WILLIAM T FUJIOKA
Chief Executive Officer

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

"To Enrich Lives Through Effective And Caring Service"

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MARK RIDLEY-THOMAS
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MICHAEL D. ANTONOVICH
Fifth District

August 13, 2013

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

Dear Supervisors:

EIGHT-YEAR LEASE – PROBATION DEPARTMENT
11151 MISSOURI AVENUE, LOS ANGELES
(THIRD DISTRICT)
(3 VOTES)

SUBJECT

An eight-year lease for 11,240 rentable square feet of office space with surface and roof top parking for the Probation Department's Post Release Supervised Persons AB109 program.

IT IS RECOMMENDED THAT THE BOARD:

1. Consider the 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 of Los Angeles (County) to approve the Negative Declaration, find that the project will have no adverse effect on wildlife resources, and authorize the Chief Executive Office (CEO) to complete and file a Certificate of Fee Exemption for the project.

2. Approve and instruct the Chairman to sign the eight-year lease with Ball and East Limited Partnership, for the occupancy of 11,240 rentable square feet of office space with surface and roof top parking spaces located at 11151 Missouri Avenue for the Probation Department, for a maximum first year rental cost of $741,515, which includes an initial rent of $376,315, plus first year lump sum payments of property taxes and insurance of approximately $28,000 and a maximum first year lump sum payment of approximately $337,200 for Tenant Improvements. The rental and related costs are to be fully funded under a block grant received from the State of California that funds the AB109 program.

3. Authorize the Internal Services Department, at the direction of the Chief Executive Office, to acquire telephone, data, and low voltage systems at a cost not to exceed $425,000, which will be paid by the Probation Department via a lump sum payment.

4. Authorize the Chief Executive Office, Probation Department, and Internal Services Department to implement the project. The lease will be effective upon approval by the Board, but the term and rent will commence upon completion of the improvements by the Landlord and acceptance by the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed lease will allow the Probation Department (Probation) to provide direct services to Post Release Supervised Persons (PRSP) of the AB109 program. The facility will provide services to clients residing in the West Los Angeles region of the County. These clients require Probation oversight after their release by the State of California. Supervision of clients will occur in the office and field, as appropriate.

The subject facility will be fully occupied by 41 Probation employees as a single-tenant, stand-alone office. Approximately 100 clients per day will report and spend up to two hours at the office.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goals of Operational Effectiveness (Goal 1) directs that we maximize the effectiveness of processes and operation to support efficient public services and the Goal of Integrated Services Delivery (Goal 3) directs that we improve client and community outcomes through the continuous integration of services while meeting clients' needs within available fiscal resources and state funding. This lease provides space for PRSPs that reside in the area. The proposed lease is in conformance with Asset Management Principle as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease will provide Probation the use of 11,240 square feet of office space and sufficient surface and roof top parking at a maximum first year cost of $741,515. The rental costs consist of three components: office rent, operating expense costs, and Tenant Improvement (TI) reimbursement payments. Annual office rent amounts to $376,315 or $33.48 per square feet, a one-time lump sum TI reimbursement to maximum of $337,200 and annual reimbursement of property taxes and insurance estimated to be $28,000.

Sufficient funding for the proposed lease will be included in the Fiscal Year (FY) 2013-14 Rent Expense budget and will be charged back to Probation. Probation will budget sufficient funding in its FY 2013-14 operating budget to cover the projected lease costs which are funded via a block grant received from the State of California that funds the AB109 program. Attachment B is an overview of the lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease will provide Probation with 11,240 square feet of office space and surface and roof top parking spaces to serve as a PRSP, AB109 center. The proposed lease includes the following provisions:

- The eight-year lease term and rent will commence upon substantial completion and acceptance by the County of the TIs provided by the Landlord.

- A modified full-service gross lease whereby the Landlord will be responsible for exterior maintenance of the roof and structure of the building in addition to the HVAC. The County will be responsible for all interior maintenance, janitorial, and utility costs associated with the County's occupancy.

- The Landlord will provide a non-reimbursable base TI allowance of $30 per square foot, or $337,200.

- The Landlord will also provide a reimbursable additional TI allowance of $25 per square foot, or $281,000, and a change order allowance of $5 per square foot, or $56,200, both of which will be reimbursed in a lump-sum upon completion and acceptance of the Premises.

- The County will have the right to cancel the lease at or any time after the 84th month of the lease term, upon 180 days prior written notice.

- Furniture will be purchased by Probation through ISD Purchasing.

- The rental costs are adjusted annually at a fixed 2 percent throughout the term of the lease.

Chief Executive Office (CEO), 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 other sites in the survey area that could suitably accommodate this requirement. Based upon said survey, staff has established that the base rental range for similar space and terms is between $33 and $48 per square foot per year. Thus, the base annual rent of $33.50 for the proposed lease represents a rate at the low end of the range for the area. The proposed facility provides the only viable space to house Probation's PRSP's AB109 program within the service area. Attachment C 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 inspected the facility and found it suitable for County occupancy. Construction of the TI's will be completed in compliance with building codes and the Americans with Disabilities Act.

Notices have been sent to the City of Los Angeles (City) pursuant to Government Code Sections 65402 and 25352. The City has not objected to the proposed lease.

ENVIRONMENTAL DOCUMENTATION

The CEO has made an initial study of the environmental factors and has concluded that this project will have no significant impact on the environment and no adverse effect on the 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 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 Registrar-Recorder/County Clerk. The County is exempt from paying this fee when the 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. Probation concurs with the proposed recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return four originals of the executed lease, 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:TS:ls

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Internal Services
Probation

ATTACHMENT A

PROBATION DEPARTMENT
11151 MISSOURI AVENUE, LOS ANGELES
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] **Probation's Post Release Supervised Persons is only for County use to occupy 11,240 square feet of office space at the proposed facility.**		**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]			
2.	**Capital**				
	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 C?	**X**		
	G	Was build-to-suit or capital project considered?		**X**	
3.	**Portfolio Management**				
	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?			
	D	Why was this program not co-located?			
		1. **X** 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. ____ The Program is being co-located.			
	E	Is lease a full service lease?[2] **Landlord required County to pay all interior maintenance, utility and janitorial costs directly.**		**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

FISCAL IMPACT/FINANCING
OVERVIEW OF THE PROPOSED LEASE

Proposed Lease	**11151 MISSOURI AVENUE, Los Angeles**
Area (Square Feet)	11,240 rentable square feet
Term (years)	Eight-years, commencing upon Board approval and County's acceptance of the TI.
Annual Base Rent	$376,315 ($33.48 per sq. ft. annually)
TI Reimbursement [(1)]	$337,200
Annual Operating Costs	$28,000
Maximum Annual Lease Cost [(2)]	$741,515
Base TI Allowance	$337,200
Additional TI Allowance	$281,000
Change Order Allowance	$ 56,200
Cancellation	After 84 months of the lease term upon 180 days prior written notice
Parking Spaces	Approximately 59 surface and roof top spaces
Options to Renew	Two (2) five-year terms
Rental adjustment	2 percent annually, fixed for the term

(1) $337,200 represents the maximum amount of reimbursable TI and change order funds available for this project.

(2) Includes annual base rent, annual operating costs and reimbursement of Additional TI and change order allowances.

Attachment C

PROBATION DEPARTMENT
SPACE SEARCH WEST LOS ANGELES AREA

LACO	FACILITY NAME	ADDRESS	SQUARE GROSS	FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
4271	WEST LOS ANGELES COURTHOUSE	1633 PURDUE AVE WEST LOS ANGELES 90025	43404	17045	OWNED	NONE
E420	DCFS \ DPSS \ DMH WEST LOS ANGELES DISTRICT OFFICES	11390 W OLYMPIC BLVD WEST LOS ANGELES 90064	68200	44482	LEASED	NONE
A528	DPSS – NEW RANCHO PARK DISTRICT OFFICE	11110 W PICO BLVD LOS ANGELES 90064	69450	59033	LEASED	NONE
5421	BEVERLY HILLS COURTHOUSE	9355 BURTON WAY BEVERLY HILLS 90210	80566	40892	FINANCED	NONE
5570	DHS – YVONNE BRATHWAITE BURKE HEALTH CENTER / PPP	2509 W PICO BLVD SANTA MONICA 90404	36557	26581	OWNED	NONE
3776	CULVER CITY COURTHOUSE	4130 OVERLAND AVE CULVER CITY 90230	21568	11543	OWNED	NONE
5708	PUBLIC LIBRARY – JULIAN DIXON LIBRARY	4975 OVERLAND AVE CULVER CITY 90230	21406	17364	OWNED	NONE

ORIGINAL FILED

JUL 24 2013

LOS ANGELES, COUNTY CLERK

NEGATIVE DECLARATION

Department Name: Probation
Project: AB 109 Post Release Supervised Persons

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 office building to be used by the County of Los Angeles, Department of Probation

2. a. Location of Project
11151 Missouri Avenue
Los Angeles, CA 90024

b. Name of Project Proponent
County of Los Angeles
Chief Executive 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 July 9, 2013 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 Executive Office and is attached hereto.

5. Mitigation Measures Included in Project

None required.

Date	Real Property Agent	Telephone
July 9, 2013	Thomas Shepos	(213) 974-4363

DATE POSTED – July 19, 2013

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 Executive Office

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

Agent	Telephone
Thomas Shepos	(213) 974-4364

ORIGINAL FILED

JUL 24 2013

LOS ANGELES, COUNTY CLERK

3. Date Information Form Submitted – July 25,2013

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

5. Name of Proposal, if Applicable -

6. Address of Facility Involved – 11151 Missouri Avenue
   Los Angeles, CA 90024

Interested parties may obtain a copy of the Negative Declaration and the completed Environmental Information Form/Initial Study by contacting the Principal 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 Carlos Marquez, para asistencia en obtener una traduccion para el numero (213) 974-4163.

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE

EIGHT-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 11151 Missouri Avenue, Los Angeles, California, which will be used by the Department of Probation (Probation). The Department will be using the space to provide services to Post Released Supervised Persons (PSP's) of the AB 109 programs. The facility will provide direct services to clients residing in the West Los Angeles region of the County. The facility, located in the Third Supervisorial District is less than 14 miles from the Los Angeles Civic Center. The Departments shall have use of 11,240 square feet of office space and 59 off-street parking spaces located in the rear of the building and on the roof area for combined staff in addition to available parking for 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.

ORIGINAL FILED

JUL 24 2013

LOS ANGELES, COUNTY CLERK

INITIAL STUDY

I. Location and Description of Project

These proposed leased premises are located at 11151 Missouri Avenue, Los Angeles, located in the Third Supervisorial District less than fourteen (14) miles northwest of the Los Angeles Civic Center. (See attached map)

The building to be used is owned by Ball and East Ltd., and is intended for use as office space. Located in the rear of the building and on the roof top of the structure are 59 off-street parking spaces for the County Department and ample public parking is located within the surrounding area.

This project consists of leasing this facility for eight (8) years in which will be located a 41 Probation employees. It is anticipated that an average of 38 employees will be occupying the premises with the maximum employee occupancy anticipated to be 41 per day. In addition to the employees, it is anticipated that an average of 102 members of the public per day will be visiting the facility for Post Release Supervision. 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 Commercial Use in the City of Los Angeles Plan and zoned Commercial. The proposed project would be consistent with these designations.

III. Environmental Setting

The project site is located in an area of commercial/industrial type facilities and fronts the 405 freeway on the rear of the building. The site includes approximately .55 acres of developed property. The site is bordered by Missouri Street on the south side, 405 freeway and Cotner Street on the west side, commercial/industrial property on the east side and on the north side.

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 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 Thomas Shepos of the Los Angeles County Chief Administrative Office, Real Estate Division. This study was completed on July 9, 2013.

COUNTY OF LOS ANGELES

CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

DEPARTMENT: PROBATION as Tenant

LANDLORD: Ball and East Ltd., a California Limited Partnership, whose agent is Harvey Capital Corp.

11151 MISSOURI AVENUE, LOS ANGELES

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COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AGREEMENT

THIS LEASE is entered into as of the_____ day of _____, 2013 between Ball and East Ltd., a California Limited Partnership, ("Landlord"), whose agent is Harvey Capital Corp., and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant" or "County").

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.

1.1 Defined Terms Relating to the Lease:

(a) Landlord's Address for Notice:	2333 Cotner Avenue Los Angeles, CA 90064
(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 Executive Office Real Estate Division 222 South Hill Street, 3rd Floor Los Angeles, California 90012 Attention: Director of Real Estate
(c) Premises defined as Building:	Approximately 11, 240 rentable square feet of the Building (defined below) as shown on Exhibit A attached hereto.
(d) Building:	The building is located at 11151 Missouri Avenue, Los Angeles, CA, which is currently assessed by the County Assessor as APN 4323 026 016 (the "Property").
(e) Term:	Eight (8) years commencing upon Tenant's Acceptance of the Premises as defined in Section 4(a) (the "Commencement Date"); and terminating at midnight on the day before the Eighth (8th) anniversary of the Commencement Date (the "Termination Date"), subject to

INITIAL

	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) Effective Date	Upon approval of the Lease by the Los Angeles County Board of Supervisors.
(g) Projected Commencement Date:	March 1, 2014
(h) Commencement Date:	Upon substantial Completion of Improvements in the Building (as that term is defined below), which is anticipated to occur on the Projected Commencement Date.
(i) Irrevocable Offer Expiration Date:	September 3, 2013
(j) Base Rent:	$31,359.60 per month (which is based upon a rental rate of $ 2.79 per rentable square foot (adjustable only as provided in Sections 2(b) and 5 hereof.)
(k) Early Termination Notice Date:	The Early Termination Notice Date for the Building may occur at or after the last day of the Eighty Fourth (84th) full calendar month of the term upon 180 days prior written notice, but the Termination Notice Date during any Extension Term shall be on or after the last day of the Forty Eighth (48th) full calendar month of any Extension Term upon 180 days prior written notice.
(l) Rentable Square Feet in the Premises:	11,240
(m) Use:	General office use
(n) Initial Departmental Use:	Probation
(o) Parking Spaces:	Tenant will be permitted to use current parking spaces existing on the roof and in the rear of the Building.

INITIAL

(p) Normal Working Hours:	7:00 a.m. to 7:00 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.
(q) Asbestos Report:	A report dated _____ prepared by _____, a licensed California Asbestos contractor.

1.2 Defined Terms Relating to Landlord's Work Letter:

(a) Base Tenant Improvement Allowance:	$337,200 (i.e., $30 per square foot of the Building)
(b) Additional Tenant Improvement Allowance:	$281,000 (i.e., $25 per square foot of the Building)
(c) Change Order Allowance:	$56,200 (i.e. $5.00 per square foot of the building)
(d) Tenant's Work Letter Representative:	Thomas Shepos or County designee
(e) Landlord's Work Letter Representative:	Christopher Georges or Owner's designee
(f) Landlord's Address for Work Letter Notice:	2333 Cotner Avenue Los Angeles, CA 90064
(g) 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 Executive Office Real Estate Division 222 South Hill Street, 3rd Floor Los Angeles, California 90012 Attention: Director of Real Estate

INITIAL

1.3 Exhibits to Lease:

Exhibit A - Floor Plan
Exhibit B - Commencement Date Memorandum
Exhibit C - Tenant Estoppel Certificate

Exhibit D - Subordination, Non-disturbance and Attornment Agreement
Exhibit E - Non-disturbance Agreement
Exhibit F - Request for Notice
Exhibit G - Community Business Enterprises Form

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
Addendum C: Memorandum of Tenant Improvements Costs

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 Building described in Section 1 and Exhibit A attached hereto.

(b) Tenant has field-measured and verified the exact footage of the Premises and/or the Building. All measurements were 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 was included in the measurement. Landlord agrees there will be no adjustment made to either the square footage or the Base Rent in the event the measured square footage exceeds the amount represented by Landlord.

3. COMMENCEMENT AND EXPIRATION DATES

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within 30 days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum attached as Exhibit B. The Commencement Date shall begin 30 days after Tenant's Acceptance of the Building. The term "Tenant's Acceptance of the Building" as used in this Lease shall mean the date upon which the Building premises are Substantially Complete, Tenant has inspected the Premises and Tenant has accepted the Building. The term "Substantially Complete" or "Substantial Completion" as used in this Lease shall mean the earlier of either (a) tenant's occupancy and use of any portion of the Premises; or (b) occurrence of 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;

INITIAL

(2) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease, (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises; and (3) Landlord has obtained a final inspection sign-off for the Building, or a temporary certificate of occupancy for the Building, or its equivalent.

(b) Early Possession. Notwithstanding anything to the contrary in Section 3 (a) above, Tenant shall be entitled to possession of the Building not less than 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 Base Rent for such early occupancy period.

(c) 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 180 days prior written notice executed by the Chief Executive Officer of Tenant. In the event Tenant terminates this lease pursuant to this paragraph, Tenant's termination shall be effective only in the event Tenant has not defaulted on any terms of the Lease, and reimburses to Landlord any then-unamortized commissions related to this Lease transaction.

4. RENT. Tenant shall pay Landlord the Base Rent stated in Section 1 during the Term hereof within 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, provided that Landlord shall file a payment voucher with the Auditor of the County of Los Angeles (the "County") for the monthly Rent prior to the Commencement Date for the initial month(s) of the Term up to and including June, and annually thereafter in June for the ensuing 12 months.

(a) From and after the first anniversary of the Commencement Date, on the first full day of the first full calendar month thereafter (the "Adjustment Date") and on every anniversary date of the Adjustment Date thereafter, Base Rent shall be increased by two percent (2%) over the prior year's Base Rent. Notwithstanding the foregoing, the Base Rent on the first full day of the first full calendar month of the first year, of each Extension Term shall be subject to the adjustments described herein below:

(i) CPI. Base Rent shall be adjusted by applying the CPI Formula set forth below. The "Basic Index" shall be the Index published for the month which is fifteen (15) months prior to the month in which the new Extension Term will commence.

(ii) CPI Formula. The "Index" means the Consumer Price Index for all Urban Consumers for the Los Angeles-Orange County-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 three (3) months prior to the month

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the adjustment is to be effective (the "New Index", 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 Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

(iii) Illustration of Formula. The formula for determining the new rent shall be as follows:

New Index / Basic Index x $(Monthly Base Rent for the month of the then current term)
= Monthly Base Rent for the first year of the new Extension Term

(iv) Limitations on CPI Adjustment. Notwithstanding the above CPI formula in no event shall the monthly Base Rent adjustment based upon the CPI Formula result in an increase greater than nine percent (9%)for the first year of any Extension Term; and (2) In no event shall the monthly Base rent as adjusted by the CPI Formula be lower than the monthly Base Rent payable during the previous year of the Lease.

5. USES. The Building is 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. Tenant shall be solely responsible for any costs associated with any change in use resulting from said use.

6. HOLDOVER. If Tenant remains in possession of the Building or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy which is terminable only upon 90 days written notice from Landlord or 90 days written notice from the Chief Executive Officer of Tenant at 110% the last monthly Base Rent payable under this Lease (as such Base 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.

7. 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 Building by Tenant. Landlord may, but not be obligated to, at any time Tenant exercises its option to extend the Lease pursuant to Section 30 herein, contribute up to fifty percent (50%) of any costs necessary to cause the Building to comply with all applicable statues, ordinances, rules, regulations, orders and requirements in effect at the time of Tenant's exercise of its option to extend, including without limitation, the Americans with Disabilities Act, however under no circumstances shall Landlord contribute toward any costs necessary to comply with any applicable laws resulting from Tenant's particular use of or alterations or improvements to the Building.

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8. DAMAGE OR DESTRUCTION.

(a) Damage. In the event any portion of the Building is damaged by any cause covered by Landlord's insurance maintained pursuant to Section 17(a)(1) of this lease and such damage renders the Building totally or partially inaccessible or unusable and the Building (not including any fixtures or improvements not covered by Landlord's insurance) 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 two hundred seventy (270) days, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. In the event of such casualty, Landlord shall promptly, but in any event within fifteen (15) 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 Building and make the Building tenantable again using standard working methods. The failure to do so shall be a material default hereunder. Base Rent shall abate to the extent that the Building is unusable by Tenant. If all or any portion of the Building shall be made untenantable by fire or other casualty, Tenant shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Building.

(b) Tenant Termination Right. In the event any portion of the Building is damaged by any cause covered by Landlord's insurance maintained pursuant to Section 7(a)(1) of this Lease, and such damage renders the totally or partially inaccessible or unuseable, and the Building 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 two hundred seventy (270) days for any reason, then Tenant may terminate this Lease by giving written notice within ten days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Building 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.

(c) Damage In Last Year. Notwithstanding the foregoing provisions, if during the last year of the Term any material destruction to the Building occurs such that the Building is rendered unusable for tenant's purposes, 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 Building, (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 Building 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 bill Landlord for the cost thereof.

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9. REPAIRS AND MAINTENANCE.

(a) Landlord Representations. Landlord represents to Tenant, as of the date of Tenant's Acceptance, that (i) the Building, (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 is in reasonably good working order and condition; (ii) the Building complies with all covenants, conditions, restrictions and underwriter's requirements; (iii) the Building is 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 is in violation of any law or regulation. Landlord represents, based upon a professional inspection of the Building and the Asbestos Report that the Premises and the Building contain no asbestos-containing materials (other than as may be reflected in the Asbestos 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, roof, collapsed or broken concealed plumbing, and exterior stairways, electrical systems from exterior to transformers and to and including all electrical panels and telephone intrabuilding (street to building) network cable (ii) HVAC, and (iii) exterior windows of the Building.

(c) Tenant Obligations. Without limiting Landlord's Obligations, 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. Tenant, at its sole cost and expense, shall also perform all maintenance and repairs to the Building, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Tenant's repair obligations include, without limitation, repairs to: (1) the floor covering (if such floor covering is carpeting it shall be replaced as needed (2) interior partitions; (3) doors; (4) all non-structural walls(which shall be repainted as needed); (5) electrical from exterior of electrical panel to wall outlets and lights, (6) any plumbing blockage and exposed interior plumbing and fire/life safety systems serving the Building ; and (7) signage. 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.

(d) Right to Repair. If Tenant or Landlord 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 the other party of an event or circumstance

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which requires the action of the other party with respect to repair and/or maintenance, and the other party 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 days after the giving of such notice, then the other party 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 and Landlord 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 either party and was not taken by such party within such period (unless such notice was not required as provided above), and the other party took such required action, then the party which took such action shall be entitled to prompt reimbursement by the other party of the other party's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by the other party within thirty (30) days, the party that took the action shall be entitled to the remedies provided in Section 11 and 12.

10. LANDLORD ACCESS. Tenant shall permit Landlord and its agents to enter the Building upon prior written notice for the purpose of inspecting the Building for any reasonable purpose. If Landlord temporarily closes any portion of the Building, Base Rent shall be prorated based upon the percentage of the Building rendered untenantable and not used by Tenant. Landlord shall have the right at any and all times to enter the Building in the event of an emergency.

11. TENANT DEFAULT.

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

(i) The failure by Tenant to make any payment of Base 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 Tenant 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 thirty (30)-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Tenant 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.

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(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.

12. LANDLORD DEFAULT.

(a) Remedies. In addition to the provisions for Landlord's default provided by Sections 9(d), 10(d) and 19(a), Landlord shall be in default ("Landlord 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) 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(d)) ; provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such thirty (30) day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the 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 to pursue the remedy of specific performance;

(ii) to seek money damages for loss arising from Landlord's failure to discharge its obligations under 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 Building.

13. ASSIGNMENT AND SUBLETTING. Tenant may assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Building subject to Landlord's prior consent; which shall not be unreasonably withheld, conditioned or delayed provided, however, that no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease. Notwithstanding the above, Landlord's consent shall not be required for an assignment of the lease or subletting of the Premises by tenant to a subsidiary, affiliate, parent or successor of tenant; in the

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event of such assignment or sublease, Landlord shall have no right of recapture. Tenant and landlord shall evenly divide any subleasing profits.

14. ALTERATIONS AND ADDITIONS

(a) Landlord Consent. Tenant shall not make any structural alterations, in or about the Building without first obtaining the written consent of Landlord. However, Landlord's consent shall not be required for any non-structural Alterations (improvements, additions, or utility installations, collectively "Alterations") If Landlord fails to respond in writing within 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 Building at the expiration of the Term.

15. 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 Building 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 Building, 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 Building is taken in any way by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Building (the "Date of Taking").

(c) 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 Building.

(d) 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 Building.

16. 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

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the Building as a result of any negligent act, omission or willful misconduct of Tenant or its employees, officers, contractors, licenses, agents, guests, visitors or invitees, or arising from any breach or default under this Lease by Tenant. 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. Nothing in this Lease shall be constructed, either expressly or implied. to waive, limit or supersede any of Tenant's rights or immunities pursuant to the California Labor Code, including, but not limited to, a waiver pursuant to section 3864 0f the Labor Code.

(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 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.

17. 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 (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value. Insurance proceeds shall be payable to Landlord and be utilized for repair and restoration of the Building.

(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.

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 Landlord shall be written as primary policies, not contributing with, and not in excess of coverage which Tenant may carry.

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(c) Certificates. Landlord shall deliver to Tenant on the Commencement Date of this Lease and thereafter at least 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 shall include the address of the leased premises and 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 30 days' prior written notice shall be given to Tenant in the event of material change to, expiration or cancellation of the coverage 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. Notwithstanding the foregoing, Tenant agrees to reimburse Landlord all charges for the insurance provided for the Building during the term of this Lease or any renewal, extension, or holdover thereof.

(e) Tenant's Insurance General Requirements. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies acceptable to Landlord and Landlord's lender and qualified to do business in the State of California. Each policy shall name Landlord and, at Landlord's request, any lender holding an encumbrance against Landlord's interest in the Building or any part thereof as an additional insured, as their respective interests may appear. A certificate of insurer evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord before the date Tenant is first given the right of possession of the Premises and thereafter within thirty (30) days after any demand by Landlord. Landlord may, at any time and from time to time, inspect and copy any insurance policies required to be maintained by Tenant hereunder. No such policy shall be cancelable except after twenty (20) days' written notice to Landlord and Landlord's lender. Tenant shall furnish Landlord with renewals or "binders" of each such policy at least ten (10) days prior to the expiration thereof. Tenant agrees that, if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure such insurance on Tenant's behalf and charge Tenant the premiums therefor, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by Tenant, provided such blanket policies expressly afford coverage to the Premises, Landlord, Landlord's lender, and Tenant as required by this Lease. Tenant, at its sole cost, may satisfy all or part of this insurance requirement through use of a program of self-insurance (self-funding of its liabilities). Certificates evidencing coverage or letter evidencing self-funding will be provided to Landlord after execution of this Lease at Landlord's request.

(f) Property Insurance.

(i) At all times during the Lease Term, Tenant shall procure and maintain, at its sole expense, "all-risk" property insurance, for damage or other loss

caused by fire or other casualty or cause including, but not limited to, vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting of pipes, explosion, in an amount not less than one hundred percent (100%) of the replacement cost covering (a) all Alterations made by or for Tenant in the Premises; and (b) Tenant's trade fixtures, equipment and other personal property from time to time situated in the Premises. The proceeds of such insurance shall be used for the repair or replacement of the property so insured, except that if not so applied or if this Lease is terminated following a casualty, the proceeds applicable to the leasehold improvements shall be paid to Landlord and the proceeds applicable to Tenant's personal property shall be paid to Tenant.

(ii) At all times during the Lease Term, Tenant shall procure and maintain business interruption insurance in such amount as will reimburse Tenant for direct or indirect loss of earnings attributable to all perils insured against in Section 17.2(A).

(iii) At all times during the Lease Term, Landlord shall procure and maintain "all-risk" property insurance in the amount not less than ninety percent (90%) of the insurable replacement cost covering the Building in which the Premises are located and such other insurance as may be required by a mortgagee or otherwise desired by Landlord.

(g) Liability Insurance. At all times during the Lease Term, Tenant shall procure and maintain, at Tenant's sole cost and expense, commercial general liability insurance applying to the use and occupancy of the Premises and the business operated by Tenant. Such insurance shall have a minimum combined single limit of liability of at least One Million Dollars ($1,000,000.00) per occurrence and a general aggregate limit of at least Two Million Dollars ($2,000,000.00). All such policies shall be written to apply to all bodily injury, property damage, personal injury losses and shall be endorsed to include Landlord and its agents, beneficiaries, partners, employees, and any deed of trust holder or mortgagee of Landlord or any ground lessor as additional insureds. Such liability insurance shall be written as primary policies, not excess or contributing with or secondary to any other insurance as may be available to the additional insureds.

(h) Workers' Compensation. At all times during the Lease Term, Tenant shall procure and maintain, at Tenant's sole cost and expense, Workers' Compensation Insurance in accordance with the laws of the State of California.

18. 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 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, 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, or the Building.

(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, or Building or other violation of laws relating to Hazardous Materials other than caused by Tenant or tenant's employees, officers, agents, contractors, licensees, customers, invitees, visitors, guests, assignees or subtenants.. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup 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. 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. 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.

(c) Tenant Indemnity. Tenant shall indemnify, defend and hold Landlord, Landlord's agents, employees, lenders and ground Landlord, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties. and attorneys' and consultants' fees arising out of or involving any hazardous Substance brought onto the Premises by or for Tenant, or tenant's employees, officers, agents, contractors, licensees, customers, invitees, visitors, guests, assignees or subtenants (provided, however, that Tenant shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside the premises). Tenant's obligation shall include, but not limited to, the effects of any contamination or injury to person, property, or the environment created or suffered by Tenant, and the cost of investigation, removal,

remediation, restoration, and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement enter into by Landlord and tenant shall release Tenant from tenant's obligation under this lease with respect to Hazardous Substances, unless specifically so agreed by Landlord in writing at the time of such agreement.

19. 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 form of Exhibit "C" attached hereto and incorporated herein by this reference but shall have no other obligation to deliver any other form of estoppel certificate. 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.

20. 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.

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

22. 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 form of Exhibit "D" attached hereto and incorporated herein by this reference, and provided further that no such subordination shall affect any option to extend the Term of this Lease.

(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 Exhibit "E" attached hereto and incorporated herein by this reference 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 Exhibit "F" attached hereto and incorporated herein by this reference.

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(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 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.

23. 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 Building to Landlord in a "broom-clean" condition. Tenant at Landlord's option shall be required to remove, at Tenants own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Building by Tenant, or under its authority (including any modular furniture).

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

25. 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.

26. 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.

(d) Entire Agreement. This Lease (including the Landlord's Work Letter and Exhibits to the Lease) 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.

INITIALS

(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, and/or 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, however, Landlord does hereby waive any right to gain possession of any of the Tenant's Personal Property during the term of the Lease

(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 Exhibit "G" attached hereto and incorporated herein.

27. 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,

TIAL

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 Executive Officer of the County or its designee (the "Chief Executive Officer") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base 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.

28. ACKNOWLEDGMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

(a) 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.

(b) 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 Base Rent or any other monies due Landlord by Tenant under this Lease,

INITIAL

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." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

(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. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation 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 Base 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 business related entities, 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.

29. TAXES. Landlord shall pay promptly all real property taxes, assessments, and special assessments which may be levied or assessed against the Building or Premises beginning on the Effective Date and throughout the Term of this Lease or any renewal or holdover period thereof. In the event Landlord fails or refuses to pay any or all taxes or assessments when due, then Landlord shall have materially defaulted on this provision of the Lease and Tenant shall give Landlord at least thirty days' advance written notice of its intent to pay such taxes and/or assessments and deduct the respective payment amount from future rental payments as a charge against the Landlord.

Notwithstanding the foregoing, Tenant agrees to reimburse Landlord when due all charges for all real property taxes, assessments, and special assessments which may be levied or assessed against the Building during the Term of this Lease or any renewal or holdover period thereof.

30. OPTION TO EXTEND.

(a) Terms of Options. Provided that no material Default has occurred and is continuing under the Lease at the time an option may be exercised under the Lease, Tenant shall have two (2) options to renew this Lease for an additional period of sixty (60) months each (respectively, the "First Extension Term" and the "Second Extension Term", and collectively, the "Extension Term(s)").

(b) Exercise of Option. Tenant must exercise either of its options to extend this Lease by giving Landlord written notice of its election to do so no earlier than 270 days and no later than ninety (90) days prior to the end of the initial Term, or the First Extension Term, as applicable. The actual exercise of the option shall be by the Board of Supervisors of the County of Los Angeles, which shall occur no later than ninety (90) days prior to expiration of lease Term.

(c) Terms and Conditions of Extension Terms. The Extension Terms shall be on all the terms and conditions of this Lease, including the rent stated in 4B Rent.

31. 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 1.

INITIAL

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

LANDLORD:

Ball and East Ltd., a California Limited Partnership, ("Landlord"), whose agent is Harvey Capital Corp.,

By: _____

Name: WILLIAM TATUM

Its: GENERAL PARTNER BALL & EAST LTD.

TENANT:

COUNTY OF LOS ANGELES
a body politic and corporate

By: _____
MARK RIDLEY-THOMAS
Chairman, Board of Supervisors

ATTEST:

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

By: _____
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By: _____
Deputy

EXHIBIT A
FLOOR PLAN OF PREMISES

(SEE ATTACHED)

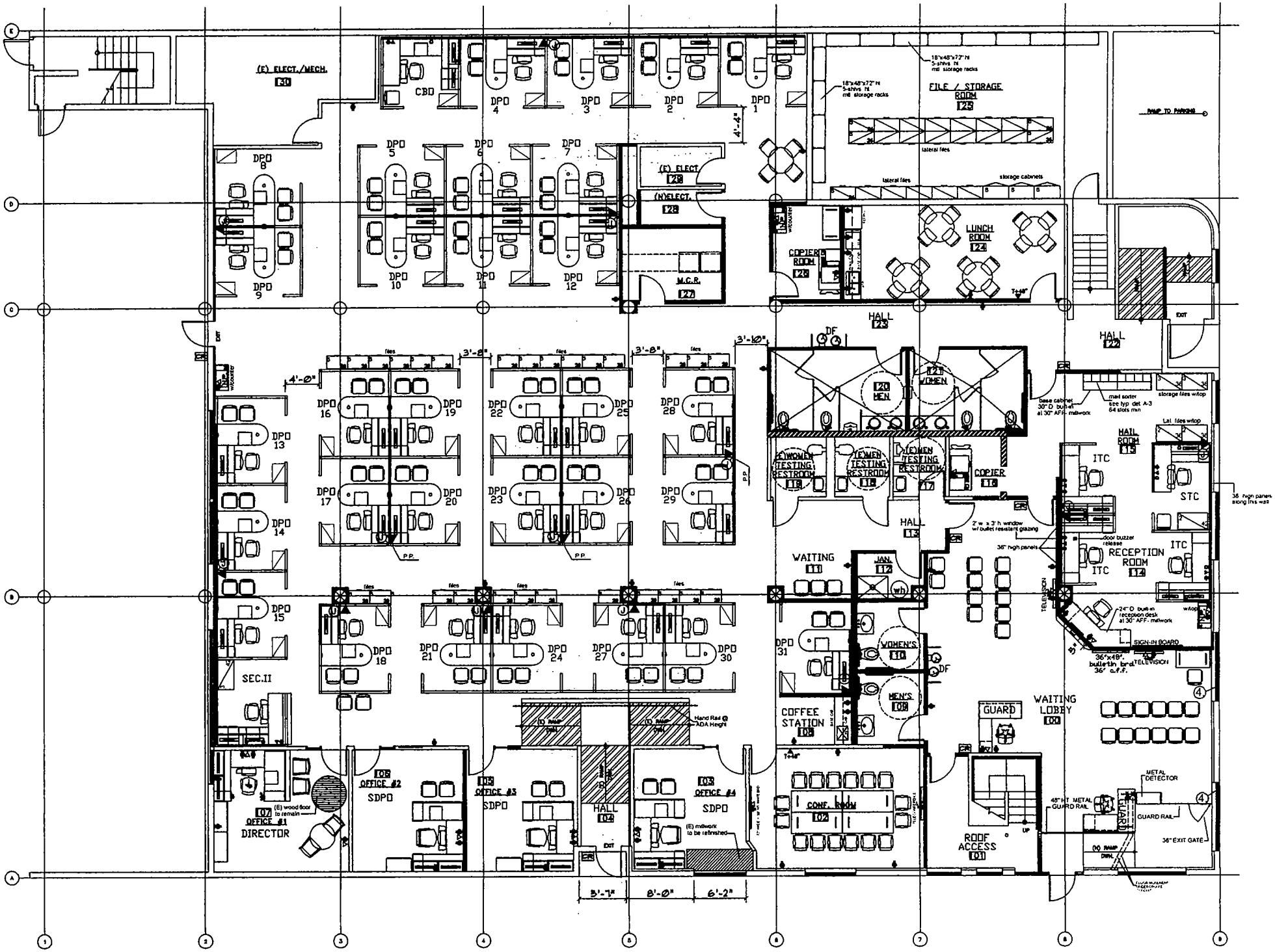
(E) ELECT./MECH.
30
CBD
DPO 1
DPO 2
DPO 3
DPO 4
DPO 5
DPO 6
DPO 7
DPO 8
DPO 9
DPO 10
DPO 11
DPO 12
(E) ELECT.
29
(N)ELECT.
28
M.C.R.
27
FILE / STORAGE ROOM
25
lateral files
storage cabinets
LUNCH ROOM
24
COPIER ROOM
26
HALL
23
HALL
22
EXIT
RAMP TO PARKING
DPO 13
DPO 14
DPO 15
DPO 16
DPO 17
DPO 18
DPO 19
DPO 20
DPO 21
DPO 22
DPO 23
DPO 24
DPO 25
DPO 26
DPO 27
DPO 28
DPO 29
DPO 30
DPO 31
SEC.II
20 MEN
21 WOMEN
(E)WOMEN TESTING RESTROOM
19
(E)MEN TESTING RESTROOM
18
(E)WOMEN TESTING RESTROOM
17
COPIER
16
HALL
13
WAITING
11
JAN.
12
WOMEN'S
10
MEN'S
09
COFFEE STATION
08
HALL
15
ITC
STC
RECEPTION ROOM
14
ITC
ITC
SIGN-IN BOARD
TELEVISION
WAITING LOBBY
00
GUARD
METAL DETECTOR
GUARD RAIL
36" EXIT GATE
ROOF ACCESS
01
CONF. ROOM
02
HALL
04
OFFICE #1
07
DIRECTOR
OFFICE #2
06
SDPO
OFFICE #3
05
SDPO
OFFICE #4
03
SDPO
(E) wood floor to remain
(E) millwork to be refinished
Hand Rail @ ADA Height
3'-7"
8'-0"
6'-2"
4'-0"
3'-8"
3'-8"
3'-10"
4'-4"

EXHIBIT B

COMMENCEMENT DATE MEMORANDUM

Reference is made to that certain lease ("Lease") dated _____, between County of Los Angeles, a body politic and corporate ("Tenant"), and Ball and East Ltd., a California Limited Partnership, ("Landlord"), whose agent is Harvey Capital Corp., ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 11151 Missouri Avenue, Los Angeles ("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) The Lease commenced on ("Commencement Date");

(3) The Premises contain 11,240 rentable square feet of space; and

(4) Base Rent Per Month is $31,359.60

IN WITNESS WHEREOF, this Memorandum is executed this day of , 2013.

"Tenant"	"Landlord"
COUNTY OF LOS ANGELES, a body politic and corporate By_____ Name: Its: Director of Real Estate	Ball and East Ltd., a California Limited Partnership, ("Landlord"), whose agent is Harvey Capital Corp., By:_____ Name:_____ Its: _____

EXHIBIT C

TENANT ESTOPPEL CERTIFICATE

To: _____
_____
_____
Attn: _____

Re: Date of Certificate: _____
Lease Dated: _____
Current Landlord: _____
Located at: _____
Premises: _____
Commencement Date of Term: _____
Expiration Date: _____
Current Rent: _____

County of Los Angeles ("Tenant") hereby certifies that as of the date hereof:

1. Tenant is the present owner and holder of the tenant's interest under the lease described above, as it may be amended to date (the "Lease"). The Lease covers the premises described above (the "Building") at the address set forth above.

2. (a) A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda and riders of and to it) is attached to this Certificate as Exhibit A.

(b) The current Rent is set forth above.

(c) The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Except as specified in the Lease, Tenant has no option or right to renew, extend or cancel the Lease.

(d) Except as specified in the Lease, Tenant has no option or right to lease additional space in the Building or to use any parking.

(e) Except as specified in the Lease, Tenant has no option or preferential right to purchase all or any part of the Building (or the land of which the Building is a part).

(f) Tenant has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession, except as expressly set forth in the Lease.

3. (a) The Lease constitutes the entire agreement between Tenant and Landlord with respect to the Building, has not been modified, changed, altered or amended and is in full force and effect. There are no other agreements, written or oral, which affect Tenant's occupancy of the Building.

(b) To the knowledge of Tenant, Tenant has not given Landlord written notice of a material default under the Lease which has not been cured.

(c) The interest of Tenant in the Lease has not been assigned or encumbered. Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease except as set forth in the Lease. No rental payments have been made more than one month in advance.

4. All contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full and all of Landlord's obligations with respect to tenant improvements have been fully performed.

IN WITNESS WHEREOF, the Tenant has executed this Tenant Estoppel Certificate as of the day set forth above.

COUNTY OF LOS ANGELES

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By: _____
Deputy:

EXHIBIT D

SUBORDINATION, NON-DISTURBANCE

AND ATTORNMENT AGREEMENT

AND WHEN RECORDED MAIL TO:)
)
County of Los Angeles)
CHIEF EXECUTIVE OFFICE)
Real Estate Division)
222 South Hill Street, 3rd Floor)
Los Angeles, California 90012 **Space above for Recorder's Use**

SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT

NOTICE: THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

This Subordination, Non-Disturbance and Attornment Agreement ("Agreement") is entered into as of the _____ day of _____, 20__ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), _____ ("Borrower") and _____, ("Lender").

Factual Background

A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.

B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").

C. Tenant and Borrower (as "Landlord") entered into a lease dated ___ _____ (the "Lease") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "Building").

D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a Non-Disturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

1. Subordination. The Lease shall be subject and subordinate to the lien of the Deed of Trust and to any renewals, modifications, consolidations, replacements and extensions of the Deed of Trust to the full extent of the principal sum secured by the Deed of Trust including any interest except that if Tenant is granted any option to extend the term of the Lease, right of first offer to lease additional premises, option to purchase the Property, or right of first option to purchase the Property in the Lease such provisions shall not be affected or diminished by this subordination which is conditioned upon the agreement of Borrower and Lender in section 3 hereof.

2. Definitions of "Transfer of the Property" and "Purchaser". As used herein, the term "Transfer of the Property" means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term "Purchaser", as used herein, means any transferee, including Lender, of the interest of Borrower as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Lender, of such transferee.

3. Non-Disturbance. The Transfer of the Property or any enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby, or deprive Tenant of any other property rights granted in the Lease.

4. Attornment. Subject to Section 3 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.

5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not actually delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.

6. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when

proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section.

To Lender: _____
_____

To Borrower: _____
_____

To Tenant: County of Los Angeles
Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State.

8. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute but one and the same instrument.

TENANT: COUNTY OF LOS ANGELES,
a body politic and corporate

By: _____

Director of Real Estate

APPROVED AS TO FORM

JOHN L. KRATTLI
County Counsel

By: _____
Deputy:

BORROWER:

By: _____
Name: _____
Title: _____

LENDER: [*Insert name of Lender*],
By: _____

EXHIBIT E

NON-DISTURBANCE
AND ATTORNMENT AGREEMENT

AND WHEN RECORDED MAIL TO:)
)
County of Los Angeles)
CHIEF EXECUTIVE OFFICE)
Real Estate Division)
222 South Hill Street, 3RD Floor)
Los Angeles, California 90012)

Space above for Recorder's Use

NONDISTURBANCE AND ATTORNMENT AGREEMENT

This Nondisturbance and Attornment Agreement ("Agreement") is entered into as of the _____ day of _____, 200__ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), and [*Insert name of Lender*], ("Lender").

Factual Background

A. *[Insert name of Landlord]*, ("Borrower") owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.

B. Lender has made a loan to Borrower. The Loan is secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust") .

C. Tenant and Borrower (as "Landlord") intend to or have entered into a lease (the "Lease") under which Borrower leases to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "Premises").

D. Tenant's rights under the Lease are subordinate to the lien of the Deed of Trust. Tenant is willing to make the substantial investment in the Building required under the Lease, provided that Lender agrees to a nondisturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

1. Definitions of "Transfer of the Property" and "Purchaser". As used herein, the term "Transfer of the Property" means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term "Purchaser," as used herein, means any transferee, including Lender, of the interest of Borrower as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Lender, of such transferee.

2. Nondisturbance. The Transfer of the Property or enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and

use of the leasehold estate created thereby, or deprive Tenant of any other property rights granted pursuant to the Lease.

3. Attornment. Provided that Lender complies with Section 2 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.

4. Lender Not Obligated. Provided that Lender complies with Section 2 above, Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not actually delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.

5. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section.

To Lender: _____

_____

To Borrower: _____

_____

To Tenant: County of Los Angeles
Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

6. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State. This Agreement is the entire agreement between the Lender and Tenant and may only be modified by a written amendment executed by Lender and Tenant.

APPROVED AS TO FORM

JOHN F. KRATTLI

County Counsel

By: _____

Deputy County Counsel

TENANT: COUNTY OF LOS ANGELES, a body politic and corporate

By:

Director of Real Estate

BORROWER: [Insert name of Landlord

By: _____

Name: _____

Title: _____

LENDER: [Insert name of Lender]

By: _____

Name: _____

Title: _____

EXHIBIT F

REQUEST FOR NOTICE

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

County of Los Angeles
CHIEF EXECUTIVE OFFICE
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

REQUEST FOR NOTICE

(UNDER SECTION 2924B CIVIL CODE)

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust described below:

Date of Recording of Deed of Trust

Instrument Number of Deed of Trust

Trustor

Trustee

Beneficiary

be mailed to County of Los Angeles, Chief Executive Office, Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, California 90012, Attention: Director of Real Estate.
"LENDER:

_____,
a _____

By:_____
SIGNEE'S NAME
Its: SIGNEE'S TITLE
(ALL SIGNATURES MUST BE ACKNOWLEDGED)

COUNTY OF _____ ss.
On this ____ day of _____, 20__, before me, _____ _____ a Notary Public in and for the State of California, personally appeared _____ personally known to me (or proved on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

Signature_____

My commission expires _____.

EXHIBIT G

COMMUNITY BUSINESS ENTERPRISE FORM

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

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

*Corporation, Partnership, etc.

MINORITY/WOMEN PARTICIPATION IN FIRM

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

**Should be included in counts above and reported separately)*

PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

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

All Others		
TOTAL		
Women*		

**Should be included in counts above and reported separately*

CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

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

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

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

	Initial	
Initial here if applicable		

SIGNED: Milton Sato

TITLE: GENERAL PARTNER

DATE: July 23, 2013

LANDLORD'S WORK LETTER

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE

DEPARTMENT: PROBATION, as Tenant

LANDLORD: BALL AND EAST LTD., a CALIFORNIA LIMITED PARTNERSHIP
WHOSE AGENT IS HARVEY CAPITAL CORP.

11151 MISSOURI AVENUE, LOS ANGELES

LANDLORD'S WORK LETTER

This Work Letter supplements the Lease dated _____, 20__, executed concurrently herewith, by and between Ball and East LTD., a California Limited Partnership (Landlord) whose agent is Harvey Capital Corp., and COUNTY OF LOS ANGELES as Tenant, ("Lease") 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	$337,200 (i.e., $30.00 per rentable square foot of the Premises)
(b) Additional Tenant Improvement Allowance	$281,000 (i.e., $25.00 per rentable square foot of the Premises)
(c) Change Order Allowance	$56,200 (i.e., $5 per square foot of the Premises)
(d) Additional Tenant Improvement Reimbursement	Lump sum paid within 30 days after rent commencement and finalized accounting.
(e) Furniture Allowance	N/A.
(f) Basic Rent Reduction per $1,000	N/A
(g) Tenant's Work Letter Representative	Thomas Shepos or an assigned staff person of the Chief Executive Office-Real Estate Division
(h) Landlord's Work Letter Representative	Christopher Georges
(i) Landlord's Address for Work Letter Notice	2333 Cotner Avenue, Los Angeles CA 90064
(j) 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

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	With a copy to: Chief Executive Office- Real Estate Division 222 South Hill Street, 3rd Floor Los Angeles, California 90012 Attention: Director of Real Estate Fax Number: (213) 217-4971
(k) Addendum	Addendum A: Base Building Improvements Addendum B: Tenant Improvements Addendum C: Form of Budget Addendum D: Costs of 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 ("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 shall be considered Tenant Improvements (as defined below) only to the extent such changes or additions are specifically described in Addendum B hereto.

2.2 Base Building Plans. Landlord has delivered to Tenant "as built" plans and specifications for the Building in an AutoCAD 2000 format.

3. **Selection of Architect**. Landlord shall promptly after "Plan Submission Date" as defined in 5.2 below, solicit at least three (3) proposals from qualified licensed architects ("Architect") familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings as defined below. The Architect 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 to Tenant together with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until the Architect is 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 the most current AIA form, as Landlord may elect to modify) 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 ("Space Plan").

5.2 Preparation and Approval of Working Drawings. Within fifteen (15)) days of the date the Space Plan is submitted to Landlord ("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 and Tenant shall be 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 an engineer or engineers retained by the Architect, 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 three (3) 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.

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5.5 Schedule. Within thirty (30) days after the Plan Submission Date, 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 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 ("Preliminary Budget") in a format listed as Addendum C attached hereto. Such budget shall be revised into final form within ten (10) days from 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. Landlord and Tenant shall review the Space Plan, Working Drawings, Engineering Drawings and Final Plans at their respective sole cost and expense. No fee for Landlord's 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 shall be Tenant Improvements and shall be at Landlord's sole cost and expense ("Tenant Improvements"). Costs of Tenant Improvements shall include costs for, soft costs and any other costs designated in writing by Tenant in the aggregate not to exceed the Base Tenant Improvement Allowance, plus the Additional Tenant Improvement Allowance and costs of Change Orders, as defined below ("Tenant Improvement Costs"). It is anticipated that the Tenant Improvement Costs will exceed the 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.

6.3 Method of Payment. That portion of the Additional Tenant Improvement Allowance used to pay for the Tenant Improvement Costs and the Change Order Allowance will be paid to Landlord in a lump sum within thirty (30) days of the earlier of Tenant's Acceptance or Rent Commencement Date.

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

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selected only after at least three (3) bids have been solicited from responsible and qualified persons. Landlord shall submit at least 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.

(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 Non-responsibility. Tenant and the Contractor shall cooperate with Landlord in posting a notice or notices of non-responsibility by Landlord.

(b) 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-builds") 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. Preparation of two (2) sets of such plans shall be included in Contractor's original scope of work, and the cost shall be included in Tenant Improvement Costs.

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. Tenant shall pay for Change Orders in a lump sum upon Substantial

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Completion of the Tenant Improvements. Landlord shall submit to the Chief Executive Officer with each requested Change Order (i) the specific cost of the requested change, (ii) the cumulative net total cost of all 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 Executive Officer or designee

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

9. **Tenant Improvement Costs Adjustment and Right to Audit.** Within thirty (30) days of the issuance of a final sign-off by the City of Los Angeles, whichever 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. 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, 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.

10. **Exclusions.** The Tenant Improvement cost shall not include any costs incurred for asbestos abatement, or conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere. All work for required asbestos abatement, or air conditioning system conversion shall be performed at the sole cost and expense of Landlord.

11. **Telephone/Computer Room and Equipment.** Landlord shall 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.

12. **Delay.**

12.1. 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. 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 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)").

12.2. Limitations.

(a) Notice. No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless Landlord has provided written notice, within five (5) days 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.

(b) 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.

(c) 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.

13. **Tenant Remedies.** If Tenant Improvements have not been completed within one hundred eighty (180) days after the Projected Commencement Date, Tenant may, at its option:

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

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). Tenant may bill Landlord for its costs to perform Tenant Improvements, up to a maximum of $337,200.00, less costs expended by landlord pursuant to this lease to perform Tenant Improvement work (including but not limited to architectural, engineering and permit fees.).

14. **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.

15. **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.

16. **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.

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LANDLORD:

Ball and East LTD., a California Limited Partnership (Landlord), whose agent is Harvey Capital Corp.

By: _____

Name: WILLIAM TATUM

Title: GENERAL PARTNER - BALL & EAST LTD

Date Signed: July 23, 2013

TENANT:

COUNTY OF LOS ANGELES, a body politic and corporate

By: _____

Name: _____

Title: _____

Date Signed: _____

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

(c) concrete floors in their current condition 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;

(d) thirty (30) tons of HVAC stubbed into the Premises

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ADDENDUM B

To Landlord's Work Letter

TENANT IMPROVEMENTS

Tenant Improvements shall include:

(a) Requested Tenant ceilings and lighting

(b) Floor finish in the Premises

(c) Interior finishes of any kind within the Premises

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

(e) HVAC distribution within the Premises

(f) Electrical services, plumbing services and sprinklers, and domestic hot water heater and associated hot water piping

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

(h) Additional and/or above standard electrical capacity

(i) Fiber optic access

(j) Any work which might be required by any governmental authority having competent jurisdiction as a result of tenant's use and/or improvements

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