



SACHI A. HAMAI
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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June 14, 2016

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:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

23 June 14, 2016

LORI GLASGOW
EXECUTIVE OFFICER

**LEASE RENEWAL
PUBLIC LIBRARY
12000 SOUTH GARFIELD AVENUE, SOUTHGATE
(FIRST DISTRICT)
(3 VOTES)**

SUBJECT

An eight-year lease renewal for approximately 4,800 square feet of office/library space, and eight on-site parking spaces for the Hollydale Public Library.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chair to sign the eight-year lease renewal with PWS World Headquarters, LLC. The lease will provide the Public Library uninterrupted use of approximately 4,800 rentable square feet of library space, and eight on-site parking spaces. The maximum annual total lease cost is \$69,900. The Public Library is a Special Fund Department, and lease costs for this program are funded from property taxes, voter-approved special taxes, County General Fund, utility taxes, and other sources.

3. Authorize and direct the Chief Executive Officer to execute any other ancillary documentation necessary to effectuate the lease, which will be effective upon approval by the Board of Supervisors, and to authorize and direct the Chief Executive Office and the Public Library to take any actions necessary and appropriate to implement the project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The County of Los Angeles (County) Public Library has operated the facility since 1966. The existing lease has been on holdover since November 1, 2001 at below market rent. The holdover provision of the lease allows the landlord to terminate the County's holdover with 90 days' prior written notice. On April 30, 2015, the property transferred ownership to PWS World Headquarters, LLC (Landlord), who initiated negotiations with the Public Library to renew a lease. The Landlord acquired the strip center, in which the Public Library facility is located, and an adjacent parking lot property.

The Hollydale Library, one of 87 community libraries of the County Public Library, serves an area of approximately 2 square miles, providing services to residents of the southeast community of South Gate and the surrounding areas. Hollydale is one of two libraries serving the City of South Gate, with another library, Leland R. Weaver Library, the larger of the two, located 3.3 miles away, northwest of the Hollydale Library. The small Hollydale Library served approximately 45,523 visitors last year, providing children's services such as live homework help and story time, teen services with live homework help, Learning Express Library, and other online services including online catalogs, research databases, downloadable audiobooks, eBooks and music. The Hollydale Library has seven staff members including one Community Library Manager/Librarian, a library assistant, library aides, and pages.

The proposed renewal will allow the program to continue to serve the estimated 10,925 residents in the southeast service area of South Gate. The Public Library will continue the program for the foreseeable future, and the proposed lease renewal will provide a favorable rent and a small allowance towards any tenant improvements the Library chooses to implement.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability (Goal 1) directs that we maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services; and the Goal of Community Support And Responsiveness (Goal 2) directs that we enrich lives of Los Angeles County residents by providing enhanced services, and effectively planning and responding to economic, social, and environmental challenges. The proposed lease supports these goals by continuing to provide a Public Library facility at a reasonable cost, allowing the Public Library to provide services to the existing community. The proposed lease is in conformance with the Asset Management Principles as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease renewal will provide continued use of 4,800 square feet of library/office space, and eight surface parking spaces included in the base rent. The proposed annual rent is \$66,000 (\$1.15 per rentable square foot per month, or \$13.75 per year), plus \$3,900 (\$325 per month) in operating expense reimbursements to the Landlord for a total of \$69,900. The new rent will be a 62-percent increase over the previous rent, which remained flat for 15 years. In addition, the Public Library will be responsible for property tax reimbursement/payments. These will be incurred in the first year of the lease, however thereafter, the Public Library, with assistance from the Landlord, will apply for annual property tax exemption status through the Office of the Assessor. The deadline for the yearly application process occurred in February 15th of the Fiscal Year (FY) 2016-2017; however the landlord has agreed to pay property taxes during the first six months of the lease term. The Landlord will provide a Tenant Improvement (TI) allowance of \$24,750 in the form of rent abatement during the first year of the lease term. The cumulative base rent over the eight-year term of the lease is approximately \$566,476.

The Public Library is a special fund department, and has sufficient funding in their FY 2016-17 operating budget to cover the projected lease costs for this lease renewal. The Hollydale Library lease costs are funded from a combination of property taxes, voter approved special taxes, the County General Fund, utility taxes, and other sources. Attachment B is an overview of the lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease renewal includes the following provisions:

- The eight-year term will commence upon adoption by the Board of Supervisors.
- A triple-net lease whereby the County will be responsible for the operational and maintenance costs of the facility. The County will pay a monthly operating expense fee of \$325 to cover their proportionate share of insurance expense and management of the premises by the Landlord. The amount may be adjusted annually based on actual costs.
- Annual fixed step rent adjustments of 2 percent per annum.
- A tenant improvement allowance of \$24,750 in the form of rent abatement, occurring in the first six months of the lease term.
- The County will have the right to cancel the lease at any time after the initial 5 years of the lease term, upon 120 days prior written notice.
- The County will have two six-year options to renew the lease under the same terms and conditions and rental terms.
- In addition to the eight on-site parking spaces, additional parking will be available to the County at no cost in the adjacent lot east of the Library, on a first come first serve basis.

County Counsel has reviewed the attached renewal and has approved it as to form.

The Chief Executive Office (CEO), Real Estate Division staff surveyed the immediate area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Based upon the survey, staff has established that the annual rental range for similar space is between \$10.56 and \$24 per rentable square foot on a triple-net basis, including parking. The annual rental rate of \$13.75 per square foot, including parking, is within market range for triple-net rates in the area. Attachment C shows all County-owned and leased facilities within a five-mile radius, of equal or greater size, and no County-owned or leased facilities are available for this program.

The proposed lease is consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012, as outlined in Attachment D.

The Department of Public Works inspected the facility on March 10, 2016, and found it suitable for County occupancy. The Public Library will address path of travel requirements, as the facility was built in 1966, and complied with building codes and regulation at that time.

ENVIRONMENTAL DOCUMENTATION

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

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease will allow the Public Library to continue to provide uninterrupted programs and services from the subject facility. The Public Library concurs with this recommendation.

CONCLUSION

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sachi A. Hamai".

SACHI A. HAMAI

Chief Executive Officer

SAH:DPH:CMM

TS:FC:gw

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Public Library

PUBLIC LIBRARY
12000 SOUTH GARFIELD AVENUE, SOUTH GATE
Asset Management Principles Compliance Form¹

1. <u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? ²			X
B	Does lease co-locate with other functions to better serve clients? ²			X
C	Does this lease centralize business support functions? ²			X
D	Does this lease meet the guideline of 200 sq. ft. of space per person? ²			X
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ² The Library has only 7 staff members and 8 parking spaces, there is an adjacent lot behind the library and street parking available for clients.		X	
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ² There is an LA metro bus stop at the end of the block. Served by Metro Local Line 258.	X		
2. <u>Capital</u>				
A	Is it a substantial net County cost (NCC) program? The Library is a Special Fund Department, costs are funded with property taxes, voter approved special taxes, the County General Fund, utility taxes and other sources.		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. <u>Portfolio Management</u>				
A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?			X
D	Why was this program not co-located?			X
	1. ____ The program clientele requires a "stand alone" facility.			
	2. ____ No suitable County occupied properties in project area.			
	3. ____ No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. ____ The Program is being co-located.			
E	Is lease a full service lease? ² Landlord would only agree to a Triple- Net Lease.		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?				

**FISCAL IMPACT/FINANCING
OVERVIEW OF LEASE CHANGES**

12000 So. Garfield Ave South Gate	Existing Lease	Proposed Lease Renewal	Change
Area (square feet)	4,800	4,800	None
Term	5 years + 2 five-year extensions (11/01/1986-10/31/2001) currently on month-to- month holdover	8 years	+ 8 years
Annual Base Rent	\$40,680 (\$8.48/sq.ft.)	\$66,000 (\$13.75/sq.ft.)	+\$25,320
Operating Expense Rent (Annual)*	\$0	\$3,900	+\$3,900
Total Annual Rent	\$40,680	\$69,900	+\$29,220
Base TI Allowance**	\$0	\$24,750	\$24,750
Cancellation	Any time with 90 days' notice, either party	Any time after 5 years, with 120 days' notice.	After 5 years, with 120 days' notice.
Parking Spaces (included in rent)***	10	8	-2
Option to Renew	Two Five-year options	Two Six-year options	+1 year on option
Rent Adjustment	Flat, no increases	Annual 2% step increases	+ 2% step increases
Property Taxes****	Library responsible for increases over 1 st year's taxes. Landlord paid base year taxes.	Landlord to pay property taxes for 6 months, thereafter Library pays .	+Library responsible to reimburse landlord for property taxes.

*Operating Expenses: The landlord will charge the County operating expenses for its proportionate share of insurance, management and maintenance in the amount of \$325/month. This amount may be subject to annual increases based on actual costs.

**The Landlord to contribute base TI dollars in the form of free rent: 3 months gratis + 3 months at ½ rent = $(\$5,500 \times 3) + (\$5,500/2 \times 3) = \$24,750$.

*** Parking was reconfigured at some point for ADA, which resulted in the loss of spaces. Landlord will allow Library staff to park in an adjacent surface parking lot to the east of the Library, at no cost on a first come first serve basis.

****The Library will be responsible for reimbursing the landlord for property taxes. The Library with cooperation from the landlord, will apply for annual property tax exemption status.

- During the first 3 months of the lease term, the landlord agreed to waive the County's share of the insurance premium (i.e \$325/mo. x 3= \$975) and charge 3 months at half the insurance premium (i.e. \$162/month x 3 months = \$486), this provides a total savings of \$1,461 in operating expense

**PUBLIC LIBRARY
12000 SOUTH GARFIELD AVENUE, SOUTH GATE
SPACE SEARCH- WITHIN 5-MILE RADIUS**

LACO	Name	Address	Ownership	BuildingUse	Gross SQFT	Available Sq. Ft.
0141	Rancho - Building 900 Annex 'B'	7601 E Imperial Hwy Downey 90242	Owned	Office	5,307	None
1100	Public Safety - Headquarters/Health Services Bureau	13001 Dahlia Ave Downey 90242	Owned	Office	15,482	None
5934	Public Library - Leland R. Weaver Library	4035 Tweedy Blvd South Gate 90280	Owned	Library	19,461	None
6059	Downey Admin Center - Administrative Center Building	9150 E Imperial Hwy Downey 90242	Owned	Office	364,335	None
6444	Public Library - Clifton M. Brakensiek Library	9945 E Flower St. Bellflower 90706	Owned	Library	20,160	None
6723	Public Library - Lynwood Library	11320 Bullis Rd Lynwood 90262	Owned	Library	11,722	None
A020	Sheriff - Rancho Dominguez Office	3010 E Victoria St. Rancho Dominguez 90221	Leased	Office	14,040	None
A069	DA - Auto Insurance Fraud Office	5900 S Eastern Ave City Of Commerce 90440	Leased	Office	10,000	None
A188	Sheriff - Internal Affairs Bureau/Risk Management	4900 S Eastern Ave City Of Commerce 90040	Leased	Office	38,936	None
A190	Public Library - Bell Library	4411 E Gage Ave Bell 90201	Leased	Library	4,863	None
A308	Public Library - Bell Gardens Library	7110 S Garfield Ave Bell Gardens 90201	Permit	Library	5,119	None
A332	Child Support Services - Training/ IT Division	5500 S Eastern Ave City Of Commerce 90040	Leased	Office	48,794	None
A350	Department of Animal Care and Control Headquarters	5898 Cherry Ave, Long Beach 90808	Owned	Office	12,450	None
A755	Public Library - Headquarters	7400 E Imperial Hwy Downey 90242	Owned	Office	68,482	None
A959	DPSS - GAIN Region V/Paramount District	2959 E Victoria St. Rancho Dominguez 90221	Leased	Office	54,000	None
C600	DPSS - South Family AP/Special District Offices	17600 S Santa Fe Ave Rancho Dominguez 90221	Leased	Office	133,000	None
F325	PW Flood - Imperial Yard Office	5525 E Imperial Hwy South Gate 90280	Permit	Office	5,001	None
X169	DPSS - Compton AP District Office	211 E Alondra Blvd Compton 90220	Owned	Office	48,135	None
X238	Rancho - Support Services Administration Building	7601 E Imperial Hwy Downey 90242	Financed	Office	56,002	None
X349	Century Regional Justice Center Court	11701 S Alameda St. Lynwood 90262	Leased	Office	62,078	None
X351	Century Detention - Detention Administration	11705 S Alameda St. Lynwood 90262	Financed	Office	20,706	None
Y216	Public Library - Paramount Library	16254 Colorado Ave Paramount 90723	Owned	Library	8,750	None
Y426	Public Library - Graham Library	1900 E Firestone Blvd Los Angeles 90001	Owned	Library	5,125	None
Y460	DPSS - Cudahy A/P District Office	8130 S Atlantic Ave Cudahy 90201	Owned	Office	30,873	None

FACILITY LOCATION POLICY ANALYSIS

Proposed Lease: A eight-year lease renewal for the Public Library Department (Library) – 12000 South Garfield Avenue, South Gate – 1st District – Option to cancel any time after the initial 5 years of the lease term.

A. Establish Service Function Category – Local service function.

B. Determination of the Service Area – The existing lease has been on holdover since November 1, 2001. The proposed lease will provide the Library uninterrupted use of 4,800 square feet of Library/office space and 8 on-site parking spaces for the Hollydale Library program.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: The Hollydale Library program is one of two Public Libraries in the City of South Gate. Hollydale is the smaller facility, located in the southeast part of the City, serving its residents and surrounding areas.
- Need for proximity to existing County facilities: N/A
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: The Library is located in a retail strip center currently undergoing renovation. The landlord has relocated their business headquarters along with a showroom to this location, in efforts to revitalize one block with frontage along a major thoroughfare (Garfield Avenue) in the City of South Gate.
- Proximity to public transportation: The location on Garfield Avenue is a main thoroughfare in the City with accessible public transit services such as the Los Angeles Metro Local Line 258, and is accessible from the 105 freeway, to the south of the location.
- Availability of affordable housing for County employees: The surrounding area provides affordable rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no existing County buildings available to meet the Department's service needs.
- Compatibility with local land use plans: The site is currently zoned commercial SGC-3, with land use specifically for Library or Museum use. The current use is consistent with building's use, zoning, and not in conflict with the goals and policies of the City of South Gate.

- Estimated acquisition/construction and ongoing operational costs:
The maximum annual total lease costs, which consist of the base rent and operating expense rent is \$69,900, and comprises the total annual rental cost for the facility. Pursuant to the underlying lease, the Library will be responsible for reimbursement of property taxes, if any. The Library plans to file for property tax exemption on an annual basis. Landlord will also take on property tax expenses during the first six months of the lease.

The Library is a Special Fund Department, and has sufficient funding in their FY 2016-17 operating budget to cover the projected lease costs. The Library lease costs are funded from a combination of property taxes, voter approved special taxes, the County General Fund, utility taxes and other sources.

D. Analyze results and identify location alternatives

Location alternatives were not identified due to the cost concerns involving relocation and the Library's desire to renew the lease and remain in this geographic area, serving the south east region of the City. The library is in a very favorable location fronting Garfield Avenue, situated in a retail strip center that is adjacent to a large surface parking lot, which serves the center and is owned by the same landlord. The strip center adjoining the Library building is undergoing major renovation, making the location even more attractive and desirable.

E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria

N/A

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AGREEMENT**

TENANT DEPARTMENT: PUBLIC LIBRARY

**LANDLORD: PWS WORLD HEADQUARTERS LLC, a California Limited
Liability Company**

**12000 South Garfield Avenue
South Gate, CA**

78505



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EXHIBITS

- Exhibit A – Floor Plan of the Premises
- Exhibit B – Legal Description of the Property
- Exhibit C – Commencement Date memorandum and Confirmation of Lease Terms
- Exhibit D – Heating, Ventilation, and Air Conditioning Standards
- Exhibit E – Cleaning and Maintenance Schedule

LANDLORD'S WORK LETTER

- Addendum A – Base Building Improvements
- Addendum B – Tenant Improvements
- Addendum C – Form of Budget
- Addendum D – Costs of Tenant Improvements

SUPPLEMENTAL LEASE DOCUMENTS:

- Document I: Subordination, Non-disturbance and Attornment Agreement
- Document II: Tenant Estoppel Certificate
- Document III: Community Business Enterprises Form
- Document IV: Memorandum of Lease Terms
- Document V: Request for Notice

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COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AGREEMENT

THIS LEASE ("Lease") is entered into as of the 14th day of June, 2016 between **PWS WORLD HEADQUARTERS LLC**, a California Limited Liability Company ("Landlord"), and **COUNTY OF LOS ANGELES**, a body politic and corporate ("Tenant").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION

1.1. Terms

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

- | | | |
|----|--------------------------------|---|
| a. | Landlord's Address for Notice: | PWS World Headquarters, LLC
12020 Garfield Ave.
South Gate, CA 90280 |
| b. | Tenant's Address for Notice: | Los Angeles County Board of Supervisors
Kenneth Hahn Hall of Administration
Room 383
500 West Temple Street
Los Angeles, California 90012 |

78505

With a copy to:

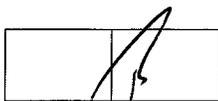
Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Fax Number: (213) 830-0926

- | | | |
|----|-----------|--|
| c. | Premises: | Approximately 4,800 rentable/gross square feet in the Building (defined below) as shown on Exhibit A attached hereto. |
| d. | Building: | The Building located at 12000 So. Garfield Avenue, South Gate, CA which is currently assessed by the County Assessor as APN 6243-015-039 and |

	
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described more particularly in Exhibit B attached hereto (the "Property")

- e. Term: Eight (8) years commencing upon adoption of this Lease by the Los Angeles County Board of Supervisors, (the "Commencement Date"); and terminating at midnight on the day before the tenth anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which as option has been validly exercised.
- f. Projected Commencement Date: June 1, 2016
- g. Irrevocable Offer Expiration Date: July 1, 2016
- h. Base Rent: \$5,500.00 per month (which is based upon a rental rate of \$1.15 per rentable square foot, plus reimbursement for insurance (adjustable only as provided in Section 2.2, 5.2, and 5.3 hereof.)
- i. Early Termination County may cancel at or any time after the 60th month of the initial lease term, with 120 days written notice.
- j. Rentable/gross Square Feet in the Premises: 4,800 square feet
- k. Use: The Premises together with all appurtenances belonging to, or in any wise appertaining, shall be used as governmental office space or for other government purposes during normal working hours, after normal working hours, and on weekends and holidays.
- l. Initial Departmental Use: Public Library
- m. Parking Spaces: The eight parking spaces immediately abutting the Premises, on the east side of the building, for

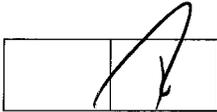

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exclusive use during normal working hours, as defined herein.

- n. Normal Working Hours: 7:00 a.m. to 7:00 p.m., Tuesday through Saturday.
- o. Asbestos Report: A report dated March 14, 2013 prepared by Air Lab, Inc., a licensed California Asbestos contractor. Said report covered the building from 12010 through 12030 Garfield, but did not include testing of the Hollydale Library premises.
- p. Disabled Access Survey N/A
- q. Seismic Report A report dated March 10, 2016 prepared by the Department of Public Works.

1.2. Defined Terms Relating to Landlord's Work Letter

- a. Base Tenant Improvement Allowance: N/A
- b. Additional Tenant Improvement Allowance: N/A
- c. Maximum Change Order Allowance: N/A
- d. Additional Tenant Improvement and Change Order Amortization Rate: N/A
- e. Free Rent: Initial three months of the lease term will be gratis and three months thereafter at half rent (\$2,750) and half of the insurance premium (\$162.00) i.e. \$2,912 dollars per month.
- f. Tenant's Work Letter Representative: N/A
- g. Landlord's Work Letter Representative: N/A
- h. Landlord's Address for Work Letter Notice: N/A
- i. Tenant's Address for Work Letter Notice: Los Angeles County Board of Supervisors
Kenneth Hahn Hall of Administration


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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
Fax Number: (213) 830-0926

- 1.3. Exhibits to Lease: (Executed concurrently with this Lease and incorporated herein by this reference):
 - Exhibit A - Floor Plan of Premises
 - Exhibit B - Legal Description of Property
 - Exhibit C - Commencement Date Memorandum and Confirmation of Lease Terms
 - Exhibit D - HVAC Standards
 - Exhibit E - Cleaning and Maintenance Schedule

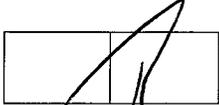
- 1.4. Landlord's Work Letter: Landlord's Work Letter-N/A

- 1.5. Supplemental Lease Documents: (Delivered to Landlord and incorporated herein by this reference):
 - Document I: Subordination, Non-Disturbance and Attornment Agreement
 - Document II: Tenant Estoppel Certificate
 - Document III: Community Business Enterprises
 - Document IV: Memorandum of Lease
 - Document V: Request for Notice

2. PREMISES

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

2.2. Tenant shall have the right within 90 days of approval of this Lease by the Board of Supervisors of the County of Los Angeles ("Board of Supervisors") to field-measure and verify the exact footage of the Premises and/or the Building All measurements shall be taken in accordance with the methods of measuring rentable/gross and usable (net) area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996, as promulgated by the Building Owners and Management Association ("BOMA") International except that no penthouse mechanical room space shall be included in the measurement. Should this measurement be less than the square footage stated above, Tenant shall have the right to adjust such


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conducted pursuant to this Subsection 2.2 Landlord shall appoint an independent firm or person who is experienced in making such measurements whose determination with respect to which measurement is correct shall be final and binding upon the parties. Landlord and Tenant shall share equally in the fees of such firm.

3. COMMON AREAS

Tenant may use the following areas ("Common Areas") in common with Landlord and other Tenants of the Building: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all Tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Area established by Landlord.

4. COMMENCEMENT AND EXPIRATION DATES

4.1. Term

a. Initial Lease Term. The term of this Lease shall commence upon the approval of this Lease by the Board of Supervisors ("Commencement Date") and terminate eight (8) years thereafter on the Termination Date ("Termination Date").

b. Options to Renew. Tenant shall have two options to renew this Lease (each an "Option") for a period of six years each (each an "Extension Term") under unchanged terms and conditions, except that the rental rate at the end of the initial or Extended Lease Term, as the case may be, shall be adjusted and increased by two percent (2%) ("Extension Term Base Rent"). Tenant shall notify Landlord in writing (by letter from Tenant not less than six months prior to expiration of the Lease term of Tenant's intention to exercise its Option(s). The actual exercise of the Option(s) may be exercised only as authorized by, the Board of Supervisors.

4.2. Termination Right

If the Board of Supervisors have not approved the Lease within 60 days from the Projected Commencement Date, subject to Tenant Delays or Force Majeure Delays, either Party may thereafter, at any time before the Commencement Date occurs, terminate this Lease effective upon the giving of written notice to the other Party and the Parties shall have no further obligations to one another hereunder.

4.3. Early Possession

Tenant shall be entitled to possession of the Premises 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.

4.4. Early Termination

Tenant shall have the right to terminate this lease at any time after the Early Termination Notice Date, as defined in Section 1.1 (i), by giving Landlord not less than 120 days prior written notice executed by the Chief Executive Officer of Tenant.

5. RENT

5.1 Base 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. Base Rent for any partial month shall be prorated in proportion to the number of days in such month.

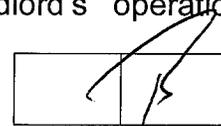
5.2 Rental Adjustment:

For each successive twelve (12) months of the original Term, the monthly rental rate as set forth in Section 1.1 (h) hereof shall be subject to adjustment. From and after the first anniversary date of the first day of the first full calendar month following the Commencement Date and every twelve (12) months thereafter, the Base Rent shall include step rent increases of two percent (2%) per anniversary date as follows:

<u>Year</u>	<u>Rate/Square foot</u>	<u>Monthly</u>
1	\$1.15	\$5,500.00
2	\$1.17	\$5,610.00
3	\$1.19	\$5,722.20
4	\$1.22	\$5,836.64
5	\$1.24	\$5,953.38
6	\$1.27	\$6,072.44
7	\$1.29	\$6,193.89
8	\$1.32	\$6,317.77

5.3 Operating Expenses:

In addition to the Base Rent, Tenant shall pay Landlord, concurrently with its payment of Base Rent, additional rent for prorated costs of necessary insurance ("Insurance Expense Rent") associated with the Landlord's operation and


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management of the Premises in the amount of \$325 per month. Such cost may be adjusted on each anniversary of the Commencement Date. Prior to the first anniversary of the Commencement Date and each anniversary thereafter, Landlord shall provide Tenant with the amount due as Insurance Expense Rent for the following twelve (12) months.

6. USES

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

7. HOLDOVER

If Tenant remains in possession of the Premises or any part thereof after the expiration of the term of this Lease, such occupancy shall be a tenancy which is terminable only upon 60 days written notice from Landlord or 30 days written notice from the Chief Executive Officer of Tenant at 105% of 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.

8. COMPLIANCE WITH LAW

Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including without limitation, the Americans with Disabilities Act.

9. DAMAGE OR DESTRUCTION

9.1. Damage

In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, and at a cost that does not exceed 6 months of rental payments hereunder, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any

event within ten days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises leasable 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 Premises are untenable by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

9.2. Tenant Termination Right

In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 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 Premises became unleaseable. In the event that Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided insurance proceeds are available to repair the damages.

9.3. Damage In Last Year

Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Landlord or Tenant may terminate this Lease by giving notice to the other not more than 30 days after such destruction, in which case:

- a. Landlord shall have no obligation to restore the Premises;
- b. Landlord may retain all insurance proceeds relating to such destruction, and;
- c. This Lease shall terminate as of the date which is 30 days after such written notice of termination.

9.4. Default By Landlord

If Landlord is required to repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Tenant may:

- a. Declare a default hereunder or
- b. Perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum, from the Basic Rent next due as a charge against the Landlord.

10. REPAIRS AND MAINTENANCE

10.1. Landlord Representations

Landlord represents to Tenant that:

- a. The Premises, the Building and all Common Areas (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) complied with laws, codes, and ordinances, including use the Americans With Disabilities Act, which were applicable to the Building at the time that the Building was constructed; and are in reasonable good working order and condition; and
- b. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation.

To the best of his/her knowledge, Landlord represents, based upon an inspection of the Premises, 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).

10.2. Landlord Obligations

a. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed to the following:

- i. the structural elements of the Building, including without limitation, building's foundation, and roof ;
- ii. the existing HVAC units except that if and when Landlord installs new HVAC units, then Tenant shall be responsible for maintaining new units at its sole cost and expense.
- iii. exterior walls (excluding paint) of the Building;
- iv. exterior lighting of parking lot area serving the Building.

b. Landlord's immediate repair obligations include, without limitation, repairs to:

- i. Paint store front along Garfield Avenue (non- brick areas only);
- ii. Landscaping: Remove tall shrubs along the front of the library and replace with drought tolerant plants, replace shrubs along Roosevelt Street with drought tolerant plants Once replaced, Tenant shall be responsible for on-going maintenance of landscaping; and

- iii. Re-asphalt and re-stripe the back parking area next to the Library's back entrance, including striping for ADA compliance.

10.3. Tenant Obligations

- a. Tenant, at its sole cost and expense, shall perform all maintenance and repairs to the Premises, except as otherwise noted, herein, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted.
- b. 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. All repairs and replacements shall:
 - i. be made and performed by contractors or mechanics approved by Tenant, which consent shall not be unreasonably withheld or delayed,
 - ii. be at least equal in quality, value and utility to the original work or installation, and
 - iii. be in accordance with all laws.
- c. Additional Tenant Obligations:
 - i. Concealed and exposed plumbing
 - ii. Interior walls
 - iii. Exterior wall paint
 - iv. Windows and window coverings
 - v. Doors
 - vi. Plate glass
 - vii. Floors & Floor coverings.
 - viii. Ceilings and Ceiling systems
 - ix. Concealed and exposed electrical systems, including telephone intra-building network cable.
 - x. Lighting systems, lamps and tubes
 - xi. Fire Life Safety systems serving the building, including Fire sprinklers (if applicable). Fire extinguishers.
 - xii. Boilers and pressure vessels
 - xiii. HVAC duct cleaning
 - xiv. HVAC equipment (as referenced in section 10.2 (a), Landlord will maintain current equipment. Landlord at its sole option may choose to replace HVAC units. If replaced, Tenant will be responsible for servicing and maintaining new units, which may include securely bolting units to the roof and securing the condensation lines to the roof.

- xv. Landscaping: Landlord to replace existing shrubs with drought tolerant plants, thereafter Tenant to maintain.
- xvi. Re-striping of the parking lot, as needed. Landlord to re-asphalt and re-stripe parking lot in compliance with ADA, thereafter Tenant to maintain.

10.4. Tenant's Right to Repair

a. If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than thirty (30) days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action. If not reimbursed by Landlord within fifteen (15) days, Tenant shall be entitled to deduct from Basic Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

b. Tenant at its sole option, acting through the CEO, may request the Landlord to perform, supply and administer any repairs, replacement, or services that are the responsibility of the Tenant and reimburse Landlord for such costs.

11. SERVICES AND UTILITIES

11.1. Services. Tenant shall furnish and pay for the following services and utilities to the Premises.

a. Heating, Ventilation and Air Conditioning (HVAC)

Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class

buildings and not less than the standard set forth in Exhibit D attached hereto. In the event Landlord replaces the current HVAC units, the maintenance responsibility will immediately shift to Tenant.

b. Electricity

Tenant shall furnish to the Premises the amount of electric current provided for in the Working Drawings (if applicable) but in any event not less than seven watts of electric current (connected load) per square foot of Rentable/gross Square Feet in the Premises, for power and lighting and electric current for HVAC, and Tenant shall provide the existing or new transformers or sub-panels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises.

c. Elevators

N/A

d. Water

Tenant shall make available warm and cold water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

e. Janitorial

Tenant at its sole cost and expense shall provide janitorial service on five nights per week generally consistent with that furnished in comparable office buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit E attached hereto.

f. Access

Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building.

g. Pest Control

Tenant at its sole cost and expense shall provide pest control services to the premises per the specifications set forth in Exhibit E attached hereto.

11.2. Utilities

Tenant agrees to pay when due all charges for the use of the sewer, effluent treatment, when and if imposed by any governmental authority, all water,

sprinkler standby charges, electricity, gas, heating and common area power and lighting, power charges associated with the HVAC, and other utility rents and charges accruing or payable in connection with the Premises during the Term of this Lease or any renewal, extension, or holdover thereof, whether the same are pro-rated or measured by separate meters.

12. TAXES

12.1 Tenant shall pay promptly all real property taxes, assessments and special assessments which may be levied or assessed against the Premises or Building during the term of this Lease or any renewal or holdover period thereof. Landlord to pay property taxes for the first six months of the Lease Term.

In the event Tenant fails or refuses to pay any or all taxes or assessments when due, Landlord may, at its sole discretion, give Tenant thirty (30) calendar days prior written notice and thereafter pay such taxes and assessments and add the payments to the installments of rent next due as a charge against the Tenant.

12.2 Tenant shall, each and every year during the term of this Lease, file a properly completed application for exemption from property taxes under applicable provisions of the constitution of the State of California and the Revenue and Taxation Code allowing for tax exemptions for library facilities. Said application shall be filed prior to February 15th of each year. Notwithstanding the foregoing, Landlord shall be responsible for paying all real property taxes and special assessments during the lease term, with reimbursement from Tenant in its' prorate share. To the extent an exemption is granted due to the exempt status of Tenant, Tenant will not owe any real estate taxes.

In no event shall Tenant be responsible for:

- a. taxes accruing while Tenant is not entitled to possession, or
- b. any penalties, delinquencies or service charges incurred by the landlord in the payment of the taxes.

12.3 In the event Landlord becomes entitled to reimbursement, Landlord shall submit a claim together with copies of the paid tax bills and the calculations upon which the claim for reimbursement is based within 60 days after payment of said taxes.

13. LANDLORD ACCESS

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

14. TENANT DEFAULT

14.1. Default

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

a. 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 days after written notice to Tenant;

b. 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 30 days after written notice from Landlord specifying in detail the nature of the default; provided, however, if more than 30 days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

14.2. Termination

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

14.3. 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.

15. LANDLORD DEFAULT

15.1. Remedies

In addition to the provisions for Landlord's default provided by Sections 9.4, 10.3, 19 and 20.2, 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 thirty (30) days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10.3); 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:

- a. to remedy such default or breach and deduct the costs thereof (including but not limited to attorney' fees) per annum from the installments of Base Rent next falling due;
- b. to pursue the remedy of specific performance; and/or
- c. to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due.

15.2. 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.

15.3. Emergency

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

16. ASSIGNMENT AND SUBLETTING

Tenant may assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises with Landlord's written consent, which shall not be unreasonably withheld: No such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease.

17. ALTERATIONS AND ADDITIONS

17.1. Landlord Consent

Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria:

- a. complies with all Laws;
- b. is not visible from the exterior of the Premises or Building;

- c. will not materially affect the systems or structure of the Building; and
- d. does not unreasonably interfere with the normal and customary business office operations of other Tenants in the Building.

If Landlord fails to respond in writing within 30 days of such request, Landlord shall be deemed to approve the Alterations.

17.2. End of Term

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

18. CONDEMNATION

18.1. Controlling Terms

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

18.2. Total Taking

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

18.3. Partial Taking

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

Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within 30 days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated.

18.4. Restoration

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

18.5. Award

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

18.6. Waiver of Statute

Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the Superior Court to terminate this Lease in the event of a partial taking of the Premises.

19. INDEMNIFICATION

19.1. Tenant's Indemnity

Tenant shall indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorney' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Tenant or its employees, or arising from any breach or default under this Lease by Tenant. 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 construed to waive, limit, or supersede any of Tenant's rights or immunities under the California Labor Code, including but not limited to a waiver pursuant to Labor Code section 3864.

19.2. Landlord's Indemnity

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

20. INSURANCE

20.1. Landlord's Insurance

During the term of this Lease, Landlord shall maintain the following insurance:

a. Commercial property insurance which shall:

i. cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates) and

ii. be written for replacement cost of the property, subject to any deductible and coinsurance, with a deductible of no greater than five percent (5%) of the property value.

iii. N/A.

Insurance proceeds shall be payable to Landlord and Tenant as their interests may appear and be utilized for repair and restoration of the Premises.

b. General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

i. per occurrence and general aggregate amount of \$2,000,000

c. 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 default of this Lease.

20.2. 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.

20.3. 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 coverages or policies evidenced by the certificates.

20.4. 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.

21. PARKING

21.1. Tenant's Rights

Tenant shall have the right to the number of exclusive reserved parking stalls set forth in Section 1 without charge for the Term of this Lease. No tandem parking shall be permitted and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all Tenants. Tenant acknowledges that all other parking spaces, including those in the adjacent lot to the east, are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other Tenants, occupants, licensees, invitees and permittees of the Building.

21.2. Remedies

Landlord acknowledges that it is a material term of this Lease that Tenant receive all of the Parking Spaces to which it is entitled under this Lease for the entire

Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the Parking Spaces required above are not available to Tenant, (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation) Tenant may:

a. Deduct from the Base Rent thereafter accruing hereunder an amount each month equal to the Basic Rent times the percentage of Parking Spaces not so provided times the number 1.5, but such deduction from Basic Rent shall be not more than ten percent (10%).

22. ENVIRONMENTAL MATTERS

22.1. Hazardous Materials

Tenant shall not cause nor permit, nor allow any of Tenant's employees agents, customers, visitors, invitees, licensee, contractor, 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, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

22.2. Landlord Indemnity

Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at

any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials other than caused by Tenant. 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.

23. ESTOPPEL CERTIFICATES

Tenant shall, within 30 business days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Document II in the Supplemental Lease Documents delivered to Landlord concurrently herewith (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate. 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.

24. TENANT IMPROVEMENTS

N/A.

25. LIENS

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

26. SUBORDINATION AND MORTGAGES

26.1. Subordination and Non-Disturbance

Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently herewith and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of

first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included herein.

26.2. Existing Deeds of Trust

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

26.3. Request for Notice

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

26.4. Notice of Default

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

27. SURRENDER OF POSSESSION

Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in the same or better condition it was in on the Commencement Date, with the exception of reasonable wear and tear to premises. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

28. SIGNAGE

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

29. 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 and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

30. GENERAL

30.1. 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.

30.2. 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.

30.3. Brokers

Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. Tenant shall receive from Landlord or Landlord's broker, within ten days after the execution of this Lease, an amount equal to 50% of all commissions due to Landlord's broker as a result of the execution of this Lease.

30.4. Entire Agreement

This Lease (and the Landlord's Work Letter and Supplemental Lease Documents) 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.

30.5. 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.

30.6. Notices

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

30.7. 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.

30.8. 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.

30.9. Time of Essence

Time is of the essence for the performance of all of the obligations specified hereunder.

30.10. 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 fifteen (15) days after written request is made therefore, together with all necessary information.

30.11. Community Business Enterprises

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

30.12. Memorandum of Lease

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

31. AUTHORITY

Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Officer of the County or its delegee (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.

32. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

32.1. Consideration of GAIN Program Participants

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

32.2. 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.

32.3. Landlord Assignment

a. 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 directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

b. 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.

c. 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 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.

d. 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 \$500,000 or 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.

e. 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.

f. 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, 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.

g. 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.

33. 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.

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

LANDLORD:

PWS WORLD HEADQUARTERS LLC,
a California limited liability company



By: _____
Name: Brad Steinburg
Its: Managing Member

TENANT:

COUNTY OF LOS ANGELES
a body politic and corporate

By: Hilda L. Solis
Hilda L. Solis
Chair, Board of Supervisors

ATTEST:
LORI GLASGOW
Executive Officer-Clerk
of the Board of Supervisors

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

LORI GLASGOW
Executive Officer
Clerk of the Board of Supervisors

By: Lachelle Smitherman
Deputy

78505

By: Lachelle Smitherman
Deputy

APPROVED AS TO FORM

MARY C. WICKHAM
County Counsel

By: Mary C. Wickham
Deputy County Counsel



ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

23

JUN 14 2016

Lori Glasgow
LORI GLASGOW
EXECUTIVE OFFICER

EXHIBIT A
FLOOR PLAN OF PREMISES

A handwritten signature or mark, possibly the letter 'P', located in the bottom right corner of the page.

EXHIBIT B

LEGAL DESCRIPTION OF PREMISES

Assessor Parcel Number 6243-015-039

PARCEL 1:

Lots 1 to 7 inclusive and Lots 23 and 24 in Block 20 of Hollydale, in the City of South Gate, County of Los Angeles, State of California, as per map recorded in Book 82, et.seq., of Maps, in the Office of the County Recorder of said County.

EXCEPT THEREFROM an undivided one-half interest in all oil, gas and mineral rights of Lots 1 to 7 inclusive and Lots 23 and 24 with no right of surface entry, as reserved by Will Moscow and Esther Moscow, in Deed recorded December 1, 1976 instrument No. 476, Official Records.

PARCEL 2:

Lot 8 in Block 20 of Hollydale, in the City of South Gate, County of Los Angeles, State of California, as per map recorded in Book 82, Page(s) 8, et seq., of Maps, in the Office of the County Recorder of said County.

EXCEPT THEREFROM an undivided one-half interest in all oil, gas and mineral rights, with no right of surface entry, as reserved by Will Moscow and Esther Moscow, in Deed recorded August 1, 1977 Instrument No. 77-830874, Official Records.



EXHIBIT C

COMMENCEMENT DATE MEMORANDUM
AND CONFIRMATION OF LEASE TERMS
INTENTIONALLY OMITTED



EXHIBIT D

HEATING, VENTILATION
AND AIR CONTITIONING

Intentionally omitted.

A handwritten signature or mark, possibly a stylized 'B' or '4', located in the bottom right corner of the page.

EXHIBIT E
Tenant Cleaning and
Maintenance Schedule

1. DAILY (Monday through Friday)

- A. Carpets vacuumed.
- B. Composition floors dust-mopped.
- C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
- D. Waste baskets, other trash receptacles emptied.
- E. Chairs and waste baskets returned to proper position.
- F. Fingerprints removed from glass doors and partitions.
- G. Drinking fountains cleaned, sanitized and polished.
- H. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
- I. Bulb and tube replacements, as required.
- J. Emergency exit signage and egress battery replacement (if applicable)
- K. Graffiti expunged as needed within two working days after notice by Tenant
- L. Floors washed as needed.
- M. Kitchen/lunchroom/restroom supplies replenished including paper supplies, soap and.
- N. Exclusive day porter service from ____ to ____ (if provided by contract).

2. WEEKLY

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

3. MONTHLY

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

4. QUARTERLY

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



EXHIBIT E
Tenant Cleaning and
Maintenance Schedule

5. SEMI-ANNUALLY

- A. Windows washed as required inside and outside but not less frequently than twice annually.
- B. All painted wall and door surfaces washed and stains removed.
- C. All walls treated with vinyl covering washed and stains removed.

6. ANNUALLY

- A. Furniture Systems and any other fabric or upholstered surfaces including chairs, couches, walls, etc., spot cleaned, or if determined to be necessary in Tenant's sole discretion, professionally cleaned in their entirety using a water extraction system.
- B. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.
- C. Touch-up paint all interior painted surfaces in a color and finish to match existing.

7. AS NEEDED

- A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
- B. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.
- C. Interior and exterior pest control inspections and remediation frequency is to be determined by a licensed exterminator. (TBD).
- D. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning:
 - i. heavy traffic areas as needed with a minimum frequency of bi-monthly [six (6) times per year];
 - ii. moderate traffic areas cleaned as needed with a minimum of once every six (6) months [two (2) times per year]; and
 - iii. clean light traffic areas a minimum of once per year.

Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.



EXHIBIT E
Tenant Cleaning and
Maintenance Schedule

- E. All walls repainted and wall coverings replaced throughout the Premises. The paint finish should be eggshell or semi-gloss as directed by Tenant and in a color acceptable to Tenant. In no event will Landlord be required to repaint or replace wall coverings more than one (1) time in a five (5) year period (the "Occurrence") except for touch-up paint as provided in Paragraph 6 C. The initial tenant improvements completed prior to Tenant's occupancy or as a condition to the renewal of the Lease shall not constitute an Occurrence for the purpose of determining the frequency of this work.
- F. All HVAC ducts cleaned as need but no less than every five (5) years.

8. GENERAL

N/A



SUPPLEMENTAL LEASE DOCUMENTS

For

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AND AGREEMENT**

TENANT DEPARTMENT: PUBLIC LIBRARY

**LANDLORD: PWS WORLD HEADQUARTERS LLC, a California Limited
Liability Company**

12000 South Garfield Avenue

South Gate , CA

Document I - Subordination, Nondisturbance and Attornment Agreement

Document II - Tenant Estoppel Agreement

Document III - Community Business Enterprises Form

Document IV - Memorandum of Lease

Document V - Request for Notice

DOCUMENT I

**SUBORDINATION, NONDISTURBANCE
AND ATTORNMENT AGREEMENT**

**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)

Space above for Recorder's Use

**SUBORDINATION, NONDISTURBANCE
AND ATTORNMENT AGREEMENT**

NOTICE: THIS SUBORDINATION, NONDISTURBANCE 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, Nondisturbance and Attornment Agreement ("Agreement") is entered into as of the ____ day of _____, 201__ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), [*Insert name of Landlord*], ("Borrower") and [*Insert name of Lender*], ("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 "Premises").

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 nondisturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

1. Subordination. The lien of the Deed of Trust and all amendments, modifications and extensions thereto shall be and remain at all times a lien on the Property prior and superior to the Lease, 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 offer to purchase the Property in the Lease, such provisions shall not be affected or diminished by any such subordination, which is conditioned upon the nondisturbance agreement of Borrower and Lender in Section 3 of this Agreement.

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. Nondisturbance. 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 pursuant to 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: _____

Attn: _____

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 shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Agreement shall be conducted in the County of Los Angeles, State of California. 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
OFFICE OF THE COUNTY COUNSEL
MARY C. WICKHAM
County Counsel

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

SACHI A. HAMAI
Chief Executive Officer

By: _____
Deputy

By: _____
Christopher M. Montana
Director of Real Estate Division

BORROWER: [*Insert name of borrower*]

By: _____
Name: _____
Title: _____

LENDER: [*Insert name of Lender*],

By: _____
Name: _____
Title: _____

Exhibit "A"

Legal Description

DOCUMENT II

TENANT ESTOPPEL CERTIFICATE

To: [Insert name of party to rely on document]

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 “Premises”) in the building (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 Premises or 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 Premises (or the land of which the Premises are 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 Premises, 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 Premises.

(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.

5. This Agreement shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Agreement shall be conducted in the County of Los Angeles, State of California.

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

TENANT:

COUNTY OF LOS ANGELES

By: _____
Christopher M. Montana
Director of Real Estate

APPROVED AS TO FORM
MARY C. WICKHAM
OFFICE OF THE COUNTY COUNSEL

By: _____
Deputy County Counsel

DOCUMENT III

COMMUNITY BUSINESS ENTERPRISES 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 MBE/WBE participation. The information requested below is for statistical purposes only. On final analysis and consideration of lease 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.

I. MINORITY/WOMEN PARTICIPATION IN FIRM (Partners, Associates Partners, Managers, Staff, etc.)

FIRM: NAME
 ADDRESS
 CONTACT TELEPHONE NO.

TOTAL NUMBER OF EMPLOYEES IN FIRM: _____

	OWNERS/PARTNERS ASSOCIATE PARTNERS	MANAGERS	STAFF
Black/African American	_____	_____	_____
Hispanic/Latin America	_____	_____	_____
Asian American	_____	_____	_____
Portuguese American	_____	_____	_____
American Indian/ Alaskan Native	_____	_____	_____
All Others	_____	_____	_____
Women (Should be included in counts above <u>and</u> also reported here separately)	_____	_____	_____

II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

TYPE OF BUSINESS STRUCTURE: _____ (Corporation, Partnership, Sole Proprietorship, etc.)

TOTAL NUMBER OF OWNERSHIP/PARTNERS, ETC.: _____

PERCENTAGE OF OWNERSHIP

Black/African American _____
Hispanic/Latin American _____
Asian American _____
Portuguese American _____
American Indian/ _____
Alaskan Native _____
All Others _____
Women _____
(Should be included in counts
above and also reported
here separately)

III. CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

IS YOUR FIRM CURRENTLY CERTIFIED AS A MINORITY OWNED BUSINESS FIRM BY THE:

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

IV. FIRM'S DESIRE NOT TO RESPOND TO INFORMATION

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

Firm Name: *PWS World Headquarters, LLC*

Signed: 

Date: *4/28/16*

Title: *Managing Member*

DOCUMENT IV

MEMORANDUM OF LEASE

**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

This document is recorded for the benefit of the County of Los Angeles and recording is exempt from recording fees pursuant to California Government Code Section 27383. This transaction is exempt from documentary transfer tax pursuant to California Revenue and Taxation Code Section 11922.

MEMORANDUM OF LEASE

This Memorandum of Lease ("Memorandum") is made and entered into by and between _____ (the "Landlord"), and the COUNTY OF LOS ANGELES, a public body corporate and politic duly organized and existing under the laws of the State of California (the "Tenant") who agree as follows:

Landlord and Tenant hereby enter a Lease of certain property (the "Lease") in the County of Los Angeles, State of California, described in Exhibit A attached hereto and incorporated herein by reference, for a term commencing on _____, 20____, and ending on a date _____ () years after the commencement date, unless such term is extended or sooner terminated pursuant to the terms and conditions set forth in a certain unrecorded Lease between Landlord and Tenant dated _____, 20__.

[Tenant has the option to extend the term of the Lease for a period of ____ () years, subject to the terms and conditions of the Lease.]

This Memorandum has been prepared for the purpose of giving notice of the Lease and of its terms, covenants, and conditions, and for no other purposes. The provisions of this Memorandum shall not in any way change or affect the provisions of the Lease, the terms of which remain in full force and effect.

Dated: _____, 20__.

LANDLORD:

TENANT:

By: _____
Its: _____

By: _____
Its: _____

DOCUMENT V

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

To 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 _____.