



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>

REVISED

WILLIAM T FUJIOKA
Chief Executive Officer

May 29, 2012

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. 73495
DEPARTMENT OF PUBLIC HEALTH
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
PROBATION DEPARTMENT
3530 WILSHIRE BOULEVARD, LOS ANGELES
(SECOND DISTRICT) (3 VOTES)**

SUBJECT

This recommendation is for a seven-year lease amendment for 109,137 rentable square feet for the Departments of Public Health, Children and Family Services and Probation to provide continued use of existing office space and 440 parking spaces.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed lease amendment is categorically 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, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chairman to sign an amendment to the seven-year lease agreement with Metroplex, LLC (Lessor) for the Departments of Public Health, Children and Family Services and Probation to continue occupancy of 109,137 square feet of office space and 440 parking spaces located at 3530 Wilshire Boulevard, Los Angeles, at an initial annual rental cost of \$2,422,848. The rental costs for Public Health is funded via license, permit fees and grant funding and approximately 14 percent net County cost; Department of Children and Family Services approximately 70 percent funded by State and Federal funds; and Probation is net County cost.

"To Enrich Lives Through Effective And Caring Service"

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Third District

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Fifth District

3. Authorize the Chief Executive Officer and the Directors of Public Health, Children and Family Services and Probation to implement the project. The lease amendment will be effective upon approval by your Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since December 2001, the Departments of Public Health (DPH), Children and Family Services (DCFS) and Probation have occupied office space at the office building located at 3530 Wilshire Boulevard, Los Angeles, also referred to as the Metroplex.

The proposed lease amendment herein will continue to provide the three departments with sufficient office space for their operations. The DPH components, which occupy 62,901 rentable square feet at the facility, house divisions for Environmental Health, Immunization and Chronic Disease, which provide both an administrative as well as direct service function for the community with services related to food and housing inspections, plan check review, Radiation Management and vector control activities. The division for Chronic Disease and injury prevention works with community partners throughout Los Angeles County (County) in implementing policy, systems and environmental changes to improve nutrition, increase physical activity and reduce smoking for the elderly, adults and children, and maximize the health and quality of life among older adults.

DCFS, which occupies 33,521 square feet, has a Youth Development Services Division (YDSD) housed at the facility which is dedicated to providing a unified and comprehensive program that offers services and resources to the age 14-21 year old youth. YDSD services provided are for youth who are in or have been in foster care under the County's dependency or probations systems, and provides a variety of resources to assist youth in successfully transitioning from childhood to adulthood. YDSD delivers transition age youth these services in collaboration with Probation, the Department of Mental Health (DMH), Work Forces Investment Agencies, as well as the Los Angeles County offices of Education and the Los Angeles Unified School District.

Probation's space-use needs comprised of 12,715 square feet for the Pretrial Services Division (PTS), currently has both administrative and direct service functions in operation at this location. The division includes the Bail Deviation Program, PTS Training Academy, Research and Development Unit Own Recognizance program and Probation's Domestic Violence Unit.

The Bail Deviation Program arranges for incarcerated applicants who have been arrested on an open criminal charge within the County to apply for an own recognizance release or bail reduction from their scheduled bail per the California Penal Code 1269(c). The PTS Training Academy is a pretrial services training unit that serves both the training needs of pretrial services and the Probation Department in training staff on their job functions and mandated training courses. The Research and Development Unit engages in case management information systems for the PTS division. In addition, the unit compiles and distributes statistical data requests for PTS management and handles special projects and assignments as necessary. The Domestic Violence Unit consists of deputized and clerical support staff who monitor and audit various authorized domestic violence class organizations for new and continued policy and regulation compliance.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we maximize the effectiveness of processes, structure, and operations to support timely delivery of customer-oriented and efficient public services; the Goal of Health and Mental Health (Goal 4) improves health and mental health outcomes by promoting proven service models and principles; and the Public Safety Goal (Goal 5) ensures that the committed efforts of the public safety partners continue to maintain and improve the safety and security of the people of Los Angeles County. In this case, the County is supporting these goals by providing an office in the community it serves to increase effectiveness, enhance customer service, and providing responsive services to the public.

FISCAL IMPACT/FINANCING

The proposed lease amendment will provide the County uninterrupted use of 109,137 square feet of office space and 440 parking spaces at a monthly base rent of \$201,904 per month, or \$2,422,848 annually. The base rental rate reduction from the existing rent of \$.48 per square foot annually will represent potential savings of approximately \$366,702 over the term of the extended lease. In addition, a Tenant Improvement (TI) allowance of \$654,822 included in the rent was negotiated for miscellaneous deferred maintenance and improvements within the facility.

3530 Wilshire Blvd. Los Angeles	Existing Lease	Proposed Lease/ Amendment No. 1	Change
Area (square feet)	DPH: 62,901 DCFS: 33,521 Probation: <u>12,715</u> Total = 109,137	109,137	None
Term	(12/19/2001-12/18/2011) current month-to-month	Five <u>Seven</u> years upon Board adoption	None <u>+7 years</u>
Annual Rent	\$206,298 <u>\$2,475,227</u> (\$22.68/sq. ft.)	\$201,904 <u>\$2,422,848</u> (\$22.20/sq. ft.)	-\$52,386 <u>\$52,379</u> (-\$.48/sq. ft.)
Base TI Allowance (non reimbursable)	\$272,843 (\$2.50/sq.ft.)	\$654,822 (\$6.00/sq.ft.)	+\$381,979(+\$.35/sq.ft.)
Cancellation	County after 5 years with 180 days notice	County after 5 years with 150 days notice	None; -30 days notice
Parking (included)	440	440	None
Option to Renew	One five-year option	One five-year option	None
Rental Adjustment	Consumer Price Index (CPI) increases of 2 percent minimum and 5 percent maximum	CPI increases capped at 3 percent with no floor	-2 percent cap on CPI

This is a full-service gross lease whereby the Lessor is responsible for all operating costs associated with the County's occupancy. The rent is subject to CPI increases capped at 3 percent in lieu of the previous minimum 2 percent increases capped at 5 percent of CPI annually. Parking is included in the rental rate and will be provided in the adjacent secured parking lots or nearby structures.

Sufficient funding for the proposed lease costs is included in the Fiscal Year (FY) 2012-13 Recommended Rent Expense budget and will be billed back to the departments. DPH, DCFS and Probation have sufficient funding in their FY 2012-13 operating budgets to cover the projected lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed amendment will provide uninterrupted use of 109,137 square feet of office space and 440 parking spaces. The proposed lease amendment contains the following provisions:

- Commencement of new rent and seven-year term upon approval by your Board.
- A full-service gross basis with the Lessor responsible for all operational and maintenance costs.

- A non-reimbursable TI allowance of \$654,822 for miscellaneous improvements included in the base rent.
- The Lessor will mitigate existing accessibility barriers to conform to the Americans with Disabilities Act (ADA).
- A cancellation provision allowing the County to cancel any time after five years with 150 days prior written notice.
- Annual rental rate adjustments based upon CPI with a maximum increase of 3 percent per annum and no floor.
- One five-year option to extend the lease at the same terms and conditions with 120 days prior written notice.

The CEO Real Estate staff conducted a survey within the search area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically, nor are there any County-owned or leased facilities available for this program. Based upon said survey, staff has established that the rental range for similar space is between \$18 and \$39 per square foot per year on a full-service basis, excluding parking. Thus, the base annual rent of \$22.20 per square foot per year on a full-service basis, including 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 leased premises and related common areas were assessed in regards to ADA accessibility compliance. A report identifying barriers to accessibility has been completed and provided to the CEO and the departments. Pursuant to the report, the CEO, the departments, and the Lessor are engaged in a collaborative effort to address the removal of barriers to improve accessibility to the existing program, services, and activities.

The Department of Public Works has inspected this facility and found it suitable for the County's occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded that this project is exempt from the 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).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will adequately provide the necessary office space for this County requirement. DPH, DCFS and Probation concur with the proposed recommendation.

CONCLUSION

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

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:CMM
CEM:NCH:ls

Attachments

- c: Executive Office, Board of Supervisors
- County Counsel
- Auditor-Controller
- Public Health
- Children and Family Services
- Probation

**DEPARTMENT OF PUBLIC HEALTH
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
PROBATION DEPARTMENT
3530 WILSHIRE BOULEVARD, LOS ANGELES
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 Ratio = 189 sq.ft. per person.	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 proposed building is offered at a competitive market rate and County already occupies the facility.		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?			X
	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 HEALTH / DEPARTMENT OF CHILDREN AND FAMILY SERVICES / PROBATION DEPARTMENT
SPACE SEARCH - 2-MILE RADIUS OF 3530 WILSHIRE BOULEVARD, LOS ANGELES**

LACO	FACILITY NAME	ADDRESS	SQUARE GROSS	FEET NET	OWNERSHIP	SQ. FT. AVAILABLE
A532	PH HEALTH-WILSHIRE METROPLEX BUILDING	3530 WILSHIRE BLVD, LOS ANGELES 90010	113,027	101,920	LEASED	NONE
A424	DPSS-EQUITABLE PLAZA BUILDING	3435 WILSHIRE BLVD, LOS ANGELES 90010	65,872	62,578	LEASED	NONE
A578	AUDITOR - SHARED SERVICES INITIATIVE	3470 WILSHIRE BLVD, LOS ANGELES 90010	21,500	20,425	LEASED	NONE
A413	HUMAN RESOURCES-WILSHIRE SQUARE TWO BUILDING	3333 WILSHIRE BLVD, LOS ANGELES 90010-4109	85,992	78,473	LEASED	NONE
X317	DCSS-LE SAGE COMPLEX 4 STORY BUILDING	3175 W 6TH ST, LOS ANGELES 90020	52,230	42,341	OWNED	NONE
B695	HEALTH-IMMUNIZATION PRGM/ ENVIRONMENTAL HEALTH	695 S VERMONT AVE, LOS ANGELES 90010	80,403	75,647	LEASED	NONE
A336	SHERIFF-WILSHIRE CENTRE BUILDING	3055 WILSHIRE BLVD, LOS ANGELES 90010	7,755	7,115	LEASED	NONE
X550	MENTAL HEALTH-LE SAGE COMPLEX TOWER	550 S VERMONT AVE, LOS ANGELES 90020-1991	171,651	149,668	OWNED	NONE
X510	PARKS & REC- LE SAGE COMPLEX 2 STORY BUILDING	510 S VERMONT AVE, LOS ANGELES 90020	31,540	24,835	OWNED	NONE
A425	DCFS-HEADQUARTERS BUILDING	425 SHATTO PL, LOS ANGELES 90020	81,912	77,816	LEASED	NONE
A369	DCFS-HEADQUARTERS ANNEX	501 SHATTO PL, LOS ANGELES 90020	17,751	15,976	LEASED	NONE
Y193	PARKS & RECREATION- HEADQUARTERS BUILDING	433 S VERMONT AVE, LOS ANGELES 90020	31,862	21,777	OWNED	NONE
B500	DHS-WORKFORCE DEVELOPMENT PROGRAM	500 S VIRGIL AVE, LOS ANGELES 90020	8,000	7,200	PERMIT	NONE
A600	CENTRAL CIVIL WEST COURTHOUSE	600 S COMMONWEALTH AVE, LOS ANGELES 90005	281,988	237,432	LEASED	NONE
A360	DPSS-METRO NORTH AP/ CALWORKS DISTRICT OFFICE	2601 WILSHIRE BLVD, LOS ANGELES 90057	62,000	60,140	LEASED	NONE
B922	DPSS- WILSHIRE SPECIAL DISTRICT OFFICE	2415 W 6TH ST, LOS ANGELES 90057	46,228	42,065	LEASED	NONE
5461	PH-HOLLYWOOD/ WILSHIRE PUBLIC HEALTH CENTER	5205 MELROSE AVE, LOS ANGELES 90038	27,578	14,811	OWNED	NONE
A683	SERVICE INTEGRATION PILOT PROJECT	1910 MAGNOLIA AVE, LOS ANGELES 90007	1,035	984	LEASED	NONE
A405	BOS/ARTS COMMISSION- WILSHIRE-BIXEL BUILDING	1055 WILSHIRE BLVD SUITE 800, LOS ANGELES 90017	7,873	7,479	LEASED	NONE
A674	DMH- HOLLYWOOD WELLNESS CENTER	5000 W SUNSET BLVD, LOS ANGELES 90027	5,588	5,309	LEASED	NONE
A216	DPSS-APPEALS & STATE HEARINGS	811 WILSHIRE BLVD, LOS ANGELES 90017	4,512	4,286	LEASED	NONE
A673	DCFS-WEST LOS ANGELES (SPA 5) & WLA-MCMS	5757 WILSHIRE BLVD, LOS ANGELES 90036	35,548	29,923	LEASED	NONE
A627	COUNTY ADMIN OFFICES- LA WORLD TRADE CTR	350 S FIGUEROA ST, LOS ANGELES 90071	52,516	49,890	LEASED	NONE
B393	HOLLYWOOD COURTHOUSE	5925 HOLLYWOOD BLVD, HOLLYWOOD 90028	61,571	26,151	STATE AND COUNTY (PARTIAL)	NONE
A442	MENTAL HEALTH-LAPD - SMART TEAM OFFICE	419 S SPRING ST, LOS ANGELES 90013	1,000	1,000	GRATIS USE	NONE
A159	DISTRICT ATTORNEY-FIGUEROA PLAZA	201 N FIGUEROA ST, LOS ANGELES 90012	87,810	83,420	LEASED	NONE
A632	PUBLIC DEFENDER-PIAS ET. AL.	312 S HILL ST, LOS ANGELES 90012-3503	9,782	9,293	LEASED	NONE
5546	PH-CENTRAL PUBLIC HEALTH CENTER	241 N FIGUEROA ST, LOS ANGELES 90012	60,924	34,748	OWNED	NONE
A429	CAO-REAL ESTATE DIVISION/ SERVICE INTEGRATION	222 S HILL ST, LOS ANGELES 90012	30,905	27,158	LEASED	NONE
5456	HEALTH SERVICES ADMINISTRATION BUILDING	313 N FIGUEROA ST, LOS ANGELES 90012	221,359	134,851	OWNED	NONE
5276	PH-DR RUTH TEMPLE PUBLIC HEALTH CENTER	3834 S WESTERN AVE, LOS ANGELES 90018	29,023	16,627	OWNED	NONE
X015	LOS ANGELES COUNTY LAW LIBRARY	301 W 1ST ST, LOS ANGELES 90012	431,920	252,000	CONTRACT	NONE
0155	STANLEY MOSK COURTHOUSE	111 N HILL ST, LOS ANGELES 90012	1,588,918	978,508	STATE AND COUNTY (PARTIAL)	NONE
5266	METROPOLITAN COURTHOUSE	1945 S HILL ST, LOS ANGELES 90007	303,433	136,422	STATE AND COUNTY (PARTIAL)	NONE
A140	DMH-HOLLYWOOD FSP	947 COLE AVE, LOS ANGELES 90038	6,500	6,175	LEASED	NONE
A675	DA-METRO COURT/ DCFS METRO NORTH/ERCP/CALL CTR	1933 S BROADWAY, LOS ANGELES 90007	148,483	141,059	LEASED	NONE
6518	THE ADAMS & GRAND BUILDING	2615 S GRAND AVE, LOS ANGELES 90007	215,439	183,874	OWNED	NONE
A218	MENTAL HEALTH-SKID ROW MANAGEMENT TEAM	420 S SAN PEDRO ST, LOS ANGELES 90013	3,516	3,340	LEASED	NONE
B426	DMH-ADULT SYSTEMS OF CARE-FSP	426 S SAN PEDRO ST, LOS ANGELES 90013	6,500	6,175	LEASED	NONE
B446	DHS-SKID ROW CLINIC	512 S SAN PEDRO ST, LOS ANGELES 90013	20,628	19,597	LEASED	NONE
B447	DMH-PROJECT 50 (OFFICE ONLY)	521 S SAN PEDRO ST, LOS ANGELES 90013	2,540	2,413	LEASED	NONE
A436	DPSS-EXPOSITION PARK FAMILY SERVICE CENTER	3833 S VERMONT AVE, LOS ANGELES 90037	255,022	221,000	LEASED	NONE
5353	DPSS-METRO SPECIAL DISTRICT OFFICE	2707 S GRAND AVE, LOS ANGELES 90007	115,242	89,650	OWNED	NONE
3155	PERFORMING ARTS CTR- DE LISA BLDG/THE ANNEX	301 N GRAND AVE, LOS ANGELES 90012	55,164	35,956	OWNED	NONE

**AMENDMENT NO. 1 TO LEASE NO. 73495
DEPARTMENT OF PUBLIC HEALTH
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
PROBATION DEPARTMENT
3530 WILSHIRE BOULEVARD, LOS ANGELES**

THIS AMENDMENT NO. 1 TO LEASE NO. 73495 ("Amendment " or "Amendment No. 1") is made, entered and dated as of this _____ day of _____, 2012, by and between METROPLEX, LLC, a California limited liability company ("Lessor") and the COUNTY OF LOS ANGELES, a body corporate and politic ("Lessee").

RECITALS:

WHEREAS, Lease No. 73495 (the "Lease") was executed by and between Lessor and Lessee on July 10, 2001, whereby the Lessor leased to Lessee those certain premises containing approximately 63,466 rentable square feet of office space in a building located at 3530 Wilshire Boulevard, Los Angeles ("Premises"), for a term of ten years, and;

WHEREAS, Lessee exercised a right to expand its rentable office space as authorized under the lease by an additional 45,671 square feet of office space for a total of 109,137 rentable square feet, and;

WHEREAS, Lessor and Lessee further desire to extend the Lease Term and amend the Lease under this Amendment No. 1 to Lease No. 73495, and;

WHEREAS, the terms of this Amendment No. 1 shall not become effective until such time that said Amendment is executed by all the parties herein,

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, and the rents, covenants and agreements herein contained, Lessor and Lessee hereby covenant and agree to amend the Lease as follows:

1. **EXTENSION OF THE LEASE TERM:** Lessor and Lessee acknowledge that Lessee's lease of the Premises entered into a month-to-month tenancy as of December 19, 2011, pursuant to the Holdover provision of Paragraph 6 of the Lease. Notwithstanding anything to the contrary in the Lease, Paragraph 2 of Lease No. 73495 is hereby amended to extend the Lease term for an additional seven (7) years commencing upon the full execution of this Amendment No. 1 ("Extension Commencement Date"). The period of time commencing on the Extension Commencement Date and terminating on the last day of the seventh year following the Commencement Date shall be referred to herein as the "Extension Term."

2. **RENT:** Effective upon execution of this Amendment No. 1 by the parties hereto, and for remainder of the Extension Term but not retroactively, Paragraphs 3, RENT, and 26, RENTAL ADJUSTMENT, of the Lease are hereby deleted in their entirety and the following substituted therefor:

Lessee hereby agrees to pay as rent for the Premises during the Extension Term the sum of two hundred one thousand, nine hundred three and 45/100 dollars (\$201,903.45) per month, i.e., one dollar and eighty-five cents (\$1.85) per rentable square foot per month, payable in advance by Auditor's General Warrant. Rental payments shall be payable within fifteen (15) days after the first day of each and every month of the Extended Term, provided Lessor has caused a claim therefor for each such month to be filed with the Auditor of the County of Los Angeles prior to the first day of each month.

Beyond year 1 of the Extended Term, the rental rate shall be adjusted as follows:

- (a) **CPI.** Commencing after the first anniversary of the commencement of the Extended Term, on the first day of the first full calendar month thereafter (the "Adjustment Date") and on every anniversary of the Adjustment Date thereafter, Basic Rent shall be adjusted by applying the CPI Formula set forth below. The "Basic Index" shall be the Index published for the month the Lease commences.
- (b) **CPI Formula.** The "Index" means the Consumer Price Index ("CPI") for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Basic Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Basic Index. If the Index is changed so that the Index differs from that used as of the Commencement Date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Extended Term, such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.
- (c) **Illustration of Formula.** The formula for determining the new rent shall be as follows:
- $$\frac{\text{New Index}}{\text{Basic Index}} \times \$201,903.45 \text{ (Basic Rent)}$$
- = Monthly Basic Rent
- (d) **Limitations on CPI Adjustment.** In no event shall the monthly Basic Rent adjustment based upon the CPI Formula result in an annual increase greater

than three percent (3%) per year of the Basic Rent.

3. **CANCELLATION:** Effective upon execution of this Amendment No. 1, Section 5, CANCELLATION, of the Lease is hereby deleted in its entirety and the following is substituted therefor:

Lessee shall have a continuous right to cancel all or a portion of this Lease at or any time after the fifth (5th) year of the Extension Term by providing Lessor not less than one hundred fifty (150) days prior written notice by Chief Executive Office letter.

4. **PARKING:** Effective upon execution of this Amendment No. 1, Section 20, PARKING SPACES, of the Lease is hereby deleted in its entirety and the following is substituted therefore:

Lessee shall provide four hundred forty (440) structured, in-and-out parking spaces located within the building parking structure adjacent to the Premises. No more than ten percent (10%) tandem spaces will be included or provided at an off-site location with one block of 3530 Wilshire Boulevard and all spaces will be "in-and-out" as long as that design is consistent with County policy. Any alternate parking structure, if applicable, is subject to review and approval by the Los Angeles County Department of Public Works. Van parking overnight will be allowed by Lessor.

5. **TENANT IMPROVEMENTS:** Effective upon execution of this Amendment by the parties hereto, Lessor, within thirty (30) days after receipt of a duly executed copy of this Lease, shall begin work on the Tenant Improvements per the forthcoming County plans and specifications, up to a maximum cost of \$654,822, i.e., six dollars and zero cents (\$6.00) per rentable square foot, (the "Tenant Improvement Allowance"), to improve the Premises related to paint, carpet and other deferred maintenance items in the existing space as the Lessee desires. The improvements will be under the authority of Lessor, or its authorized agent, and approved by an assigned representative of Lessee's Chief Executive Office. Any unused portion of the Tenant Improvement Allowance may be used to offset rent due per an itemized breakdown of such improvements. This Tenant Improvement Allowance is not subject to reimbursement by Lessee. In addition, Lessor shall at its sole cost mitigate the applicable Americans with Disabilities Act (ADA) barriers identified on the Barrier ID Removal Report referenced March 7, 2012, a copy of which has been provided the Lessor.

6. Each of the signatories for the Lessor personally covenant, warrant and guarantee that each of them, jointly and severally, have the power and authority to execute this Amendment No. 1 upon the terms and conditions stated herein and each agrees to indemnify and hold harmless Lessee from all damages, costs, and expenses, which result from a breach of this representation.

7. In the event of a conflict between the terms and conditions of this Amendment No. 1 and the terms and conditions of the Lease, this Amendment No. 1 shall prevail. All other terms and conditions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, Lessor has executed this Amendment No. 1 to Lease No. 73495, or caused it to be duly authorized executed, and the County of Los Angeles by the order of the Board of Supervisors, has caused Amendment No. 1 to be executed on its behalf by the Chairman of said Board and attested by the Clerk thereof on the day, month, and year first above written.

LESSOR
METROPLEX, LLC

By 

Name: Paul Kim

Title: President

LESSEE

COUNTY OF LOS ANGELES
a body politic and corporate

ATTEST:

Sachi A. Hamai
Executive Officer-Clerk
Of the Board of Supervisors

By Supervisor Zev Yaroslavsky
Chairman, Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:
John F. Krattli
Acting County Counsel

By 
Deputy

3530WilshireBlv-Amend.1