET SERVICES OFFICE	1104 N EASTERN AVE, LOS ANGELES 90063	1548	1428	OWNED	NONE
T061	ISD-EASTERN COMPLEX PROJECT MANAGEMENT TRAILR	1100 N EASTERN AVE, LOS ANGELES 90063	7200	6840	LEASED	NONE
T590	ISD-EASTERN AVE TELECOM CUSTOMER SERVICE BLDG	1110 N EASTERN AVE, LOS ANGELES 90063	1224	1016	GRATIS USE	NONE
Z130	PW ROAD-DIV #142 MAINTENANCE YARD OFFICE	4304 EUGENE ST, EAST LOS ANGELES 90022	397	227	OWNED	NONE
X167	SHERMAN BLOCK SHERIFF'S HEADQUARTERS BUILDING	4700 W RAMONA BLVD, MONTEREY PARK 91754	125000	106250	FINANCED	NONE
A015	DC&FS-CORPORATE PLACE MONTEREY PARK OFFICE	2525 CORPORATE PL, MONTEREY PARK 91754	29542	27820	LEASED	NONE
A324	FIRE-EMPLOYEE RELATIONS OFFICE	1255 CORPORATE CENTER DR, MONTEREY PARK 91754	3079	2925	LEASED	NONE
Y135	CENTRO MARAVILLA SERVICE CENTER-BLDG B	4716 CESAR E CHAVEZ AVE, EAST LOS ANGELES 90022	3612	1948	OWNED	NONE
Y136	CENTRO MARAVILLA SERVICE CENTER-BLDG C	4716 CESAR E CHAVEZ AVE, EAST LOS ANGELES 90022	4073	3112	OWNED	NONE
T509	PARKS & REC-PROPOSITION A FIELD OFFICE	4914 CESAR E CHAVEZ AVE, EAST LOS ANGELES 90022	540	424	OWNED	NONE
Z110	HSG AU-NUOVA MARAVILLA OFFICE	4919 CESAR E CHAVEZ AVE, EAST LOS ANGELES 90022	0	0	OWNED	NONE
4364	PROBATION-EAST LOS ANGELES AREA OFFICE	144 S FETTERLY AVE, EAST LOS ANGELES 90022	15584	11327	OWNED	NONE
5412	PUBLIC LIBRARY-OLD EAST LOS ANGELES LIBRARY	4801 E 3RD ST, EAST LOS ANGELES 90022	14848	11740	OWNED	NONE
0522	PUBLIC LIBRARY-NEW EAST LOS ANGELES LIBRARY	4837 E 3RD ST, EAST LOS ANGELES 90022	20000	18000	OWNED	NONE
3241	EAST LOS ANGELES COURTHOUSE	214 S FETTERLY AVE, EAST LOS ANGELES 90022	126972	63347	FINANCED	NONE
6578	DPSS-METRO EAST AP DISTRICT OFFICE	2855 E OLYMPIC BLVD, LOS ANGELES 90023	63066	29220	OWNED	NONE

SECOND AMENDMENT TO LEASE AND AGREEMENT No. 71199

This Second Amendment to Lease and Agreement No. 71199 ("Amendment") is made and entered into as of this _____ day of December, 2006, by and between ARDEN REALTY LIMITED PARTNERSHIP, a Maryland limited partnership ("Lessor"), and COUNTY OF LOS ANGELES, a body corporate and politic ("Lessee").

RECITALS

A. Lessor, as successor-in-interest to Arden Realty Finance Partnership, L.P., a California limited partnership, and Lessee are parties to that certain Lease and Agreement dated as of January 6, 1998 (the "Initial Lease"), as amended by that certain Notice of Lease Term Dates and Lessee's Percentage ("Notice"), and that certain Amendment No. 1 to County Lease No. 71199 Fire Department dated as of January 8, 2002 (the "First Amendment"), whereby Lessor leases to Lessee and Lessee leases from Lessor certain office space containing approximately 3,079 rentable square feet commonly known as Suite 328 (the "Premises") in the building located at 1255 Corporate Center Drive, Monterey Park, California (the "Building"), as more particularly described in the Original Lease (as defined below). Collectively, the Initial Lease, Notice and First Amendment are hereinafter referred to as the "Original Lease."

B. Lessor and Lessee now desire to amend the Original Lease to, among other things, extend the Term, all on the terms and conditions set forth in this Amendment.

C. All capitalized terms used herein but not specifically defined in this Amendment shall have the meanings ascribed to such terms in the Original Lease. The term "Lease" where used in the Original Lease and this Amendment shall hereafter refer to the Original Lease, as amended by this Amendment.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, Lessor and Lessee agree as follows:

1. Extension of Term. The Term of the Lease is hereby extended until January 7, 2012 (the "New Expiration Date"). The period commencing as of January 8, 2007 (the "Renewal Commencement Date") and ending on the New Expiration Date is referred to herein as the "Extended Term".

2. Rent. Prior to the Renewal Commencement Date, Lessee shall continue to pay Rent for the Premises (and all other amounts due and payable under the Original Lease with respect to the Premises), on a monthly basis, in accordance with the terms of the Original Lease. During the Extended Term, without limiting Lessee's obligation to pay all other amounts due and payable under the Lease, Lessee shall pay Rent for the Premises, on a monthly basis, in accordance with Section 3 of the Initial Lease and the following payment schedule:

Period of <u>Extended Term</u>	Annual <u>Rent</u>	Monthly <u>Rent</u>	Monthly Rent Per Rentable <u>Square Foot</u>
January 8, 2007 – January 7, 2008	\$75,743.40	\$6,311.95	\$2.05
January 8, 2008 – January 7, 2009	\$77,960.28	\$6,496.69	\$2.11
January 8, 2009 – January 7, 2010	\$80,177.16	\$6,681.43	\$2.17
January 8, 2010 – January 7, 2011	\$82,763.52	\$6,896.96	\$2.24
January 8, 2011 – January 7, 2012	\$85,349.88	\$7,112.49	\$2.31

3. Additional Rent. Prior to the Renewal Commencement Date, Lessee shall continue to pay Lessee's proportionate share of increases in the Building's operating expenses for the Premises in accordance with the terms of the Original Lease; provided, however, from and after the Renewal Commencement Date and continuing through and including the New Expiration Date, without limiting amounts accruing prior to the Renewal Commencement Date, Lessee shall no longer

be required to pay to Lessor Lessee's proportionate share of increases in the Building's operating expenses.

4. "As-Is". During the Extended Term, Lessee shall continue to lease the Premises "As Is", "With All Faults", "without any representations or warranties"; provided, however, Lessor shall, at Lessor's cost, following the Renewal Commencement Date, steam clean the existing carpet within the Premises and repaint the existing painted interior walls of the Premises with Building standard paint in a Building standard color to be selected by Lessee, subject to availability (collectively, the "Lessor Work"). The Lessor Work shall be performed using Building standard materials, procedures and specifications, as determined by Lessor. Lessee shall have no right to modify the scope of the Lessor Work. Lessor agrees to perform the Lessor Work before 7:00 a.m. or after 7:00 p.m. on Mondays through Fridays and/or at any time on the weekends. Lessee hereby agrees that the construction of the Lessor Work shall in no way constitute a constructive eviction of Lessee or entitle Lessee to any abatement of rent payable pursuant to the Lease. Lessor shall have no responsibility for, or for any reason be liable to, Lessee for any direct or indirect injury to or interference with Lessee's business arising from the construction of the Lessor Work, nor shall Lessee be entitled to any compensation or damages from Lessor for loss of the use of the whole or any part of the Premises or of Lessee's personal property or improvements resulting from the performance of the Lessor Work or Lessor's or Lessor's contractor's or agent's actions in connection with the performance of the Lessor Work, or for any inconvenience or annoyance occasioned by the performance of the Lessor Work or Lessor's or Lessor's contractor's or agent's actions in connection with the performance of the Lessor Work. Lessee hereby agrees to use its best efforts to cooperate with Lessor in connection with the performance of the Lessor Work. Notwithstanding the immediately preceding sentence, in connection with the performance of the Lessor Work, Lessor agrees to move, to the extent necessary, but at no liability to Lessor, Lessee's furniture and such other items as Lessor may require be moved in order to perform the Lessor Work; provided, however, Lessee shall be required to move Lessee's computers, copiers and other personal property which Lessor or its contractor may request be moved. Notwithstanding the foregoing, Lessor shall use its commercially reasonable efforts to perform the Lessor Work in a manner so as to minimize unreasonable interference with Lessee's business at the Premises.

5. Termination Option. Lessee shall have the option (the "Termination Option") to terminate this entire Lease, but not any portion of this Lease. Such termination shall be upon the following terms and conditions:

(a) The effective date of such Termination Option ("Termination Effective Date") shall be at 5:00 p.m. Pacific Standard Time on the last day of the month which is six (6) months following the date Lessee gives Lessor written notice (the "Termination Notice") of Lessee's election to exercise the Termination Option (the "Termination Notice Date"). Lessee shall be permitted to deliver the Termination Notice to Lessor at any time on or after the last day of the thirtieth (30th) month of the Extended Term; provided, however, in no event shall Lessee be permitted to deliver the Termination Notice pursuant to this Section 5 to Lessor prior to such date.

(b) There exists no material default by Lessee under the Lease on the date of the Termination Notice or on the Termination Effective Date.

(c) In the event that Lessee timely exercises the Termination Option, the term of the Lease shall terminate effective as of the Termination Effective Date. Rent and all other monetary obligations under the Lease shall be paid through and apportioned as of the Termination Effective Date, and neither Lessor nor Lessee shall have any rights, liabilities or obligations accruing under the Lease after the Termination Effective Date, except for such rights, liabilities and obligations which, by the terms of the Lease, are obligations of the Lessee or Lessor which expressly survive the expiration or earlier termination of the Lease. The Termination Option shall automatically terminate and become null and void upon (Y) the failure of Lessee to properly exercise the Termination Option in accordance with the terms hereof, or (Z) Lessee's right to possession of the Premises being terminated prior to the exercise of the Termination Option. The Termination Option shall be personal to the original Lessee named in this Amendment (and shall not be available to any assignee, sublessee or other transferee).

6. Estoppel. Lessee warrants, represents and certifies to Lessor that, to the best of Lessee's knowledge, as of the date of this Amendment: (a) Lessor is not in default under the

Lease; and (b) Lessee does not have any defenses or offsets to payment of rent and performance of its obligations under the Lease as and when the same becomes due.

7. Brokers. Lessee represents and warrants to Lessor that it has not dealt with any broker with respect to this Amendment. If Lessee has dealt with any broker or person with respect to this Amendment, Lessee shall be solely responsible for the payment of any fees due said person or firm and Lessee shall protect, indemnify, hold harmless and defend Lessor from any liability in respect thereto. Lessor represents and warrants to Lessee that it has not dealt with any broker with respect to this Amendment. If Lessor has dealt with any broker or person with respect to this Amendment, Lessor shall be solely responsible for the payment of any fees due said person or firm and Lessor shall protect, indemnify, hold harmless and defend Lessee from any liability in respect thereto.

8. Original Lease in Full Force. Except for those provisions which are inconsistent with this Amendment and those terms, covenants and conditions for which performance has heretofore been completed, all other terms, covenants and conditions of the Original Lease shall remain in full force and effect. The parties ratify the Original Lease, as amended hereby. In the event of a conflict between the terms of this Amendment and the terms of the Original Lease, the terms of this Amendment shall prevail.

9. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original part and all of which together shall constitute a single agreement.

10. Attorney's Fees. In the event either party shall commence an action to enforce any provision of this Amendment, the prevailing party in such action shall be entitled to receive from the other party, in addition to damages, equitable or other relief, any and all reasonable, actual, out-of-pocket costs and expenses incurred, including reasonable attorneys fees and court costs and the fees and costs of expert witnesses, and fees incurred to enforce any judgment obtained. This provision with respect to attorneys fees incurred to enforce a judgment shall be severable from all other provisions of this Amendment, shall survive any judgment, and shall not be deemed merged into the judgment.

[The rest of this page intentionally left blank. Signatures on the next page.]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

"LESSOR"

ARDEN REALTY LIMITED PARTNERSHIP,
a Maryland limited partnership

By: ARDEN REALTY, INC.,
a Maryland corporation
Its: Sole General Partner

By: _____
Name: Robert C. Peddicord
Its: Chief Operating Officer

"LESSEE"

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____
Name: _____
Its: Chairman, Los Angeles County Board of Supervisors

ATTEST:

SACHI A. HAMAI,
Executive Officer-Clerk of the Board of Supervisors

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.,
County Counsel

By: _____
AMY M. CAVES,
Deputy County Counsel