



SACHI A. HAMAI
Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
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"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
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March 06, 2018

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

The Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors/Commissioners:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

1-D March 6, 2018

CELIA ZAVALA
ACTING EXECUTIVE OFFICER

**DELEGATE AUTHORITY TO EXECUTE AMENDMENTS
TO VERMONT CORRIDOR PREDEVELOPMENT PROJECT AGREEMENTS
(SECOND DISTRICT)
(3 VOTES)**

SUBJECT

This letter recommends delegated authority to amend a funding agreement with the Community Development Commission, authorization to amend the predevelopment agreement with Los Angeles County Facilities, Inc., and authorization to amend the exclusive negotiating agreement with TC LA Development, Inc., related to the proposed development of County-owned property in the area known as the "Vermont Corridor", located on three sites on South Vermont Avenue between Fourth and Sixth Streets in the City of Los Angeles.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the recommended actions are exempt from the California Environmental Quality Act for the reasons stated in this letter and in the record of the proposed pre-project activities.

2. Authorize the Commission to execute an amendment to the Predevelopment Agreement with Los Angeles County Facilities, Inc., to extend the term of the agreement to September 30, 2018, and if necessary, an additional 90-day extension, for the proposed development of a new Department of Mental Health Headquarters facility on County-owned properties at 510, 526, and 532 South Vermont Avenue in the City of Los Angeles.

3. Authorize the Commission to execute an amendment to the Exclusive Negotiating Agreement with TC LA Development, Inc., to extend the negotiating period to September 30, 2018, and if necessary, an additional 90-day extension, for the proposed future development of County-owned properties at 550 and 433 South Vermont Avenue, and 3175 West 6th Street in the City of Los Angeles.

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS OF THE COMMUNITY DEVELOPMENT COMMISSION:

1. Find that the recommended actions are exempt from the California Environmental Quality Act for the reasons stated in this letter and in the record of the proposed pre-project activities.

2. Instruct the Executive Director, or designee, to accept and incorporate up to \$949,128 into the Community Development Commission's approved Fiscal Year 2017-2018 budget for the proposed Vermont Corridor Project.

3. Authorize the Executive Director, or designee, to execute an amendment to the funding agreement described in the Board of Commissioners' Recommendation 2 to include the additional \$949,128 of County funding and to incorporate up to \$949,128 into the Commission's approved Fiscal Year 2017-2018 budget for the proposed Vermont Corridor Project.

4. Authorize the Executive Director, or designee, to execute an amendment to the Predevelopment Agreement with Los Angeles County Facilities, Inc., to incorporate the additional \$949,128 for a total amount of \$10,329,811, for proposed development of a new Department of Mental Health Headquarters facility and structured parking spaces.

5. Authorize the Executive Director, or designee, to execute an amendment to the Predevelopment Agreement with Los Angeles County Facilities, Inc., to extend the negotiating period to September 30, 2018, and if necessary, an additional 90-day extension, for proposed development of a new Department of Mental Health Headquarters facility on County-owned properties at 510, 526, and 532 South Vermont Avenue in the City of Los Angeles.

6. Authorize the Executive Director, or designee, to execute an amendment to the Exclusive Negotiating Agreement with TC LA Development, Inc., to extend the negotiating period to September 30, 2018, and if necessary, an additional 90-day extension, for the proposed future development of County-owned properties at 550 and 433 South Vermont Avenue, and 3175 West 6th Street in the City of Los Angeles.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended actions will allow for the Los Angeles County Facilities, Inc., (LACF) to direct Trammell Crow Company, the master developer contracted by LACF, to address two critical path predevelopment activities: additional Environmental Site Assessment Phase II investigation requirements and design of office space in the proposed new Department of Mental Health

(Mental Health) Headquarters building, which would also be partially occupied by the Department of Workforce Development, Aging and Community Services (WDACS). Completing these items will allow the current pre-development activities to continue, and we will return to the Board of Supervisors (Board) for consideration of recommendations relating to a project development agreement approval later this year.

On August 9, 2016, the Board approved and authorized the Community Development Commission (CDC), in consultation with the Chief Executive Officer (CEO), to proceed with predevelopment activities for the proposed Project and return to the Board with recommendations.

The Board approved the transfer of \$10,554,105 via a Funding Agreement to the CDC, which is acting as the agent for the County for the management and administration of the Predevelopment Agreement (PDA) for the Mental Health Headquarters on County-owned land at 510, 526, 532 South Vermont Avenue and 523 Shatto Place (Site 1), and for negotiation of ground lease terms for the other County-owned properties that are part of the proposed Vermont Corridor development consisting of 550 South Vermont Avenue and 3175 West 6th Street (Site 2) and 433 South Vermont Avenue (Site 3). The funds were for the PDA with LACF for the proposed Mental Health Headquarters building (\$9,380,683), with the remainder to fund CDC costs to manage the predevelopment and ground lease negotiation process.

On February 13, 2018, the Board authorized the CEO to amend the Funding Agreement for unanticipated costs in the amount of \$950,000, to be funded from prior year net County cost budgeted in the Project and Facility Development Fund. The final negotiated amount of \$949,128 reflects additional predevelopment scope of work that needs to be performed by Trammel Crow Company under the PDA. The recommended amendment to the PDA will include this scope of work, which consists of site investigation and design programming services that are described in detail below.

1) Additional Environmental Phase II – Investigation Requirements - \$349,780

During previously authorized project feasibility activities, the CDC performed initial site due diligence and did not encounter any soil contamination in the sampling areas. During further expanded site assessment reviews, Trammel Crow Company discovered areas of concern beyond the CDC's initial study area. As explained by Trammel Crow Company, this is not atypical with urban infill development and though follow-up due diligence was expected to re-confirm the original findings, a handful of issues arose that were not previously encountered. The issues are as follows: 1) two potential leaks from previously capped oil wells (under proposed Mental Health tower), and 2) one leak from an abandoned underground storage tank (under Shatto parking garage).

As a result of these recent discoveries, the Los Angeles County Fire Department (Fire) required additional Phase II analysis. Trammel Crow Company has developed a Site Mitigation/Health and Safety work plan to address the concerns of Fire. Integrated Engineering Management, a third-party cost estimation, engineering, and project management firm which reports to the CDC, has reviewed, analyzed, and confirmed both the work plan and budget assumptions. The cost to complete the Site Mitigation/Health and Safety work plan is \$349,780.

2) Workforce Development, Aging and Community Services Programming and Design for Mental Health Headquarters building - \$599,348

WDACS is currently located in an adjacent building to the existing Mental Health Headquarters at 3175 West 6th Street. The building housing WDACS is scheduled to be vacated and demolished as a separate phase of the overall proposed Project. CEO had been analyzing offsite relocation options, and because of a reduction in Mental Health space needs in the new headquarters building, relocation of WDACS into the new building became a feasible option. The CEO notified the Board of the potential relocation of WDACS staff to the proposed new Mental Health Headquarters building on December 6, 2016, and the CDC proceeded with the negotiation of the necessary supplemental design programming work as the design phase proceeded with the rest of the building. The recommended amendment to the PDA would incorporate the tenant improvements for the WDACS space into the construction documents.

In order to understand the unique operational needs of WDACS and produce the optimal design solution for the department, additional programming outside of the original predevelopment agreement and budget is needed. Trammel Crow Company has prepared a scope of work and budget for the WDACS space in the new building, which is included as an exhibit in the recommended PDA amendment. The CDC's third-party consultant, Integrated Engineering Management, has also reviewed, analyzed, and confirmed the proposed programming scope of work and predevelopment budget. The cost for the additional work is \$599,348.

Agreement Extensions

On January 31, 2018, the County and LACF exercised the option under the PDA to extend the term of the agreement by 90 days, to May 1, 2018. In addition, the County and TC LA Development, Inc., the parties to the exclusive negotiating agreement for the proposed future development of County-owned properties at 433 and 550 South Vermont Avenue and 3175 West 6th Street, exercised the option under the exclusive negotiating agreement to May 1, 2018. However, further extension of these agreement terms is necessary due to the anticipated timeframe for completion of the environmental review process under the California Environmental Quality Act (CEQA). We expect to return to the Board in mid-2018. The requested term extension authorization for the PDA and exclusive negotiating agreement to September 30, 2018, with optional 90-day extension with agreement of the parties, will ensure that the schedule for predevelopment and ground lease negotiating periods are fully accommodated.

FISCAL IMPACT/FINANCING

The current recommendations would increase the County's commitment to predevelopment costs under the Funding Agreement by \$949,128, from \$10,554,105 to \$11,503,233. The \$949,128 of supplemental funding for predevelopment activities is funded from the Project and Facilities Development Fund. The full amount would be used to supplement the existing PDA agreement with LACF, increasing the total contracted amount from \$9,380,683 to \$10,329,811. The CDC expects the supplemental funding to be sufficient to complete predevelopment activities.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On August 9, 2016, the predevelopment phase began with the execution of the PDA with LACF. To date, the CDC and CEO staff have been working to advance the design of the Project and establish a Guaranteed Maximum Price. The Guaranteed Maximum Price ensures the County will

receive a high-quality design at a not-to-exceed cost and protects against change order risk. Trammel Crow Company has engaged consultants to complete all project entitlements for the proposed Mental Health Headquarters building on Site 1, as well as environmental review and CEQA documentation for the proposed development of the three sites which comprise the proposed Project.

The current delivery schedule for the proposed Project estimates the predevelopment phase will be completed in mid-2018. At that time, the CEO and CDC will return to the Board for consideration of recommendations relating to the Final Environmental Impact Report, project approval, proposed leases, necessary findings, and project funding.

If approved, upon the sale of the bonds for the Mental Health Headquarters building, the development phase will begin, during which time Trammel Crow Company will secure all necessary building permits and commence construction. Construction activities on Site 1 are estimated to begin in late 2018, with completion and tenant move-in by mid-2021.

ENVIRONMENTAL DOCUMENTATION

The approval of additional funds for predevelopment activities for the proposed Project is not a project pursuant to CEQA because it is an activity that is excluded from the definition of a project by Sections 15378(b)(4) and (5) of the State CEQA Guidelines. This proposed action is an administrative activity of government which will not result in direct or indirect physical changes to the environment.

The authorization and funding for supplemental design programming and additional environmental investigation activities included in the proposed predevelopment agreement amendment for the proposed new County office building and parking structure to be constructed at 510, 526, and 532 South Vermont Avenue and 523 Shatto Place in the City of Los Angeles, and the extension of the negotiating period term of the exclusive negotiating agreement for the proposed future development of County-owned properties at 550 and 433 South Vermont Avenue and 3175 West 6th Street in the City of Los Angeles are exempt from CEQA under Sections 15304, 15306, and 15262 of the State Guidelines; and the remaining recommended actions regarding the Funding Agreement and predevelopment agreement amendment do not constitute a project under Sections 15378(b)(4) and (5) of the State CEQA Guidelines for the reasons stated below and in the record of the proposed pre-project activities.

Predevelopment activities were approved by the Board on August 9, 2016, and consist of feasibility or planning studies for possible future actions which the County or CDC have not approved, adopted, or funded. These recommendations address further similar planning and feasibility studies.

The recommended actions are exempt from CEQA pursuant to Section 15262 of the State CEQA Guidelines and Section 21102 of the California Public Resources Code. They relate to planning and feasibility studies for possible future actions, which the Board has not adopted, approved, or funded and also, pursuant to Sections 15304 and 15306, relate to information gathering, including basic data collection and resource evaluation activities which do not result in a serious disturbance to an environmental resource. In addition, based on the project records, it will comply with all applicable regulations, it is not in a sensitive environment, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code Section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

By approving these studies for future proposed projects, the County of Los Angeles does not commit to, or otherwise endorse, authorize, or approve any specific project. Any future recommendations on any proposed development remain subject to the Board's sole discretion to approve, deny, or modify a proposed project and to consider factors that would accompany CEQA review. Authorization of any future project activities would occur only following compliance with CEQA, and the CDC and CEO will return to the Board for consideration of a Final Environmental Impact Report and recommendations.

Upon approval of the recommended actions, the CDC will file a Notice of Exemption with the Registrar-Recorder/County Clerk in accordance with Section 15062 of the State CEQA Guidelines on behalf of the County and the CDC.

CONTRACTING PROCESS

The contracting of the predevelopment work with Trammel Crow Company is handled through a two-step process. The County contracted with LACF, and LACF subsequently contracted with Trammel Crow Company, to perform the predevelopment work. The amendment to the PDA between the County and LACF, included as Attachment A, is consistent with the terms of the amendment to the PDA between LACF and Trammel Crow Company, which is included for reference as Attachment B. In addition, the exclusive negotiating agreement will be amended to reflect the additional negotiating period with TC LA Development, Inc.

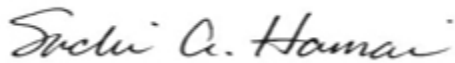
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended actions facilitate the completion of the predevelopment work and will have no impact on County programs.

CONCLUSION

Please return one adopted copy of this Board letter to the CEO, Capital Programs Division, and one adopted copy to the Community Development Commission.

Respectfully submitted,



SACHI A. HAMAI
Chief Executive Officer



MONIQUE KING-VIEHLAND
Executive Director

SAH:JJ:DPH
BMB:AMA:PB:gw

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Mental Health
Treasurer and Tax Collector
Workforce Development, Aging and Community
Services

**FIRST AMENDMENT
TO PRE-DEVELOPMENT AGREEMENT
(County/LACF)**

This First Amendment to Pre-Development Agreement (County/LACF) (this "**Amendment**"), effective as of _____, 2018, is entered into by and between COUNTY OF LOS ANGELES, a body corporate and politic ("**County**"), acting by and through its Community Development Commission of the County of Los Angeles, a body corporate and politic ("**Commission**") and Los Angeles County Facilities, Inc., a California nonprofit public benefit corporation ("**LACF**"). County and LACF are each occasionally referred to herein as a "**Party**" or collectively as the "**Parties**."

RECITALS

A. County and LACF are parties to that certain Pre-Development Agreement (County/LACF) dated as of August 18, 2016 (the "**PDA**"), pursuant to which LACF was engaged by County to perform certain pre-development services in connection with the construction and development of the Proposed Project identified therein. All capitalized terms used but not otherwise defined in this Amendment shall have the meaning ascribed to them in the PDA.

B. Section 2 of the PDA provides that, if the Term is going to terminate pursuant to clause (v) of Section 2, the Parties may elect to extend the Term for an additional ninety (90) days. On or before January 31, 2018, pursuant to that certain Letter Agreement, a copy of which is attached hereto as Exhibit A, the Parties mutually agreed to extend the Term by ninety (90) days to May 1, 2018.

C. County estimates that compliance with all applicable requirements under California Environmental Quality Act, Public Resources Sections 21000 *et seq.* ("**CEQA**") for the transactions and development contemplated by the Project Agreements, including but not limited to certification of the Environmental Impact Report (the "**EIR**") for the Proposed Master Project, will be completed on or about May 31, 2018. Compliance with CEQA requirements and certification of the EIR by the Los Angeles County Board of Supervisors (the "**Board**") is a condition precedent to County's execution and delivery of the Project Agreements.

D. County estimates that after the EIR is completed by staff, an additional ninety (90) days may be needed to allow for adoption of the EIR by the Board, approval or disapproval of the Proposed Project by the Board, and preparation of any approved agreements for execution by the Parties.

E. Section 5.1 of the PDA requires LACF to actively monitor the expenditure and continued expected expenditure of Pre-Development Costs and promptly notify County in writing when LACF reasonably suspects that any category of expenditure or the aggregate total of the Pre-Development Costs will exceed the amounts set forth in the Estimated Pre-Development Costs.

F. Section 5.2 of the PDA requires LACF to promptly seek County's prior written approval if Pre-Development Costs in each primary category, or in the aggregate, are in excess of the estimated cost set forth in the Estimated Pre-Development Costs, as such amounts may be adjusted from time to time in writing by the Parties.

G. LACF has provided written notice to County indicating that additional Phase II environmental investigation is required to address two issues identified in the initial site due diligence: two potential leaks from previously capped oil wells and a leak from an abandoned underground storage tank. TCLA has received estimates for the costs of additional Phase II environmental investigation, including preparation of a Site Mitigation / Health and Safety work plan, a Supplemental Phase II Investigation Report, a Soil Management Plan, a Hazardous Materials Survey Reports and Hazardous Materials Bid Specification Documents to determine the extent of the issues that will need to be addressed. The estimated cost of this additional Phase II environmental investigation is \$349,780 (the "**Additional Phase II Cost**").

H. County has determined that two additional floors shall be added to the proposed DMH office tower in order to provide office space for Workforce Development, Aging and Community Services (the "**WDACS Space**"). TCLA has prepared a scope of work and budget for the predevelopment work necessary to complete the preliminary tenant improvement programming and space plan for the WDACS Space, the estimated cost of which is \$599,348 (the "**WDACS Cost**" and together with the Additional Phase II Cost, the "**Additional Pre-Development Costs**").

I. County and LACF now desire to amend and modify certain terms of the PDA, subject to and in accordance with the terms of this Amendment, in order to extend the Term, to add the Additional Pre-Development Costs to the Estimated Pre-Development Costs, and to set forth an Agreed Cost Adjustment.

AGREEMENT

NOW, THEREFORE, in consideration of the Recitals set forth above and the representations, warranties, covenants and conditions contained in this Amendment, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, County and LACF agree as follows:

1. **Extension of Term.** Section 2 of the PDA shall be amended and restated in its entirety as follows:

The term of this Agreement (the "**Term**") shall commence on the latest to occur of (a) the Effective Date or (b) the effective date of the LACF/TCLA Agreement and terminate on the earliest of (v) September 30, 2018, (w) ten (10) business days after LACF has received written notice from County terminating this Agreement, (x) ten (10) business days after either Party has received written notice from the other Party terminating this Agreement as a result of an uncured default under Section 12, (y) the

effective date of the Project Agreements, or (z) the date on which the LACF/TCLA Agreement expires or is terminated. If the Term is going to terminate pursuant to Clause (v) of this Section 2, the Parties may elect, at each Party's discretion, to extend the Term for an additional ninety (90) days.

2. **Agreed Cost Adjustment.** Pursuant to Section 5.2 of the PDA, the Parties agree that the Additional Pre-Development Costs shall be added to the Estimated Pre-Development Costs, and that Exhibit B to the LACF/TCLA Agreement shall be amended and restated in its entirety, in the form set forth as Schedule 1 attached hereto. The amended and restated Exhibit B shall constitute an Agreed Cost Adjustment.

3. **LACF Fee During Extended Term.** Commencing on February 1, 2018 and continuing until the Term expires or the Maximum Fee (as defined herein) is reached, County shall pay LACF the LACF Fee in the amount of six thousand dollars (\$6,000) per month, in arrears, for each calendar month, up to a maximum amount of thirty-six thousand dollars (\$36,000) (the "**Maximum Fee**"), subject to and in accordance with the terms of Section 8.1 of the PDA. The LACF Fee during such period shall be paid from the "Development Management and Contingency" line items in the Agreed Cost Adjustment attached as Schedule 1 hereto.

4. **PDA Remains in Full Force and Effect.** Except as amended by this Amendment, the PDA remains in full force and effect. In the event of any inconsistency between the terms of the PDA and the terms of this Amendment, the terms of this Amendment shall prevail and control.

5. **Counterparts.** This Amendment may be signed in multiple counterparts each of which shall be deemed an original, but all of which shall, taken together, be but one and the same instrument. This Amendment may be delivered by facsimile or electronic mail.

6. **Incorporation.** Each of the Recitals in this Amendment and the Exhibits mentioned herein are hereby incorporated herein by this reference.

7. **Entire Agreement.** This Amendment reflects, supersedes and merges all the prior agreements and negotiations of the Parties with respect to its subject matter, and contains their entire agreement with respect to the subject matter set forth herein.

[signatures on next page]

IN WITNESS WHEREOF, County and LACF have executed and delivered this Amendment as of the date first written above.

LACF:

LOS ANGELES COUNTY FACILITIES, INC.,
a California nonprofit public benefit corporation

By: _____
Name: _____
Title: _____

COUNTY:

COUNTY OF LOS ANGELES,
a public body, corporate and politic

By: _____
Monique King-Viehland,
Executive Director
Community Development Commission of
the County of Los Angeles

APPROVED AS TO FORM:

MARY C. WICKHAM
COUNTY COUNSEL

By: _____
Behnaz Tashakorian
Senior Deputy

Schedule 1

“Exhibit B (Estimated Pre-Development Costs)”

[attached]

Exhibit B
Estimated Pre-Development Costs

Vermont-Corridor-Pre-Development-Budget
22-June-16

	GSF
Below Grade Parking	52,400
Podium Parking	386,120
Podium Parking	508,389
Shatto Parking Structure	337,095
	1,284,004

BUDGET LINE ITEM	Budget
Project Scoping	
Project Scoping	
Architect	\$300,000
Structural	\$29,000
Civil	\$6,750
Audio Visual	\$11,700
Consultant Mark-Up	\$4,745
Project Scoping Total	\$352,195
Site Due Diligence	
Site Due Diligence	
Phase I	\$25,000
Phase II Environmental	\$100,000
Geotechnical	\$85,000
ALTA Survey	\$20,000
Site Construction Survey	\$25,000
Site Utility Study	\$50,000
Site Due Diligence Total	\$305,000
Schematic Design and Basis of Design Deliverables	
Schematic Design and Basis of Design	
Architect	\$825,000
MEP Engineering	\$227,333
Parking Structure Consultant	\$25,000
Structural	\$165,000
Vertical Transportation	\$45,000
LEED/Well	\$5,000
Landscape	\$29,000
Civil	\$27,000
AV	\$4,600
Acoustics	\$6,800
Consultant Mark-Up	\$28,240
Schematic Design and Basis of Design Total	\$1,387,973

Design Development

Design Development

Architect	\$1,650,000
MEP Engineering	\$412,333
Parking Structure Consultant	\$62,500
Structural	\$182,500
Technology (IT & Security)	\$54,000
Architectural Lighting	\$32,000
Energy Modeling	\$40,000
LEED/Well	\$10,000
Landscape	\$36,250
Civil	\$27,000
Acoustics	\$4,300
Consultant Mark-Up	\$57,105
Commissioning	\$75,000

Design Development Total

\$2,642,988

Plan Check Ready Construction Documents

Plan Check Ready Construction Documents

Architect	\$1,050,000
MEP Engineering	\$296,834
Parking Structure Consultant	\$62,500
Structural	\$397,500
Technology (IT & Security)	\$12,000
Vertical Transportation	\$65,000
Architectural Lighting	\$13,000
Energy Modeling	\$55,000
LEED/Well	\$15,000
Landscape	\$42,350
Civil	\$47,250
AV	\$48,000
Acoustics	\$17,000
Consultant Mark-Up	\$78,160
Commissioning	\$75,000

Plan Check Ready Construction Documents Total

\$2,274,594

Entitlements

Entitlements

Land Use Legal	\$250,000
Traffic Study	\$120,000
Water and Sewer Study	\$70,000
Water Supply Assessment	\$50,000
Drainage and Water Quality	\$15,000
Community Outreach	\$210,000
Document Control	\$50,000
Planning Fees for Entitlement	\$100,000
CEQA Consultants/Report	\$350,000

Entitlements Total

\$1,215,000

Construction Agreement and Costs

Construction Agreement and Costs

GC Pre-Construction Fees	\$600,000
Project Reimbursement (including architect reimbursements for all)	\$77,933

Development Team Total	\$677,933
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Transactional & Financing

Transaction & Financing

Transactional Legal	\$185,000
Development Management	\$240,000
Financial	\$100,000

Transactional Total	\$525,000
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PRE-DEVELOPMENT BUDGET TOTAL **\$9,380,683**

Vermont Corridor
Phase II Environmental Additional Scope Breakdown
Dated October 16, 2017

BUDGET LINE ITEM	Budget
Additional Phase II Environmental Investigation	
Project Consultants (Tetra Tech)	
Tetra Tech Amendment II PHASE II SCOPE	
County Fire Health and Safety Plan (HASP) Prep and other Admin	\$6,400
Work Plan for Additional Phase II Investigation (required for County HASP)	\$5,300
Permits and Permit Application for Phase II Investigation	\$10,500
Traffic Control for UST-Related Investigation at Shatto	\$6,900 *
Utility clearance of borings and groundwater (temp GWM well) locations	\$3,450
Soil and groundwater sampling at various locations per HASP	\$67,600 *
Geophysical anomaly investigation	\$35,280 *
Laboratory (Mobile and stationary)	\$41,300 *
Data evaluation and report for supplemental Phase II investigation	\$18,900
Locate abandoned in-place UST	\$7,550 *
Consultation and meetings with regulatory agencies	\$11,500 *
Investigation-derived waste (IDW) disposal	\$4,950
Tetra Tech onsite Project Management	\$7,700
Soil Management Plan (SMP) preparation per HHMD SMU	\$6,300
Phase II Scope Total	\$233,630
Tetra Tech Amendment II Additional Hazardous Materials Surveys	
Hazardous materials and Lead surveys and reports (Shatto, Red Tag and 510 Vermont)	\$33,550 *
Hazardous materials bid specification documents	\$4,150
Phase II Scope Total	\$37,700
Oil Well	
Additional Oil Well remediation discovery by Thomas Walker per discussions with County Fire	\$15,000
Phase II Scope Total	\$15,000
Other Related Fees	
Other Related Fees	
Regulatory Agency Oversight Fees	\$25,000
Project Consultants Total	\$25,000
Development Management and Contingency	
Development Management & Contingency	
Development Management	\$0 *
LACF	\$7,000
Development Management	\$7,000
CONTINGENCY -Tetra Tech Amendment II Additional Phase II Services that may occur due to above scope	
Difficult drilling conditions and slow groundwater recharge	\$9,250
Hazardous materials/drilling and methane probe coordination	\$4,400
Site visit meeting by HHMD representative to discuss soil and groundwater sampling	\$1,250
Off-site documents review related to on-site UST, including communication with agencies and related consultants	\$2,100
Additional required meetings with HHMD	\$3,050
Additional T&M for misc. investigations, HASP and HHMD-SMU reports and requirements	\$11,400
Phase II Scope Total	\$31,450
Total Additional Phase II Environmental Investigation Costs	\$349,780

Vermont Corridor Estimated Project Budget

CSS TI Build-Out / Floors 5 & 6 (Prelim programming and space plan ONLY)

Revised and Updated October 30, 2017

BUDGET LINE ITEM	Budget
Pre-Development Costs	
Design Consultants (Plan Check and Construction Administration)	
Design Consultants (Plan Check and Construction Administration)	
Architect TI/Structural/Code and Life Safety/Acoustical/Lighting	\$194,250
Reimbursables (NTE and T&M)	\$10,500
Design Consultant Total	\$204,750
Project Consultants	
Project Consultants	
GC Pre-Construction Fees	\$49,000
GC MEP&F Design-Build Fees	\$41,628
Commissioning	\$4,900
WELL	\$15,000
Reimbursables (NTE & T&M)	\$5,000
Project Consultants Total	\$115,528
Development Management and Contingency	
Development Management & Contingency	
Development Management	\$115,000
County Design and Programming Revision Allowance	\$84,000
Pre-Development Project Contingency (25%)	\$80,070
Development Management & Contingency Total	\$279,070
TOTAL Pre-Development Prelim Program Proposal	\$599,348

Exhibit A
Letter Agreement
[attached]



COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles
700 W. Main Street • Alhambra, CA 91801
Tel: 626.262.4511 • TDD: 626.943.3898 • www.lacdc.org

Hilda L. Solis
Mark Ridley-Thomas
Sheila Kuehl
Janice Hahn
Kathryn Barger
Commissioners

January 29, 2018

Los Angeles County Facilities, Inc.
c/o Public Facilities Group
1414 Fourth Avenue
Seattle Washington 98101
Attn: John Finke

Dear LACF:

PRE-DEVELOPMENT AGREEMENT (COUNTY/LACF) – 90-DAY EXTENSION OF TERM

Reference is made to a certain Pre-Development Agreement (County/LACF) dated as of August 18, 2016 (the "Agreement"), by and between County of Los Angeles, a body corporate and politic ("County"), acting by and through its Community Development Commission of the County of Los Angeles, a body corporate and politic, and Los Angeles County Facilities, Inc., a California nonprofit public benefit corporation ("LACF"). Capitalized terms used herein that are not otherwise defined shall have the respective meanings given to them in the Agreement. Section 2 of the Agreement provides that, if the Term is going to terminate pursuant to clause (v) of Section 2, the Parties may elect, at each Party's discretion, to extend the Term for an additional ninety (90) days.

County previously informed LACF that additional time is needed for County to perform its review and compliance with applicable requirements under California Environmental Quality Act, Public Resources Sections 21000 *et seq.* ("CEQA") for the transactions and development contemplated by the Project Agreements, including but not limited to certification of the Environmental Impact Report (the "EIR") for the Proposed Master Project. Compliance with CEQA requirements and certification of the EIR by the Los Angeles County Board of Supervisors is a condition precedent to County's execution and delivery of the Project Agreements.

Accordingly, County and LACF hereby agree to extend the Term by an additional ninety (90) days to May 1, 2018.

Except as expressly amended or waived or otherwise specifically provided herein, all of the terms and conditions of the Agreement shall remain in full force and effect.

We **Build Better Lives**
& **Better Neighborhoods**



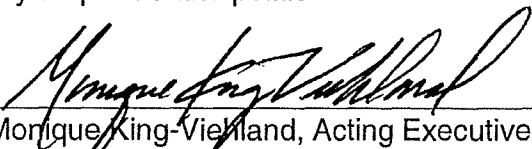
January 29, 2018
Los Angeles County Facilities, Inc.
Hillis Clark Martin & Peterson, PS
Page 2 of 2

Please acknowledge your agreement to the foregoing, by signing in the space provided below.

If you should have any questions concerning this agreement of this letter, please call Kathy Thomas, Director of Economic and Housing Development Division at (626) 586-1816 or Carey Jenkins, Manager of Economic Development at (626) 586-1854.

Sincerely,

COUNTY OF LOS ANGELES,
a body corporate and politic

By: 
Monique King-Vienland, Acting Executive Director
Community Development Commission of the
County of Los Angeles

CONSENTED AND AGREED TO:

LOS ANGELES COUNTY FACILITIES, INC.,
a California nonprofit public benefit corporation

By: 
Its: John Finke, President

C: Steven R. Rovig

**FIRST AMENDMENT
TO EXCLUSIVE NEGOTIATING AGREEMENT**

This First Amendment to Exclusive Negotiating Agreement (this "**Amendment**"), effective as of _____, 2018, is entered into by and between COUNTY OF LOS ANGELES, a public body, corporate and politic ("**County**") and TC LA DEVELOPMENT, INC., a Delaware corporation ("**TCLA**"). County and TCLA are each occasionally referred to herein as a "**Party**" or collectively as the "**Parties.**"

RECITALS

A. County and TCLA are parties to that certain Exclusive Negotiating Agreement dated as of August 18, 2016 (the "**ENA**"), pursuant to which TCLA was engaged by County to be the master developer of the Proposed Master Project (as defined in the ENA). All capitalized terms used but not otherwise defined in this Amendment shall have the meaning ascribed to them in the ENA.

B. Section 2.1 of the ENA provides that, if the Term is going to terminate pursuant to clause (a) of Section 2.1, the Parties may elect to extend the Term for an additional ninety (90) days. On or before January 31, 2018, pursuant to that certain Letter Agreement, a copy of which is attached hereto as Exhibit A, the Parties mutually agreed to extend the Term by ninety (90) days to May 1, 2018.

C. County estimates that compliance with all applicable requirements under California Environmental Quality Act, Public Resources Sections 21000 *et seq.* ("**CEQA**") for the transactions and development contemplated by the Project Agreements, including but not limited to certification of the Environmental Impact Report (the "**EIR**") for the Proposed Master Project, will be completed on or about May 31, 2018. Compliance with CEQA requirements and certification of the EIR by the Los Angeles County Board of Supervisors (the "**Board**") is a condition precedent to County's execution and delivery of the Project Agreements.

D. County estimates that after the EIR is completed by staff, an additional ninety (90) days may be needed to allow for adoption of the EIR by the Board, approval or disapproval of the Proposed Master Project by the Board, and preparation of any approved agreements for execution by the Parties.

E. County and TCLA now desire to amend and modify certain terms of the ENA in order to extend the Term, subject to and in accordance with the terms of this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the Recitals set forth above and the representations, warranties, covenants and conditions contained in this Amendment, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, County and TCLA agree as follows:

1. **Extension of Term.** Section 2.1 of the ENA shall be amended and restated in its entirety as follows:

The term of this Agreement (the "**Term**") shall commence on the Effective Date and terminate on the earliest of (a) September 30, 2018, (b) twenty (20) business days after TCLA has received written notice from County stating that County desires to terminate this Agreement at its sole and absolute discretion, (c) twenty (20) business days after either Party has received written notice from the other Party stating that such Party desires to terminate this Agreement as a result of an uncured Default under Section 20, or (d) the effective date of the Options to Ground Lease. If the Term is going to terminate pursuant to Clause (a) of this Section 2.1, the Parties may elect, at each Party's discretion, to extend the Term for an additional ninety (90) days.

2. **Counterparts.** This Amendment may be signed in multiple counterparts each of which shall be deemed an original, but all of which shall, taken together, be but one and the same instrument. This Amendment may be delivered by facsimile or electronic mail.

3. **Incorporation.** Each of the Recitals in this Amendment mentioned herein are hereby incorporated herein by this reference.

4. **Entire Agreement.** This Amendment reflects, supersedes and merges all the prior agreements and negotiations of the Parties with respect to its subject matter, and contains their entire agreement with respect to the subject matter set forth herein.

[signatures on next page]

IN WITNESS WHEREOF, County and TCLA have executed and delivered this Amendment as of the date first written above.

TCLA:

TC LA DEVELOPMENT, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

COUNTY:

COUNTY OF LOS ANGELES,
a public body, corporate and politic

By: _____
Monique King-Viehland,
Executive Director
Community Development Commission of
the County of Los Angeles

APPROVED AS TO FORM:

MARY C. WICKHAM
COUNTY COUNSEL

By: _____
Behnaz Tashakorian
Senior Deputy

Exhibit A
Letter Agreement
[attached]

January 31, 2018

TC LA Development, Inc.
2221 Rosecrans Ave., Suite 200
El Segundo, California 90245
Attn: Greg Ames

Re: Exclusive Negotiating Agreement (County/TCLA)—90-Day Extension of Term

Dear TC LA Development, Inc.:

Reference is made to that certain Exclusive Negotiating Agreement dated as of August 18, 2016 (the "**Agreement**"), by and between County of Los Angeles, a public body, corporate and politic ("**County**") and TC LA Development, Inc., a Delaware corporation (together with its permitted assigns, collectively, "**TCLA**"). Capitalized terms used herein that are not otherwise defined shall have the respective meanings given to them in the Agreement.

Section 2.1 of the Agreement provides that, if the Term is going to terminate pursuant to clause (a) of Section 2.1, the Parties may elect, at each Party's discretion, to extend the Term for an additional ninety (90) days.

County previously informed TCLA that additional time is needed for County to perform its review and compliance with applicable requirements under California Environmental Quality Act, Public Resources Sections 21000 *et seq.* ("**CEQA**") for the transactions and development contemplated by the Project Agreements, including but not limited to certification of the Environmental Impact Report (the "**EIR**") for the Proposed Master Project. Compliance with CEQA requirements and certification of the EIR by the Los Angeles County Board of Supervisors is a condition precedent to County's execution and delivery of the Project Agreements.

Accordingly, County and TCLA hereby agree to extend the Term by an additional ninety (90) days to May 1, 2018.

Except as expressly amended or waived or otherwise specifically provided herein, all of the terms and conditions of the Agreement shall remain in full force and effect.

Please acknowledge your agreement to the foregoing, by signing in the space provided below.

Very truly yours,

COUNTY OF LOS ANGELES,
a public body, corporate and politic

By: _____
Monique King-Viehland,
Executive Director
Community Development Commission of
the County of Los Angeles

APPROVED AS TO FORM:

MARY C. WICKHAM
COUNTY COUNSEL

By: _____
Behnaz Tashakorian
Senior Deputy

CONSENTED AND AGREED TO:

TC LA DEVELOPMENT, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

**FIRST AMENDMENT
TO PRE-DEVELOPMENT AGREEMENT
(LACF/TCLA)**

This First Amendment to Pre-Development Agreement (LACF/TCLA) (this "**Amendment**"), effective as of _____, 2018, is entered into by and between Los Angeles County Facilities, Inc., a California nonprofit public benefit corporation ("**LACF**") and TC LA Development, Inc., a Delaware corporation (together with its permitted assigns, collectively, "**TCLA**"). LACF and TCLA are each occasionally referred to herein as a "**Party**" or collectively as the "**Parties**."

RECITALS

A. LACF and TCLA are parties to that certain Pre-Development Agreement (LACF/TCLA) dated as of August 31, 2016 (the "**PDA**"), pursuant to which TCLA was engaged by LACF to perform certain pre-development services in connection with the construction and development of the Proposed Project identified therein. All capitalized terms used but not otherwise defined in this Amendment shall have the meaning ascribed to them in the PDA.

B. Section 2 of the PDA provides that, if the Term is going to terminate pursuant to clause (a) of Section 2, the Parties may elect to extend the Term for an additional ninety (90) days. On or before January 31, 2018, pursuant to that certain Letter Agreement, a copy of which is attached hereto as Exhibit A, the Parties mutually agreed to extend the Term by ninety (90) days to May 1, 2018.

C. County estimates that compliance with all applicable requirements under California Environmental Quality Act, Public Resources Sections 21000 *et seq.* ("**CEQA**") for the transactions and development contemplated by the Project Agreements, including but not limited to certification of the Environmental Impact Report (the "**EIR**") for the Proposed Master Project, will be completed on or about May 31, 2018. Compliance with CEQA requirements and certification of the EIR by the Los Angeles County Board of Supervisors (the "**Board**") is a condition precedent to County's execution and delivery of the Project Agreements.

D. County estimates that after the EIR is completed by staff, an additional ninety (90) days may be needed to allow for adoption of the EIR by the Board, approval or disapproval of the Proposed Project by the Board, and preparation of any approved agreements for execution by the Parties.

E. Section 4.1 of the PDA requires TCLA to actively monitor the expenditure and continued expected expenditure of Pre-Development Costs and promptly notify LACF in writing when TCLA reasonably suspects that the total cost of any one of the eight categories of the Estimated Pre-Development Costs or the aggregate total of the Pre-Development Costs will exceed the amounts set forth in the Estimated Pre-Development Costs.

F. Section 4.2 of the PDA requires TCLA to promptly seek LACF's prior written approval if Pre-Development Costs in each primary category, or in the aggregate, are in excess of the estimated cost set forth in the Estimated Pre-Development Costs, as such amounts may be adjusted from time to time in writing by the Parties.

G. TCLA has provided written notice to LACF indicating that additional Phase II environmental investigation is required to address two issues identified in the initial site due diligence: two potential leaks from previously capped oil wells and a leak from an abandoned underground storage tank. TCLA has received estimates for the costs of additional Phase II environmental investigation, including preparation of a Site Mitigation / Health and Safety work plan, a Supplemental Phase II Investigation Report, a Soil Management Plan, a Hazardous Materials Survey Reports and Hazardous Materials Bid Specification Documents to determine the extent of the issues that will need to be addressed. The estimated cost of this additional Phase II environmental investigation is \$349,780 (the "**Additional Phase II Cost**").

H. The Chief Executive Office of the County of Los Angeles has determined that two (2) additional floors shall be added to the proposed DMH office tower in order to provide office space for Workforce Development, Aging and Community Services (the "**WDACS Space**"). TCLA has prepared a scope of work and budget for the predevelopment work necessary to complete the preliminary tenant improvement programming and space plan for the WDACS Space, the estimated cost of which is \$599,348 (the "**WDACS Cost**" and together with the Additional Phase II Cost, the "**Additional Pre-Development Costs**").

I. LACF and TCLA now desire to amend and modify certain terms of the PDA, subject to and in accordance with the terms of this Amendment, in order to extend the Term, to add the Additional Pre-Development Costs to the Estimated Pre-Development Costs, and to set forth an Agreed Cost Adjustment.

AGREEMENT

NOW, THEREFORE, in consideration of the Recitals set forth above and the representations, warranties, covenants and conditions contained in this Amendment, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, LACF and TCLA agree as follows:

1. **Extension of Term.** Section 2 of the PDA shall be amended and restated in its entirety as follows:

The term of this Agreement (the "**Term**") shall commence on the Effective Date and terminate on the earliest of (a) January 31, 2018, (b) ten (10) business days after TCLA has received written notice from LACF stating that County has notified LACF that it is terminating the County/LACF Agreement, (c) ten (10) business days after either Party has received written notice from the other Party terminating this Agreement as a result

of an uncured default under Section 11, or (d) the effective date of the Project Agreements. If the Term is going to terminate pursuant to Clause (a) of this Section 2, the Parties may elect, at each Party's discretion, to extend the Term for an additional ninety (90) days.

2. **Agreed Cost Adjustment.** Pursuant to Section 4.2 of the PDA, the Parties agree that the Additional Pre-Development Costs shall be added to the Estimated Pre-Development Costs, and that Exhibit B to the PDA shall be amended and restated in its entirety, in the form set forth as Schedule 1 attached hereto. The amended and restated Exhibit B shall constitute an Agreed Cost Adjustment.

3. **PDA Remains in Full Force and Effect.** Except as amended by this Amendment, the PDA remains in full force and effect. In the event of any inconsistency between the terms of the PDA and the terms of this Amendment, the terms of this Amendment shall prevail and control.

4. **Counterparts.** This Amendment may be signed in multiple counterparts each of which shall be deemed an original, but all of which shall, taken together, be but one and the same instrument. This Amendment may be delivered by facsimile or electronic mail.

5. **Incorporation.** Each of the Recitals in this Amendment and the Exhibits mentioned herein are hereby incorporated herein by this reference.

6. **Entire Agreement.** This Amendment reflects, supersedes and merges all the prior agreements and negotiations of the Parties with respect to its subject matter, and contains their entire agreement with respect to the subject matter set forth herein.

[signatures on next page]

IN WITNESS WHEREOF, LACF and TCLA have executed and delivered this Amendment as of the date first written above.

LACF:

Los Angeles County Facilities, Inc.,
a California nonprofit public benefit corporation

By: _____
Name: _____
Title: _____

TCLA:

TCLA Development, Inc.,
a Delaware corporation

By: _____
Name: _____
Title: _____

Schedule 1

“Exhibit B (Estimated Pre-Development Costs)”

[attached]

Exhibit B
Estimated Pre-Development Costs

Vermont-Corridor-Pre-Development-Budget
22-June-16

	GSF
Below Grade Parking	52,400
Podium Parking	386,120
Podium Parking	508,389
Shatto Parking Structure	337,095
	1,284,004

BUDGET LINE ITEM	Budget
------------------	--------

Project Scoping

Project Scoping

Architect	\$300,000
Structural	\$29,000
Civil	\$6,750
Audio Visual	\$11,700
Consultant Mark-Up	\$4,745

Project Scoping Total

\$352,195

Site Due Diligence

Site Due Diligence

Phase I	\$25,000
Phase II Environmental	\$100,000
Geotechnical	\$85,000
ALTA Survey	\$20,000
Site Construction Survey	\$25,000
Site Utility Study	\$50,000

Site Due Diligence Total

\$305,000

Schematic Design and Basis of Design Deliverables

Schematic Design and Basis of Design

Architect	\$825,000
MEP Engineering	\$227,333
Parking Structure Consultant	\$25,000
Structural	\$165,000
Vertical Transportation	\$45,000
LEED/Well	\$5,000
Landscape	\$29,000
Civil	\$27,000
AV	\$4,600
Acoustics	\$6,800
Consultant Mark-Up	\$28,240

Schematic Design and Basis of Design Total

\$1,387,973

Design Development

Design Development

Architect	\$1,650,000
MEP Engineering	\$412,333
Parking Structure Consultant	\$62,500
Structural	\$182,500
Technology (IT & Security)	\$54,000
Architectural Lighting	\$32,000
Energy Modeling	\$40,000
LEED/Well	\$10,000
Landscape	\$36,250
Civil	\$27,000
Acoustics	\$4,300
Consultant Mark-Up	\$57,105
Commissioning	\$75,000

Design Development Total **\$2,642,988**

Plan Check Ready Construction Documents

Plan Check Ready Construction Documents

Architect	\$1,050,000
MEP Engineering	\$296,834
Parking Structure Consultant	\$62,500
Structural	\$397,500
Technology (IT & Security)	\$12,000
Vertical Transportation	\$65,000
Architectural Lighting	\$13,000
Energy Modeling	\$55,000
LEED/Well	\$15,000
Landscape	\$42,350
Civil	\$47,250
AV	\$48,000
Acoustics	\$17,000
Consultant Mark-Up	\$78,160
Commissioning	\$75,000

Plan Check Ready Construction Documents Total **\$2,274,594**

Entitlements

Entitlements

Land Use Legal	\$250,000
Traffic Study	\$120,000
Water and Sewer Study	\$70,000
Water Supply Assessment	\$50,000
Drainage and Water Quality	\$15,000
Community Outreach	\$210,000
Document Control	\$50,000
Planning Fees for Entitlement	\$100,000
CEQA Consultants/Report	\$350,000

Entitlements Total **\$1,215,000**

Construction Agreement and Costs

Construction Agreement and Costs

GC Pre-Construction Fees	\$600,000
Project Reimbursement (including architect reimbursements for all)	\$77,933

Development Team Total	\$677,933
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Transactional & Financing

Transaction & Financing

Transactional Legal	\$185,000
Development Management	\$240,000
Financial	\$100,000

Transactional Total	\$525,000
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PRE-DEVELOPMENT BUDGET TOTAL	\$9,380,683
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Vermont Corridor
Phase II Environmental Additional Scope Breakdown
Dated October 16, 2017

BUDGET LINE ITEM	Budget
Additional Phase II Environmental Investigation	
Project Consultants (Tetra Tech)	
Tetra Tech Amendment II PHASE II SCOPE	
County Fire Health and Safety Plan (HASP) Prep and other Admin	\$6,400
Work Plan for Additional Phase II Investigation (required for County HASP)	\$5,300
Permits and Permit Application for Phase II Investigation	\$10,500
Traffic Control for UST-Related Investigation at Shatto	\$6,900 *
Utility clearance of borings and groundwater (temp GWM well) locations	\$3,450
Soil and groundwater sampling at various locations per HASP	\$67,600 *
Geophysical anomaly investigation	\$35,280 *
Laboratory (Mobile and stationary)	\$41,300 *
Data evaluation and report for supplemental Phase II investigation	\$18,900
Locate abandoned in-place UST	\$7,550 *
Consultation and meetings with regulatory agencies	\$11,500 *
Investigation-derived waste (IDW) disposal	\$4,950
Tetra Tech onsite Project Management	\$7,700
Soil Management Plan (SMP) preparation per HHMD SMU	\$6,300
Phase II Scope Total	\$233,630
Tetra Tech Amendment II Additional Hazardous Materials Surveys	
Hazardous materials and Lead surveys and reports (Shatto, Red Tag and 510 Vermont)	\$33,550 *
Hazardous materials bid specification documents	\$4,150
Phase II Scope Total	\$37,700
Oil Well	
Additional Oil Well remediation discovery by Thomas Walker per discussions with County Fire	\$15,000
Phase II Scope Total	\$15,000
Other Related Fees	
Other Related Fees	
Regulatory Agency Oversight Fees	\$25,000
Project Consultants Total	\$25,000
Development Management and Contingency	
Development Management & Contingency	
Development Management	\$0 *
LACF	\$7,000
Development Management	\$7,000
CONTINGENCY -Tetra Tech Amendment II Additional Phase II Services that may occur due to above scope	
Difficult drilling conditions and slow groundwater recharge	\$9,250
Hazardous materials/drilling and methane probe coordination	\$4,400
Site visit meeting by HHMD representative to discuss soil and groundwater sampling	\$1,250
Off-site documents review related to on-site UST, including communication with agencies and related consultants	\$2,100
Additional required meetings with HHMD	\$3,050
Additional T&M for misc. investigations, HASP and HHMD-SMU reports and requirements	\$11,400
Phase II Scope Total	\$31,450
Total Additional Phase II Environmental Investigation Costs	\$349,780

Vermont Corridor Estimated Project Budget

CSS TI Build-Out / Floors 5 & 6 (Prelim programming and space plan ONLY)

Revised and Updated October 30, 2017

BUDGET LINE ITEM	Budget
Pre-Development Costs	
Design Consultants (Plan Check and Construction Administration)	
Design Consultants (Plan Check and Construction Administration)	
Architect TI/Structural/Code and Life Safety/Acoustical/Lighting	\$194,250
Reimbursables (NTE and T&M)	\$10,500
Design Consultant Total	\$204,750
Project Consultants	
Project Consultants	
GC Pre-Construction Fees	\$49,000
GC MEP&F Design-Build Fees	\$41,628
Commissioning	\$4,900
WELL	\$15,000
Reimbursables (NTE & T&M)	\$5,000
Project Consultants Total	\$115,528
Development Management and Contingency	
Development Management & Contingency	
Development Management	\$115,000
County Design and Programming Revision Allowance	\$84,000
Pre-Development Project Contingency (25%)	\$80,070
Development Management & Contingency Total	\$279,070
TOTAL Pre-Development Prelim Program Proposal	\$599,348

Exhibit A
Letter Agreement
[attached]

January 31, 2018

TC LA Development, Inc.
2221 Rosecrans Ave., Suite 200
El Segundo, California 90245
Attn: Greg Ames

Community Development Commission of the
County of Los Angeles
700 West Main Street
Alhambra, California 91801
Attn: Monique King-Viehlend, Executive
Director

Re: Pre-Development Agreement (LACF/TCLA)—90-Day Extension of Term

Dear TC LA Development, Inc.:

Reference is made to a certain Pre-Development Agreement (County/LACF) dated as of August 31, 2016 (the "**Agreement**"), by and between Los Angeles County Facilities, Inc., a California nonprofit public benefit corporation ("**LACF**") and TC LA Development, Inc., a Delaware corporation (together with its permitted assigns, collectively, "**TCLA**"). Capitalized terms used herein that are not otherwise defined shall have the respective meanings given to them in the Agreement.

Section 2 of the Agreement provides that, if the Term is going to terminate pursuant to clause (a) of Section 2, the Parties may elect, at each Party's discretion, to extend the Term for an additional ninety (90) days.

County previously informed LACF and TCLA that additional time is needed for County to perform its review and compliance with applicable requirements under California Environmental Quality Act, Public Resources Sections 21000 *et seq.* ("**CEQA**") for the transactions and development contemplated by the Project Agreements, including but not limited to certification of the Environmental Impact Report (the "**EIR**") for the Proposed Master Project. Compliance with CEQA requirements and certification of the EIR by the Los Angeles County Board of Supervisors is a condition precedent to County's execution and delivery of the Project Agreements.

Accordingly, LACF and TCLA hereby agree to extend the Term by an additional ninety (90) days to May 1, 2018.

Except as expressly amended or waived or otherwise specifically provided herein, all of the terms and conditions of the Agreement shall remain in full force and effect.

Please acknowledge your agreement to the foregoing, by signing in the space provided below.

Very truly yours,

Los Angeles County Facilities, Inc.,
a California nonprofit public benefit corporation

By: _____
Name: _____
Title: _____

CONSENTED AND AGREED TO:

§

¶

TCLA Development, Inc.,
a Delaware corporation

By: _____
Name: _____
Title: _____