



County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

March 16, 2010

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:

**AMENDMENT NO. 1 TO LEASE NO. 72796
DEPARTMENT OF PUBLIC SOCIAL SERVICES
21415-21615 PLUMMER STREET, CHATSWORTH
(FIFTH DISTRICT) (3 VOTES)**

SUBJECT

This recommendation is for an amendment for a six-year lease renewal for the Department of Public Social Services (DPSS) for the continued use of 164,500 rentable square feet of office space and 576 parking spaces.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the project is exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chair to sign the lease amendment with NNN Chatsworth Business Park, LLC (Lessor) for 164,500 rentable square feet of office space and 576 parking spaces at 21415-21615 Plummer Street, Chatsworth, to be occupied by the Department of Public Social Services at a maximum first year cost of \$3,395,280, of which 91 percent is funded by State and Federal subvention and 9 percent is net County cost.

"To Enrich Lives Through Effective And Caring Service"

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Intra-County Correspondence Sent Electronically Only*

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the lease amendment will provide the DPSS continued occupancy of this space, which houses the following Region II District offices:

21415 Plummer – West Valley District Programs consist of California Work Opportunity and Responsibility to Kids (CalWORKs), Food Stamps and Greater Avenues for Independence (GAIN). West Valley CalWORKs District office provides temporary financial assistance and employment focused services to families with minor children who have income and property below State maximum limits for their family size. This office serves the residents of the San Fernando Valley and adjacent communities. The Food Stamp program helps eligible low income families and individuals meet their basic nutritional needs by increasing their food purchasing power. CalWORKs families receive no-cost Medical.

GAIN Region II Program: Provides case management services to CalWORKs participants in the West Valley region of the County of Los Angeles. GAIN helps participants prepare for and find employment. The services offered include job finding workshops, supervised job search, vocational assessment, remedial education, vocational skills training, and work experience. Post employment services are also available to help employed participants retain their jobs, work toward a better one, and ultimately move to financial independence. GAIN also offers help with transportation, child care, special job-related expenses, such as, uniforms and tools, as well as, domestic violence, substance abuse and mental health counseling.

21615 Plummer – West Valley Sub Office - Medi-Cal Program: Provides comprehensive medical benefits to low income families with children, pregnant women, and adults who are over 65, blind, or disabled. Depending on their income and resource levels, individuals and families may be eligible for a no-cost or a share of cost Medi-Cal program.

In-Home Support Services North West Region Area Program: Provides support services to eligible participants who are 65 years of age or over, disabled adults and children, or legally blind so they can remain self-reliant and safe in their homes.

The programs were approved for 137,605 square feet and 676 staff. However, the facility square footage could not be reduced further into smaller contiguous space than the proposed lease provides which is 18 percent more space than currently needed. Additionally, the existing work stations are larger than County standards, the reconfiguring would be cost prohibitive at this time. Renewal will also eliminate the need to relocate the programs to another facility thus, avoiding the costs of tenant improvements, furniture, telephone, tele-data and low voltage requirements associated with acquiring new space. The department determined it wished to renew based on the annual rent savings and improvements to the premises provided by the Lessor.

Additionally, DPSS requested additional parking which was approved but was not available at the site. However, Chief Executive Office (CEO) Real Estate Division will continue to secure the additional spaces contingent upon DPSS funding availability for the cost allocated for these additional spaces.

Implementation of Strategic Plan Goals

In compliance with the Countywide Strategic Plan, the proposed lease amendment will support the efficient and timely delivery of client-centered supportive services that are convenient for public access (Goal 1, Operational Effectiveness and Goal 2, Children, Family and Adult Well-Being). The proposed lease amendment is in conformance with the Asset Management Principles as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The lease renewal results in an annual savings of approximately \$813,000 or \$4,878,000 over the six year term of the Lease. Savings were accomplished by renegotiating a lower full service lease rate than the current rent which includes operating pass-through. In addition, the Lessor, at his sole cost, will repaint the entire premises, clean all modular furniture panels and replace the carpeting with carpet tiles and the vinyl tiles with new vinyl tiles throughout the entire premises which equates to approximately \$750,000 in improvements to the premises.

The maximum first year costs for this lease amendment will be \$3,395,280.

| 21415-21615 Plummer Street Chatsworth | Existing Lease | Proposed Lease Amendment No. 1 | Changes |
|--|---|--|--|
| Area | 164,500 square feet (sq. ft.) | 164,500 square feet (sq. ft.) | None |
| Term | 12/1/00 to 11/30/10 | Six years upon Board approval | +Six years |
| Annual Base Rent | \$2,729,154 (\$16.59 per sq. ft.) | \$3,395,280 (\$20.64 per sq. ft.) | Full Service rental rate |
| Annual Operating Expense Rent | \$1,479,325 (\$8.99 per sq. ft.) | None | No operating expense pass-through rent |
| Maximum First Year Annual Rent | \$4,208,479 | \$3,395,280 | -\$813,199 |
| Annual Base Rent Adjustment | CPI Adjustment, minimum of 2.5 percent and maximum of 5 percent | Annual fixed increase of 3 percent | +0.5 percent |
| Parking (included in rent) | 576 spaces | 576 spaces | None |
| Cancellation | After 96 months upon 12 months notice | One time right to cancel on 11/15/2015 with 12 months written notice | One time cancellation right |

Sufficient funding for the proposed lease amendment is included in the 2009-10 Rent Expense budget and will be billed back to DPSS. DPSS has allocated sufficient funds in its 2009-10 operating budget to cover the projected lease costs. The rental costs are to be funded via State and Federal subvention at a rate of 91 percent and 9 percent are net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease amendment will allow DPSS to continue occupying the subject facility for up to six additional years. The existing terms and conditions of the lease shall remain unchanged for the proposed amendment, except the following:

- The lease is full service gross.
- The six-year term will be effective upon Board approval.
- At the beginning of the 13th month, and annually thereafter, the base rent shall be increased by approximately 3 percent.
- The lease gives the County a one-time right to cancel on November 15, 2015, with 12 months written notice.
- The Lessor, at his sole cost, will repaint the entire premises, clean all modular furniture panels and replace the carpeting with carpet tiles and the vinyl tiles with new vinyl tiles throughout the entire premises.

Based upon a market survey of similar office properties, staff has determined that the base rental range including parking for similar properties is between \$24.50 and \$28.90 per square foot per year full-service gross. Thus, the \$20.64 base rental rent of the proposed lease renewal is below the market rental rate for the area.

Notice has been sent to the City of Los Angeles pursuant to Government Code Sections 65402 and 25351.

A child care center currently exists in this facility which is not operational but the space is used for staff meetings, community meetings and staff training. The facility was also used as a staging area by community organizations during the station fire.

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded that this project is exempt from California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

The Honorable Board of Supervisors
March 16, 2010
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IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will provide the office space necessary for DPSS to provide uninterrupted services for clients in the West San Fernando Valley area. DPSS concurs with the recommendation herein.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two originals of the lease amendment, two originals of the certified copies of the Minute Order and the adopted, stamped Board letter to the CEO Real Estate Division at 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SK:WLD
CEM:TS:hd

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Department of Public Social Services

21415Plummer.b

**DEPARTMENT OF PUBLIC SOCIAL SERVICES
21415-21615 PLUMMER STREET, CHATSWORTH**

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 With 676 staff the ratio is 243 sq. ft. of space per person. However, the space improvements and plan layout were completed prior to the current guidelines of 200 sq. ft. per person and the CEO and DPSS will continue to evaluate modifications to the space that would not prove costly and enable the per person ratio to be lower. | | X | |
| 2. | <u>Capital</u> | | | |
| A | Is it a substantial net County cost (NCC) program? The lease cost for DPSS is offset by 91% State and Federal funding, and is 9% NCC. | | X | |
| B | Is this a long term County program? | X | | |
| C | If yes to 2 A or B; is it a capital lease or 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 proposed space is available at a competitive market rate and DPSS has requested to remain at the site; therefore, a build to suit or capital project is not under consideration at this time. | | X | |
| 3. | <u>Portfolio Management</u> | | | |
| A | Did department utilize CEO 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. <u>X</u> 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 | | | |
| | ² If not, why not? | | | |

**DEPARTMENT OF PUBLIC SOCIAL SERVICES
COUNTY FACILITIES WITHIN THE SAN FERNANDO VALLEY REGION II SERVICE AREA**

| Facility Name | Address | Ownership | Gross SQFT | Net SQFT | Available SQFT |
|---|---|-----------|------------|----------|----------------|
| BOS-FIELD OFFICE DISTRICT 5 | 21943 PLUMMER ST, CHATSWORTH | LEASED | 2,550 | 2,423 | NONE |
| DCFS CHATSWORTH OFFICE | 20151 NORDHOFF ST, CHATSWORTH 91311 | LEASED | 73,595 | 69,915 | NONE |
| CHATSWORTH COURTHOUSE | 9425 PENFIELD AVE , CHATSWORTH 91311 | FINANCED | 225,93 | 182,589 | NONE |
| DPSS - MEDI CAL (NORTHRIDGE) | 9451 CORBIN AVE, NORTHRIDGE 91324 | LEASED | 57,799 | 54,909 | NONE |
| DHS-CANOGA PARK HEALTH CENTER (P/PP SITE) | 7107 REMMET AVE, CANOGA PARK 91303 | OWNED | 5,308 | 3,094 | NONE |
| DMH-WELLNESS CENTER | 6800 OWENSMOUTH, CANOGA PARK 91303-3159 | LEASED | 5,665 | 5,382 | NONE |
| DMH-WELLNESS CENTER | 10515 BALBOA BLVD, GRANADA HILLS 91344-6343 | LEASED | 3,588 | 3,409 | NONE |
| ASSESSOR-NORTH DISTRICT OFFICE | 13800 BALBOA BLVD, SYLMAR 91344 | LEASED | 37,000 | 33,300 | NONE |
| SHERIFF-NORTH HILLS T.R.A.P. UNIT | 8353 N SEPULVEDA BLVD, NORTH HILLS 91343 | LEASED | 1,500 | 1,500 | NONE |
| CORONER-SANTA CLARITA VALLEY REGIONAL OFFICE | 910 1ST ST, SAN FERNANDO 91340 | LEASED | 1,135 | 1,078 | NONE |
| SAN FERNANDO COURTHOUSE ANNEX (UNUSED) | 919 1ST ST, SAN FERNANDO 91340 | OWNED | 17,185 | 11,935 | 17,185 |
| PUBLIC LIBRARY-SAN FERNANDO LIBRARY | 217 N MACLAY AVE, SAN FERNANDO 91340 | LEASED | 8,601 | 6,881 | NONE |
| ALT PUBLIC DEFENDER-SAN FERNANDO OFFICE | 303 N MACLAY AVE, SAN FERNANDO 91340 | LEASED | 3,040 | 3,040 | NONE |
| BARRY J NIDORF JUV HALL-ADMINISTRATION BLDG-1 | 16350 FILBERT ST, SYLMAR 91342 | OWNED | 8,164 | 5,723 | NONE |
| SYLMAR JUVENILE COURTHOUSE-1 | 16350 FILBERT ST, SYLMAR 91342 | OWNED | 36,692 | 32,008 | NONE |
| BARRY J NIDORF JUV HALL-N AREA SCHOOL OFFIC-4 | 16350 FILBERT ST, SYLMAR 91342 | OWNED | 5,158 | 4,402 | NONE |

**AMENDMENT NO. 1 TO LEASE NO.72796
DEPARTMENT OF PUBLIC SOCIAL SERVICES
21415-2161 PLUMMER STREET, CHATSWORTH**

This Amendment No.1 to Lease No. 72796 ("Amendment" or "Amendment No. 1") is made and entered into this _____ day of _____, 2009 by and between NNN CHATSWORTH BUSINESS PARK, LLC, NNN CHATSWORTH BUSINESS PARK 1, LLC, NNN CHATSWORTH BUSINESS PARK 2, LLC, NNN CHATSWORTH BUSINESS PARK 3, LLC, NNN CHATSWORTH BUSINESS PARK 4, LLC, NNN CHATSWORTH BUSINESS PARK 7, LLC, NNN CHATSWORTH BUSINESS PARK 8, LLC, NNN CHATSWORTH BUSINESS PARK 9, LLC, NNN CHATSWORTH BUSINESS PARK 11, LLC, NNN CHATSWORTH BUSINESS PARK 12, LLC, NNN CHATSWORTH BUSINESS PARK 13, LLC, NNN CHATSWORTH BUSINESS PARK 14, LLC, NNN CHATSWORTH BUSINESS PARK 15, LLC, NNN CHATSWORTH BUSINESS PARK 16, LLC, NNN CHATSWORTH BUSINESS PARK 17, LLC, NNN CHATSWORTH BUSINESS PARK 18, LLC, NNN CHATSWORTH BUSINESS PARK 19, LLC, NNN CHATSWORTH BUSINESS PARK 21, LLC, NNN CHATSWORTH BUSINESS PARK 22, LLC, NNN CHATSWORTH BUSINESS PARK 23, LLC, NNN CHATSWORTH BUSINESS PARK 25, LLC, NNN CHATSWORTH BUSINESS PARK 26, LLC, NNN CHATSWORTH BUSINESS PARK 28, LLC, NNN CHATSWORTH BUSINESS PARK 29, LLC, NNN CHATSWORTH BUSINESS PARK 31, LLC, NNN CHATSWORTH BUSINESS PARK 32, LLC, NNN CHATSWORTH BUSINESS PARK 33, LLC, NNN CHATSWORTH BUSINESS PARK 34, LLC, NNN CHATSWORTH BUSINESS PARK 35, LLC, NNN CHATSWORTH BUSINESS PARK 36, LLC, NNN CHATSWORTH BUSINESS PARK 37, LLC, each one a Delaware limited liability company ("Lessor"), acting by and through TRIPLE NET PROPERTIES REALTY, INC. ("Agent" for Lessor), and COUNTY OF LOS ANGELES, a body politic and corporate, hereinafter referred to as "Lessee".

RECITALS:

WHEREAS, Lessor (as successor-in-interest to CTF-17 CHATSWORTH LLC, a Delaware limited liability company and Lessee entered into Lease No. 72796 dated June 20, 2000 (the "Lease", pursuant to which Lessor leased to Lessee those certain premises located in the Buildings at 21415-21615 Plummer Street, Chatsworth, California, ("Buildings") more particularly described as approximately 164,500 rentable square feet of office space consisting of approximately 97,280 rentable square feet located at 21415 Plummer Street and 67,220 rentable square feet located at 21615 Plummer Street; and

WHEREAS, the parties now wish to amend the Lease in certain respects.

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree the following amendments are effective upon the date first above written:

1. Paragraph 2 to the Lease is hereby deleted and the following inserted in substitution thereof:

(A) TERM: The term of the Lease shall be for a period of six (6) years beginning upon execution by the Lessee's Board of Supervisors and ending seventy-two (72) months thereafter or on November 30, 2017, whichever is sooner. The parties acknowledge that Lessee currently occupies the Premises prior to the commencement date of the extended term provided by this Amendment No. 1.

(B) Option to Renew: Lessee shall have the option to renew this Lease ("Option") for an additional term of seven (7) years (the "Option Term") commencing upon the exercise of the Option by the Board of Supervisors. In the event that Lessee desires to exercise the Option, Lessee shall deliver to Lessor written notice of its intent to exercise the Option by letter from the Lessee's Chief Executive Office not less than one-hundred twenty (120) days prior to expiration of the term provided by the Amendment No.1. The actual exercise of the Option shall be only by the Board of Supervisors at any time prior to the expiration of the Lease or the expiration date of any holdover period pursuant to Paragraph 6 HOLDOVER of Lease. Time is of the essence. During the Option Term, Lessee shall continue to pay the Base Rent as adjusted in accordance with the terms of the Lease. The Option is expressly conditioned upon Lessee not being in material default under any term or condition of the Lease after the expiration of any applicable cure period, either at the time the Option is exercised or at the time the Option Term would commence, and Lessee not having assigned the Lease or sublet the Premises.

3. Paragraph 3 of the Lease is hereby deleted and the following inserted in substitution thereof:

RENT: Lessee hereby agrees to pay as rent for the Premises during the term hereof the sum of Two Hundred Eighty-Two Thousand Nine Hundred Forty and 00/100 Dollars (\$282,940) per month or \$1.72 per rentable square foot. Lessee shall pay Lessor the Basic Rent stated provided Lessor files a payment voucher therefore prior to the Commencement Date and thereafter annually during the month of June with the Auditor of the County of Los Angeles (the "County"). Lessee shall pay Lessor all rent and other payments due to Lessor hereunder prior to the first day of each month. Rent for any partial month shall be prorated in proportion to the number of days in such month.

| | |
|---------------------|--------------|
| Year 2 Monthly Rent | \$291,428.20 |
| Year 3 Monthly Rent | \$300,171.14 |
| Year 4 Monthly Rent | \$309,175.17 |
| Year 5 Monthly Rent | \$318,451.46 |
| Year 6 Monthly Rent | \$328,005.00 |

Option Term Rent. Beginning on the commencement of the Option Term and each successive twelve (12) months thereafter the monthly rent as set forth above shall be adjusted by an annual increase of three percent (3.0%) of the rent in effect immediately prior to the adjustment.

4. Paragraph 5 of the Lease is hereby deleted and the following inserted in substitution thereof:

CANCELLATION OF LEASE: Provided that no material default has occurred and is continuing under any provision of this Lease at the time of Lessee's exercise of its Right to Terminate herein provided, Lessee shall have the one-time right to cancel this Lease as to the Premises in its entirety (the "Right to Terminate") effective as of November 15, 2015 (the "Early Termination Date"), by and only by delivery to Lessor, at least twelve (12) months prior to the Early Termination Date, of Lessee's irrevocable written notice of its exercise of the Right to Terminate (the "Termination Notice"), by certified letter (return receipt requested) from Lessee's Chief Executive Office ("CEO") of its intention to cancel. Concurrently with the giving of the Termination Notice, Lessee shall pay to Lessor a termination fee (the "Termination Fee") equal to the unamortized costs (amortized over a period of eight years on a straight line basis) of the leasehold improvements and leasing commission incurred by Lessor in connection with the Amendment No. 1. All rental and other costs due under the Lease shall be due and payable by Lessee to Lessor through the Termination Date, and Lessee shall surrender possession of the Premises as of the Termination Date in accordance with the terms of the Lease. Lessee's exercise of its Right to Terminate shall not abrogate any right or obligation under the Lease that may have accrued as of the Termination Date or that is otherwise attributable to Lessee's occupancy of the Premises. If Lessee fails to timely comply with any of the provisions of this paragraph, Lessee's Right to Terminate shall thereupon be automatically extinguished.

5. Paragraph 25 of the Lease is hereby deleted in its entirety and the following inserted in substitution thereof:

PERFORMANCE.: Lessor, within thirty (30) days after receipt of a duly executed copy of this Amendment No.1, shall at Lessor's sole expense, commence repainting the entire premises, clean all modular furniture panels and replacing the carpeting with carpet tiles and the Vinyl tiles with vinyl tiles throughout the entire Premises, including without limitation the cost of lifting the existing furniture for removal of old carpet and installation of new carpet tiles, per the attached schedule Exhibit B1 attached hereto and incorporated herein by this reference. Such performance of improvements will be performed one floor at a time.

7. Paragraphs 30 and 31 of the Lease are hereby deleted in their entirety. The parties acknowledge and agree that Lessee shall have no obligation to pay any further operating expenses and no adjustment or reconciliation shall occur for the 2009 operating expenses already paid by Lessee as of the date of this Amendment No.1.

8. Notice Address. Lessor's notice address is amended to read as follows:

NNN CHATSWORTH BUSINESS PARK, LLC
c/o Triple Net Properties Realty, Inc.
1551 North Tustin Avenue, Suite 200
Santa Ana, California 92705
Attn: Notice Department

with copies to:

NNN CHATSWORTH BUSINESS PARK, LLC
c/o Triple Net Properties, Inc.
4 Hutton Centre, Suite 700
South Coast Metro, California 92707
Attention: Property Manager

9. Condition of Premises. The parties acknowledge and agree that except for Lessor's obligation to perform the work described in paragraph 6 above, Lessor has no obligation whatsoever to improve the Premises in conjunction with Lessee's extension of the term, and except as otherwise provided by the Lease as amended. Lessee hereby accepts the Premises in its AS-IS, WHERE-AS, and WITH-ALL-FAULTS condition as of the date of this Amendment No.1.

10. Anti-Terrorism Statute Compliance. Lessee hereby represents and warrants to Lessor that Lessee is not: (a) in violation of any Anti-Terrorism Law; (b) conducting any business or engaging in any transaction or dealing with any Prohibited Person, including the making or receiving or any contribution of funds, goods or services to or for the benefit of any Prohibited Person; (c) dealing in, or otherwise engaging in any transaction relating to, any property or interest in property blocked pursuant to Executive Order No. 13224; (d) engaging in or conspiring to engage in any transaction that evades or avoids, or had the purpose of evading or avoiding, or attempts to violate any of the prohibitions set forth in any Anti-Terrorism Law; or (e) a Prohibited Person, nor are any of its partners, members, managers, officers or directors a Prohibited Person. As used herein, "Antiterrorism Law" is defined as any law relating to terrorism, anti-terrorism, money laundering or anti-money laundering activities, including Executive Order No. 13224 and Title 3 of the USA Patriot Act. As used herein "Executive Order No. 13224" is defined as Executive Order No. 13224 on Terrorist Financing effective September 24, 2001, and relating to "Blocking Property and Prohibiting Transactions With Persons Who Commit, or Support Terrorism," "Prohibited Person" is defined as (i) a person or entity that is listed in the Annex to Executive Order 13224; (ii) a person or entity with whom Lessee or Lessor is prohibited from dealing or otherwise engaging in any transaction by any Anti Terrorism Law; or (iii) a person or entity that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office Of Foreign Assets Control as its official website, <http://www.treas.gov/ofac/t11sdn.pdf> or at any replacement website or other official publication of such list. "USA Patriot Act" is defined as the Uniting and Strengthening

America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56).

11. Lessee's Representations and Warranties. Lessee hereby represents, warrants and agrees that, to the best of its actual knowledge as of the date hereof: (a) there exists no breach, default or event of default by Lessor under the Lease, or any event or condition which, with notice or passage of time or both, would constitute a material breach, default or event of default by Lessor under the Lease; (b) the Lease continues to be a legal, valid and binding agreement and obligation of Lessee; and (c) Lessee has no offset or defense to its performance or obligations under the Lease.

12. No Further Modification. Except as set forth in this Amendment, all other terms and provisions of the Lease shall be and remain unmodified and in full force.

13. Entire Agreement. This Amendment embodies the entire understanding between Lessor and Lessee with respect to its subject matter and can be changed only by an instrument in writing signed by Lessor and Lessee.


14. Facsimile Counterparts. This Amendment may be executed in any number of facsimile counterparts, each facsimile signature shall be deemed to be an original, and all such facsimile counterparts, when taken together, shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the Lessor has executed this Amendment No. 1 or caused it to be executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment No. 1 to be executed on its behalf by the Chairman of said Board and attested by the Clerk thereof the day, month, and year first above written.

LESSOR

By: NNN Chatsworth Business Park, LLC, NNN Chatsworth Business Park 1, LLC, NNN Chatsworth Business Park 2, LLC, NNN Chatsworth Business Park 3, LLC, NNN Chatsworth Business Park 4, LLC, NNN Chatsworth Business Park 7, LLC, NNN Chatsworth Business Park 8, LLC, NNN Chatsworth Business Park 9, LLC, NNN Chatsworth Business Park 11, LLC, NNN Chatsworth Business Park 12, LLC, NNN Chatsworth Business Park 13, LLC, NNN Chatsworth Business Park 14, LLC, NNN Chatsworth Business Park 15, LLC, NNN Chatsworth Business Park 16, LLC, NNN Chatsworth Business Park 17, LLC, NNN Chatsworth Business Park 18, LLC, NNN Chatsworth Business Park 19, LLC, NNN Chatsworth Business Park 21, LLC, NNN Chatsworth Business Park 22, LLC, NNN Chatsworth Business Park 23, LLC, NNN Chatsworth Business Park 25, LLC, NNN Chatsworth Business Park 26, LLC, NNN Chatsworth Business Park 28, LLC, NNN Chatsworth Business Park 29, LLC, NNN Chatsworth Business Park 31, LLC, NNN Chatsworth Business Park 32, LLC, NNN Chatsworth Business Park 33, LLC, NNN Chatsworth Business Park 34, LLC, NNN Chatsworth Business Park 35, LLC, NNN Chatsworth Business Park 36, LLC, NNN Chatsworth Business Park 37, LLC, each one a Delaware limited liability company

By: Triple Net Properties Realty, Inc.,
a California corporation,
its agent

By:  _____

Its: **JEFF HANSON**
PRESIDENT & CEO _____

Dated: January 12, 2010

ATTESTED:

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

By:
Deputy

LESSEE

COUNTY OF LOS ANGELES

By: _____
Chair, Board of Supervisors

APPROVED AS TO FORM

ANDREA SHERIDAN ORDIN
County Counsel


By  :
Amy M. Cayes, Senior Deputy

EXHIBIT B1

Interior Finish Specifications, 21415-21615 Plummer St., Chatsworth:Carpet:

- Carpet tile, 24 oz. minimum yarn weight, at all existing carpeted areas.
- Carpet (broadloom), 26 oz. minimum yarn weight, at all stairwells.
- Allow for up to 8 colors.
- Atlas, Lees, Mannington, Mohawk, or approved equal.

Vinyl Composition Tile:

- At all existing VCT areas except static-dissipative installations (existing to remain).
- Allow for up to 8 base colors and 8 accent colors.
- Seal and polish flooring after installation.
- Armstrong Excelon Premium.

Topset Base:

- 4" high rubber base, (Straight @ carpet, coved at VCT), at all areas receiving new flooring.
- Allow for up to 8 colors.
- Burke Mercer.

Paint:

- At all existing painted walls, doors, ceilings, and trim.
- Wall sheen "flat" throughout staff work areas, "semi-gloss" at public waiting and interview areas, and lunch rooms.
- Dunn-Edwards.

Notes:

- In 21415 Plummer, existing finishes in Child Care Center to remain.
- In 21615 Plummer, include new carpet tile in first floor hallway adjacent Stair #2.