



SACHI A. HAMAI  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

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*"To Enrich Lives Through Effective And Caring Service"*

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June 06, 2018

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

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

12 June 6, 2018

CELIA ZAVALA  
ACTING EXECUTIVE OFFICER

Dear Supervisors:

**NINE-YEAR LEASE  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
1 CIVIC PLAZA DRIVE, CARSON  
(SECOND DISTRICT)  
(3 VOTES)**

### SUBJECT

Approval of a proposed nine-year lease for approximately 91,277 square feet of office space and 365 parking spaces for the Department of Children and Family Services.

### **IT IS RECOMMENDED THAT THE BOARD:**

1. Consider the Negative Declaration together with the fact that no comments were received during the public review process, find on the basis of the whole record that the project will not have a significant effect on the environment and no adverse effect on fish and wildlife resources, find that the Negative Declaration reflects the independent judgment of the Board of Supervisors to approve the Negative Declaration, adopt the Negative Declaration, and instruct the Chief Executive Officer, or her designee, to complete and file the appropriate determination forms as to the project.
2. Authorize the Chief Executive Officer, or her designee, to sign the proposed lease with Brunswig, LP, for approximately 91,277 square feet of office space and 365 parking spaces at 1 Civic Plaza Drive, Carson, for the Department of Children and Family Services, and to execute lease amendments to expand the premises by up to 36,138 square feet with additional parking spaces. The initial base annual rental cost is \$2,103,022, which is 68.8 percent federal and State funded, and 31.2 percent net County cost.

3. Authorize the Chief Executive Officer, or her designee, to reimburse the Landlord up to \$7,941,099 for additional tenant improvements costs. The reimbursement will be one or more lump-sum payments, or monthly payments fully amortized over nine years, including interest, at 6.25 percent per annum of \$96,323.58. This results in initial maximum annual rental costs of \$3,258,905, which consists of base rent at \$2,103,022 and additional tenant improvement costs at \$1,155,883, should the entire allowance amount be expended. These costs are 68.8 percent federal and State funded, and 31.2 percent net County cost.
  
4. Authorize the Director of Children and Family Services, or his designee, to contract with the Internal Services Department (ISD) for the acquisition and installation of telephone, data, and low-voltage systems at a cost not to exceed \$3,675,000. The amount of \$1,653,750 will be paid via a lump sum payment by the Department of Children and Family Services to ISD, and the remaining amount of \$2,021,250 will be financed over a five-year term. As a secondary option, authorize the Chief Executive Officer, or her designee, to contract with ISD or a County-approved vendor at a cost not to exceed \$3,675,000, which will be reimbursed by the Department via a lump sum payment. Authorize the Chief Executive Officer, or her designee, to direct the delivery of low-voltage systems by the ISD or a County-approved vendor at its discretion.
  
5. Authorize the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed lease, and authorize the Chief Executive Officer, the Directors of Children and Family Services and Internal Services, or their designees, to take the actions necessary and appropriate to implement the project. The proposed lease will be effective upon adoption by the Board of Supervisors.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Department of Children and Family Services (DCFS), Compton Regional Office, currently provides comprehensive child protection and adoption services from two facilities: 921 East Compton Boulevard, Compton (Compton East) and 11539 Hawthorne Boulevard, Hawthorne (Compton West). Together, the Compton East and West offices provide a system of direct comprehensive child protection to ensure child safety, reduce time to permanent placement and reliance on out-of-home care. DCFS also works in collaboration with the Departments of Mental Health, Public Social Services and Health Services on-site at these two existing facilities to provide direct services with the goals of child protection and family preservation. DCFS utilizes approximately 30,090 square feet at Compton East and 31,382 square feet at Compton West as administrative office and public service space for 243 and 201 staff, respectively.

The proposed lease will relocate and consolidate all services at Compton East and West to the proposed premises. The vacated space at Compton East will be backfilled by the Probation Department. The vacated space at Compton West will be backfilled by approximately 190 overflow DCFS personnel currently housed at 5100 Goldleaf Circle, Los Angeles, with the remaining workstations available to accommodate future growth. The proposed lease will enhance operational effectiveness through consolidation into a single facility located within the service area and the accommodation of additional staffing to address the expanded caseload. The new facility will be utilized for administration and public service, both in-house and in the field. The premises will accommodate 490 staff with available workstations to accommodate future growth for DCFS and collaborative staff from other departments. In addition to the employees, it is anticipated that an average of approximately 50 clients per day will be visiting the premises for services. DCFS programs are most effective when located in the same geographic area as its clients, providers, and stakeholders.

The proposed lease provides the County with the option to expand the premises as additional staff are hired. Initially, the proposed premises will be comprised of 91,277 square feet. The County has an option of an additional 24,875 square feet of space which is currently being designed for expansion as Phase Two with occupancy targeted for commencement in Fall 2019. Phase Three will consist of 11,263 square feet of more option space and should be ready for occupancy in 2020 as existing tenants vacate space in the building.

In order to accommodate the new DCFS staff, the Chief Executive Office (CEO) is seeking temporary space until such time as the option spaces become available. Current efforts are being focused on locating any vacant space in County owned properties. However, if additional interim space is required for DCFS until the option space at 1 Civic Plaza becomes available, the CEO will return to the Board with recommendations regarding leasing interim space.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan Goal 1 of “Make Investments That Transform Lives” directs that we will aggressively address society’s most complicated social, health, and public safety challenges. We want to be a highly responsive organization capable of responding to complex societal challenges – one person at a time. The Countywide Strategic Plan Goal 2 of “Foster Vibrant and Resilient Communities” directs that our investments in the lives of County residents are sustainable only when grounded in strong communities. We want to be the hub of a network of public-private partnering agencies supporting vibrant communities. The Countywide Strategic Plan Goal 3 of “Realize Tomorrow’s Government Today” directs that our increasingly dynamic, and complex environment, challenges our collective abilities to respond to public needs and expectations. We want to be an innovative, flexible, effective, and transparent partner focused on advancing the common good. The County is supporting these goals through provision of uninterrupted, consolidated, and enhanced services at a facility central to the service community. The proposed lease is in conformance with the Asset Management Principles as further outlined in Attachment A.

### **FISCAL IMPACT/FINANCING**

The proposed lease will provide DCFS with approximately 91,277 square feet of office space, and 365 parking spaces at a maximum first year rental cost of \$3,258,905 which is comprised of the \$2,103,022 initial annual base rent, and \$1,155,883 maximum annual amortized reimbursement by the County for tenant improvements, should the entire allowance amount be expended.

The aggregate costs set forth in the proposed lease that would be payable to the landlord over the nine-year term would be approximately \$32,658,801 which includes annual rent increase projections based on the Consumer Price Index (CPI) capped at 4 percent per annum. The aggregate costs for the proposed lease and related low-voltage costs would be \$36,771,571. Attachment B provides an overview of the proposed lease and low-voltage costs.

Sufficient funding for the proposed lease, Tenant Improvement (TI) reimbursements, and low-voltage costs are included in the Fiscal Year (FY) 2018 19 Rent Expense budget and will be billed back to DCFS. DCFS has allocated sufficient funds in its FY 2018-19 operating budget to cover the projected proposed lease, TI reimbursements, and low-voltage costs, which are 68.8 percent federal and State funded, and 31.2 percent net County cost.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed lease includes the following provisions:

- The lease will be effective upon adoption by the Board of Supervisors.
- A nine-year term that commences 15 days after completion of the TIs by the Landlord and acceptance of the Premises by the County.
- A full-service gross lease obligating the Landlord to pay for all operating, maintenance, and utility expenses associated with the County's occupancy.
- The County will have two options to renew the proposed lease for an additional five years at fair market rental value.
- The County will have an option to lease additional premises under the prevailing terms and conditions of the proposed lease and work letter.
- The County will have the option to purchase at fair market value after the initial lease term subject to approval by the Board of Supervisors.
- The County will have the right to cancel the proposed lease at any time after 60 months of the original term upon 180 days prior written notice and subject to the reimbursement of the unamortized cost of the Additional TI allowance.
- The Landlord will provide a non-reimbursable base TI allowance of \$2,464,479, or \$27 per square foot, included in the lease.
- The Landlord is willing to advance an additional TI cost of \$7,941,099 or \$87 per square foot which will be reimbursed by the County. The maximum reimbursable TI funds payable to the Landlord equal \$7,941,099, which may be paid via lump sum payments, or amortized over nine years at an interest rate of 6.25 percent per annum, resulting in maximum annual reimbursement payments of \$1,155,883, should the entire amount be expended.
- Annual rental rate adjustments based upon CPI, capped at 4 percent per annum.
- The use of 365 parking spaces which is included as part of the rent and additional parking will be provided upon expansion of the premises.

The Chief Executive Office (CEO) issued an open and competitive bulletin soliciting space within a seven-mile radius of 921 East Compton Avenue, Compton, to fulfill this DCFS space requirement. Further, CEO surveyed the area and did not find any sites that could accommodate the DCFS requirement more economically, nor are there any County-owned or leased facilities available. Based upon a survey of available industry data, staff has established that the annual rental range for similar space is between \$23.04 and \$26.40 per square foot per year, on a full-service gross basis, including parking. Thus, the base annual rent of \$23.04 per square foot per year including parking for the proposed lease represents a rate within the lower range of the market for the area. Attachment C shows County-owned or leased facilities similar to 921 East Compton Avenue, in the proximity of the service area. However, there are no suitable County-owned or leased facilities available for the program.

Based on County policy, the Department of Public Works has determined that the building's structural system is suitable for County leased buildings.

Notification letters have been sent pursuant to Government Code Sections 25351 and 65402. The County has authority to enter into the proposed lease under Government Code Section 25351. County Counsel has reviewed the attached lease and has approved it as to form.

The proposed lease will provide an appropriate location for the provision of DCFS services, which is consistent with the County's facility location policy, as adopted by the Board of Supervisors on July 24, 2012, and further outlined in Attachment D.

### **ENVIRONMENTAL DOCUMENTATION**

The CEO has made an initial study of environmental factors and concluded that the project will have no significant impact on the environment and no adverse effect on wildlife resources. Accordingly, an Initial Study and Negative Declaration have been prepared in compliance with the California Environmental Quality Act (CEQA) and California Administrative Code, Section 15072. Copies of the completed study, the resulting Negative Declaration, and the Notice of Intent to Adopt a Negative Declaration/Mitigated Negative Declaration are attached. No comments to this proposed action/project were received during the review period.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed lease will provide the necessary office space for this County requirement. DCFS concurs with the proposed recommendation.

### **CONCLUSION**

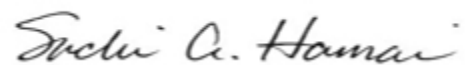
It is requested that the Executive Office, Board of Supervisors, return a certified copy of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division, at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012, for further processing.

The Honorable Board of Supervisors

6/6/2018

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Respectfully submitted,

A handwritten signature in cursive script that reads "Sachin A. Hamai".

SACHI A. HAMAI

Chief Executive Officer

SAH:DPH:DL

JLC:NH:ls

Enclosures

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

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
1 CIVIC PLAZA DRIVE, CARSON  
Asset Management Principles Compliance Form<sup>1</sup>**

1.	<b>Occupancy</b>		Yes	No	N/A	
	A	Does lease consolidate administrative functions? <sup>2</sup>	X			
	B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>	X			
	C	Does this lease centralize business support functions? <sup>2</sup>			X	
	D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>186 sq. ft. per person for 490 staff in 91,277 sq. ft. of space.</b>	X			
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? <sup>2</sup>	X			
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? <sup>2</sup>	X			
2.	<b>Capital</b>					
	A	Is it a substantial net County cost (NCC) program? <b>68.8% federal and State funded.</b>		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.	<b>Portfolio Management</b>					
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X			
	B	Was the space need justified?	X			
	C	If a renewal lease, was co-location with other County departments considered?			X	
	D	Why was this program not co-located?				
		1. ___ The program clientele requires a "stand alone" facility.				
		2. ___ No suitable County occupied properties in project area.				
		3. ___ No County-owned facilities available for the project.				
		4. ___ Could not get City clearance or approval.				
	5. <u>X</u> The Programs are co-located.					
E	Is lease a full service lease? <sup>2</sup>	X				
F	Has growth projection been considered in space request?	X				
G	Has the Dept. of Public Works completed seismic review/approval?	X				
<sup>1</sup> As approved by the Board of Supervisors 11/17/98						
<sup>2</sup> If not, why not?						

## OVERVIEW OF THE PROPOSED LEASE COSTS

<b>1 CIVIC PLAZA DRIVE</b>	<b>PROPOSED LEASE</b>
Area (square feet)	91,277
Term	Nine years
Annual Base Rent	\$2,103,022 (\$23.04/sq. ft.)
Annual TI Reimbursement <sup>(1)</sup>	\$1,155,883 (\$12.66 per sq. ft. annually)
Total Annual Lease Costs <sup>(2)</sup>	\$3,258,905 (\$34.53 per sq. ft. annually)
Base Rent Adjustment	Annual CPI adjustments capped at 4 percent

	<u>Base Rent</u>	<u>Tenant Improvements</u>	<u>Total Due Under Lease</u>	<u>Low Voltage Cost</u>	<u>Total Costs</u>
<b>First Year Lease Costs:</b>	\$2,103,022	\$1,155,883	\$3,258,905	\$2,145,554 <sup>(3)</sup>	\$5,404,459
<b>Nine-Year Lease Costs:</b>	\$22,255,852 <sup>(4)</sup>	\$10,402,949 <sup>(1)</sup>	\$32,658,801	\$4,112,770	\$36,771,571

(1) Based upon the full reimbursable amount of \$7,941,099 amortized over 9 years at 6.25% interest.

(2) This is the sum of annual base rent and annual TI reimbursement.

(3) The total low voltage costs of \$3,675,000 is split between labor and materials. The low voltage labor costs amounts to \$1,653,750 and will be paid by DCFS in a lump sum payment. The low voltage materials cost amounts to \$2,021,250 and will be financed over five years at 8% interest resulting in an annual payment of \$491,804. The first year low voltage cost is \$1,653,750 plus \$491,804.

(4) This includes a projection of CPI indexed annual increases in base rent at a maximum of 4 percent per annum.



ATTACHMENT C

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
SPACE SEARCH: SEVEN-MILE RADIUS OF PROPERTIES  
SIMILAR TO: 921 EAST COMPTON BOULEVARD, COMPTON**

LACO	FACILITY	ADDRESS	OWNERSHIP	GROSS SQFT	NET SQFT	VACANT SQFT
A133	Child Support Services - Division II Headquarters	5770 S Eastern Ave City Of Commerce 90040	Leased	84,477	63,413	NONE
1180	Rancho - Hariman Building 400 - Administration	7601 E Imperial Hwy Downey 90242	Owned	85,879	39,566	NONE
A139	DCFS - South County (SPA 8)	4060 Watson Plaza Dr Lakewood 90712	Leased	87,200	60,265	NONE
3385	Rancho - Hospital Office Building 500,501,502 & 503	7601 E Imperial Hwy Downey 90242	Financed	88,104	62,246	NONE
A614	DPSS - Southwest Spec District (Vermont Villa	1819 Charlie Sifford Drive Los Angeles 90047	Leased	88,546	84,119	NONE
D600	Downey Courthouse	7500 E Imperial Hwy Downey 90242	State of California	103,503	77,003	NONE
0005	Bellflower Courthouse	10025 E Flower St. Bellflower 90706	State of California	110,287	45,966	NONE
A551	DPSS - WFP&I & South Reg IV IHSS/Adult Services	12000 Hawthorne Blvd Hawthorne 90250	Leased	132,996	106,397	NONE
C600	DPSS - South Family AP/Special District Offices	17600 S Santa Fe Ave Rancho Dominguez 90221	Leased	133,000	102,785	NONE
A643	South L.A. County Administration Building	8300 S Vermont Ave Los Angeles 90044	Leased	210,000	195,316	NONE
D912	PW - Inc City Office (Santa Fe Springs)	11710 Telegraph Rd Santa Fe Springs 90670	Gratis	221,285	221,285	NONE
5685	Norwalk Courthouse	12720 Norwalk Blvd Norwalk 90650	State of California	225,008	137,779	NONE
A767	DC&FS - Children's Advocacy Center - Annalee Elem	19410 Annalee Ave Carson 90746	Gratis	305,356	305,356	NONE
6059	Downey Admin Center - Administrative Center Building	9150 E Imperial Hwy Downey 90242	Owned	327,971	246,733	NONE
6420	Compton Courthouse	200 W Compton Blvd Compton 90220	State of California	576,466	257,217	NONE
A760	DC&FS - Children's Advocacy Center - Washington High	10860 S Denker Ave Los Angeles 90047	Gratis	629,878	629,878	NONE
A772	Children's Advocacy Center - Compton High	601 S Acacia Ave Compton 90220	Gratis	695,218	695,218	NONE
A769	DC&FS - Children's Advocacy Center - Bell High	4328 Bell Ave Bell 90201	Gratis	789,743	789,743	NONE
A773	DC&FS - Children's Advocacy Center - Long Beach Poly	1600 Atlantic Ave Long Beach 90813	Gratis	986,634	986,634	NONE
A768	DC&FS - Children's Advocacy Center - Carson High	22328 S Main St. Carson 90745	Gratis	1,294,603	1,294,603	NONE
A771	Children's Advocacy Center - Centennial High	2606 N Central Ave Compton 90222	Gratis	1,427,897	1,427,897	NONE

## FACILITY LOCATION POLICY ANALYSIS

**Proposed lease:** Nine-year lease for the Department of Children and Family Services (DCFS) – 1 Civic Plaza Drive, Carson – 2<sup>nd</sup> District. The proposed lease contains a County cancellation right at any time after 60 months of the lease term upon 180 days prior written notice.

**A. Establish Service Function Category** – Regional and local administrative office and direct public service.

**B. Determination of the Service Area** – The proposed lease will provide DCFS office space for administrative, office, and field-based services to residents in the service community.

### C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: DCFS programs are most effective when located within the same geographic area as its consumers, providers and stakeholders. The consolidated DCFS programs will provide a central location within the designated service area.
- Need for proximity to existing County facilities: It is DCFS' desire to collaborate with County Department partners, such as the Departments of Public Social Services and Mental Health whenever possible. The subject facility is located within five miles of other offices housing Public Social Services, Mental Health and the Sheriff's Department.
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services.
- Availability of affordable housing for County employees: The surrounding area provides housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: This will be a County leased facility available to meet the DCFS' ongoing service needs.
- Compatibility with local land use plans: The City of Carson has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.

- Estimated acquisition/construction and ongoing operational costs: The initial maximum annual base rent of \$2,103,022 combined with the annual amortized cost of the tenant improvements reimbursable to Landlord in the amount of \$1,155,886, total \$32,658,801 over the nine-year term of the lease. The lease costs are 68.8 percent federal and State funded, and 31.2 percent net County cost.

**D. Analyze results and identify location alternatives**

Based upon a survey of available industry data, staff has established that the annual rental range for similar space is between \$23.04 and \$26.40 per square foot per year, on a full-service gross basis, including parking, for the proposed lease and represents a rate within the market range for the area over the nine-year lease term.

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

The proposed lease will provide adequate and efficient office space for DCFS employees and clients consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012. There are no available buildings in the area that meet Department requirements.

COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE  
LEASE AGREEMENT

TENANT:

COUNTY OF LOS ANGELES  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

LANDLORD:

BRUNSWIG OFFICE CENTER, LP,  
a California Limited Partnership

ONE CIVIC PLAZA DRIVE  
CARSON, CALIFORNIA

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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



COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE  
LEASE AGREEMENT

THIS LEASE ("Lease") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2018 between BRUNSWIG OFFICE CENTER, LP, a California Limited Partnership ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant").

Landlord and Tenant agree:

1. BASE 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: Jamison Services  
3470 Wilshire Boulevard, Suite 700  
Los Angeles, California 90010
- b. Tenant's Address for Notice: Board of Supervisors  
Kenneth Hahn Hall of Administration  
Room 383  
500 West Temple Street  
Los Angeles, California 90012
- With a copy to:
- Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate  
Fax Number: (213) 830-0926
- c. Premises: Approximately 91,277 rentable square feet in the Building (defined below) as shown on Exhibit A attached hereto.
- d. Building: The Building and appurtenant parking located at One Civic Plaza Drive, Carson, California, which is currently assessed by the County Assessor as APN 7337-005-017, 7337-005-021 and 7337-004-047,

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

- e. Term: Nine (9) years commencing 15 days after Tenant's Acceptance of the Premises as defined in Section 4.1 (the "Commencement Date"); and terminating at midnight on the day before the ninth 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 an option has been validly exercised.
- f. Projected Commencement Date: The later of January 31, 2019, or seven (7) months after issuance of all building permits and the commencement of construction of the Tenant improvements, subject to the provisions of the Lease and Work Letter herein.
- g. Irrevocable Offer Expiration Date: June 30, 2018
- h. Base Rent: \$175,251.84 per month (which is based upon a rental rate of \$1.92 per square foot adjustable only as provided in Sections 2.2 and 5 hereof.)
- i. Early Termination: At or any time after the last day of 60 full calendar months from the Commencement Date of the Lease Term.
- j. Rentable/gross Square Feet in the Premises: 91,277 (adjustable only as provided in Section 2.2 and Section 33 hereof)
- k. Use: The Premises together with all appurtenances thereto, or in any wise appertaining, shall be used as governmental office and public service space or for other government purposes

	
Initial	

during normal working hours, after normal working hours, and on weekends and holidays.

- l. Initial Departmental Use: General governmental office and public service use for the Department of Children and Family Services
- m. Parking Spaces: 365 non-exclusive parking spaces located on-site as defined in Section 21
- n. Normal Working Hours: 7:00 a.m. to 7:00 p.m., Monday through Friday and 9:00 a.m. to 2:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California
- o. Phase One or Asbestos Report: A report dated May 15, 2014 prepared by ENCON Solutions, Inc., a licensed California contractor.
- p. Disabled Access Survey Not applicable.
- q. Seismic Report A report dated March 6, 2017, prepared by the Department of Public Works.

1.2. Defined Terms Relating to Landlord's Work Letter

- a. Base Tenant Improvement Allowance: \$2,464,479 (which is based upon \$27 per rentable square foot)
- b. Additional Tenant Improvement Allowance: \$7,941,099 (which is based upon \$87 per rentable square foot)
- c. Additional Tenant Improvement Amortization Rate: 6.25% per annum
- d. Base Rent Reduction: Intentionally left blank
- e. Tenant's Work Letter Representative: An assigned staff person of the Chief Executive Office Real Estate Division

f. Landlord's Work Letter Representative: Juliette Kim, or an assigned staff person of the Landlord

g. Landlord's Address for Work Letter Notice: Juliette Kim  
Jamison Services, Inc.  
5000 E. Spring St., Suite 320  
Long Beach, CA 90815

With a copy to:

Jaime Lee  
Jamison Services  
3470 Wilshire Boulevard, Suite 700  
Los Angeles, California 90010

h. Tenant's Address for Work Letter Notice: Board of Supervisors  
Kenneth Hahn Hall of Administration  
Room 383  
500 West Temple Street  
Los Angeles, California 90012

With a copy to:

Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate  
Fax Number: (213) 217-4971

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

1.4. Landlord's Work Letter: Landlord's Work Letter  
Addendum A: Base Building  
(Executed concurrently with Improvements  
this Lease and incorporated Addendum B: Tenant Improvements  
herein by this reference): Addendum C: Memorandum of Tenant  
Improvement Cost

1.5. Supplemental Lease Document I: Subordination, Non-

Documents:

(Delivered to Landlord and incorporated herein by this reference):

Disturbance and  
Attornment Agreement  
Document II: Tenant Estoppel  
Certificate  
Document III: Community Business  
Enterprises Form  
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 square footage and reduce the Base Rent in Section 1 accomplished by the mutual execution of a memorandum of understanding between the Landlord and the Tenant. Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no adjustment made to either the square footage or the Base Rent in the event the measured square footage exceeds the amount represented by Landlord. Should Landlord and Tenant not agree with respect to the results of the measurement 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

The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within 30 days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing a Commencement Date Memorandum and Confirmation of Lease Terms in the form attached as Exhibit C. The Commencement Date shall be the earlier of the commencement of Tenant's business operations or 15 days after Tenant's Acceptance of the Premises. The term "Tenant's Acceptance of the Premises" as used in this Lease shall mean the date upon which the Tenant Improvements and Premises are Substantially Complete, Tenant has inspected the Premises and Tenant has accepted the Tenant Improvements the Premises. The term "Substantial Completion" as used in this Lease shall mean compliance with all of the following:

a. The shell and core of the Building are complete and in compliance with all applicable laws and codes, and all of the building systems are operational to the extent necessary to service the Premises. Landlord has completed all site improvements, upgrades and replacements to the Base Building in compliance with all codes including American with Disabilities Act (ADA) and Los Angeles County Department of Public Works Real Property Acquisition and Evaluation Policy, such that Tenant can conduct normal business operations from the Premises;

b. Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease and the Landlord Work Letter, including the installation of modular furniture systems, if so required (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises;

c. Landlord has obtained a certificate of occupancy for the Building, or a temporary certificate of occupancy for that portion of the Building that includes all of the Premises, or its equivalent;

d. Tenant has been provided with the number of parking privileges and spaces to which it is entitled under this Lease; and

e. If Landlord is responsible for the installation of telecommunications systems, then such systems shall be completely operational.

##### 4.2. Termination Right

If the Commencement Date has not occurred within 90 days from the Projected Commencement Date, subject to Tenant Delays or Force Majeure Delays, as provided in Landlord's Work Letter executed concurrently herewith, then Tenant may thereafter, at any time before the Commencement Date occurs, terminate this Lease effective upon the giving of written notice to Landlord 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 nor any other charges 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 specified in Section 1, by giving Landlord not less than 180 days prior written notice executed by the Chief Executive Officer of Tenant. In the event of Tenant's exercise of Tenant's early termination right during the original term of this Lease, Tenant shall pay Landlord an amount equal to the unamortized cost of the Additional Tenant Improvement Allowance.

#### 4.5 Option to Extend the Term

(a) Terms of Options. Provided that no material Default has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have two (2) options to renew this Lease for an additional period of five (5) years (the "Extension Term").

(b) Exercise of Option. Tenant must exercise its options to extend this Lease by

(i) giving Landlord written notice of its intention to do so (its "Notice of Intent") which shall be no earlier than one-hundred-eighty (180) days prior to the end of the initial Term, and

(ii) after Market Rental Value has been determined as provided below, and after the Board of Supervisors has approved the exercise of the option to renew, by giving written notice of its election to exercise such option. It is understood that Tenant will not exercise its option until after the Board of Supervisors has approved doing so, which will not be prior to the determination of the Market Rental Value as provided below. If the Board of Supervisors has not approved the exercise of such option prior to ninety (90) days after the expiration of the Term of this Lease as then in effect, Tenant shall be entitled to holdover as provided in this Lease.

(c) Terms and Conditions of the Extension Term. The Extension Term shall be on all the terms and conditions of this Lease, except that the Base Rent during the Extension Term shall be equal to one hundred percent (100%) of Market Rental Value for the Premises as of the commencement of the Extension Term ("Adjusted Market Rental Value") to be determined as set forth below.

(d) Agreement on Base Rent. Landlord and Tenant shall have ninety (90) days after Landlord receives the Notice of Intent in which to agree on the Base Rent during the Extension Term. The Base Rent during the Extension Term(s) shall be the Adjusted Market Rental Value of the Premises calculated as of the date Tenant gives its Notice of Intent with respect to its option to extend.

(e) Market Rental Value. The term "Market Rental Value" shall be the rental rate that comparable Premises in the market in which the Premises is located would command for the same term as the Extension Term on the open market at the time Tenant provides its Notice of Intent, as determined jointly by Landlord and Tenant. For purposes hereof, the term "comparable Premises" shall mean premises in a Building similar in size and location to the Building, excluding any improvements installed by Tenant in the Building. In determining the Market Rental Value, appropriate consideration shall be given to Tenant's credit worthiness, the annual amount per rentable square foot that Landlord has accepted in current transactions between non-affiliated parties from new, non-expansion, non-renewal and non-equity tenants of comparable credit-worthiness for comparable premises for a comparable use for a comparable period of time, the annual rental rates per square foot, the standard of measurement by which the rentable square footage is measured, the ratio of rentable square feet to usable square feet, the type of escalation clause (e.g., whether increases in additional rent are determined on a net or gross basis, and if gross, whether such increases are determined according to a base year or a base dollar amount expense stop), the extent of Tenant's liability under the lease, parking rights and obligations, signage rights, abatement provisions reflecting free rent and/or no rent during the period of construction or subsequent to the commencement date as to the space in question, brokerage commissions, if any, which would be payable by Landlord in similar transactions, length of the lease term, size and location of the Building being leased, and other general applicable conditions of tenancy for such comparable transactions.

(f) Opinions. Landlord shall submit its opinion of Market Rental Value to Tenant within fifteen (15) business days after Landlord's receipt of the Notice of Intent and Tenant shall respond thereto within ten (15) business days thereafter by either (a) accepting Landlord's opinion of Market Rental Value (in which case, such Market Rental Value shall be used to determine Base Rent during the Extension Term) or (b) submitting Tenant's opinion of Market Rental Value. If Landlord and Tenant cannot agree upon the Market Rental Value of the Premises within fifteen (15) days thereafter, then Landlord and Tenant within five (5) days shall each submit to each other their final written statement of Market Rental Value ("Final Statement"). Within ten (10) days thereafter Landlord and Tenant shall together appoint one real estate appraiser (who shall be a Member of the American Institute of Real Estate Appraisers) (or, if both Landlord and Tenant agree, a certified property manager with ten (10) years of experience) who will determine whether Landlord's or Tenant's Final Statement of Market Rental Value is the closest to the actual (in such appraiser's opinion) Market Rental Value of the Premises. If Landlord and Tenant cannot mutually agree upon an appraiser within said ten (10) day period, Tenant may apply to the Presiding Judge of the Superior Court for Los Angeles County, requesting said Judge to appoint an M.A.I. qualified appraiser. The appraiser so appointed shall promptly determine whether Landlord's or Tenant's Final Statement of Market Rental Value is the closest to the actual (in such appraisers' opinion) Market Rental Value of the Premises, and such Final Statement of Market Rental Value shall be the Market Rental Value used in determining the Base Rent during the Extension Term. The fees and expenses of the appraiser shall be borne equally by Landlord and Tenant. The appraiser appointed or



selected pursuant to this Section shall have at least ten (10) years of experience appraising commercial properties in Los Angeles County.

(g) Amendment of Lease. After the Board of Supervisors approves the exercise of any option granted pursuant to this Section, and such option is exercised, Landlord and Tenant shall execute an amendment to this Lease setting forth the new Base Rent in effect.

5. 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.

(a) CPI. From and after the first anniversary of the Commencement Date, on the first day of the first full calendar month thereafter (the "Adjustment Date") and on every anniversary of the Adjustment Date thereafter, the Base Rent shall be adjusted by applying the CPI Formula set forth below. The "Base Index" shall be the Index published for the month the Lease commences.

(b) CPI Formula. The Index means the Consumer Price Index for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Base Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Index published for the month the Lease commenced. If the Index is changed so that the Index differs from that used as of the Commencement Date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

(c) Illustration of Formula. The formula for determining the New Monthly Rent shall be as follows:


$$\frac{\text{New Index}}{\text{Base Index}} \times \$175,251.84(\text{Base Rent})$$

+ Amount needed to amortize Tenant's Additional Tenant Improvements, if any

+ Amount needed to amortize change order costs, if any

= New Monthly Rent

(d) Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI Formula result in an annual increase greater than four percent (4%) per year of the Base Rent. In no event shall the monthly rent be adjusted

	
Initial	

by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year of the Lease.

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 90 days written notice from Landlord or 30 days written notice from the Chief Executive Officer of Tenant at 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. Landlord, not 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, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises.

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, 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 unusable 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 unusable 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 Landlord written notice within ten days after Tenant's receipt of written 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 unusable. In the event that Tenant does not elect to terminate this Lease, then Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided that 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 diligently prosecute repair and restoration work with reasonable diligence to completion, then 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 next installment(s) of Base Rent 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) comply with all current laws, codes, and ordinances, including but not limited to the Americans With Disabilities Act; and are in reasonable good working order and condition;

b. The Building and Premises comply with all covenants, conditions, restrictions and underwriter’s requirement; and

c. The Premises, Building and Common Areas are free of the presence of Hazardous Materials (as hereinafter defined) and

d. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation.

e. Based upon a professional inspection of the Premises and the Building and the Phase One Report (as defined in Section 1.1) that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Phase One Report), Landlord shall, prior to Tenant’s occupancy, abate, at Landlord’s sole cost and expense, all asbestos containing materials to the extent required by law and provide Tenant with an updated report from a licensed California Asbestos contractor to that effect.

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.

i. the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, foundations, concealed electrical systems and telephone intra-building network cable;

ii. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Building

iii. the Common Areas;

iv. exterior windows of the Building;

v. elevators serving the Building.

b. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord’s repair obligations include, without limitation, repairs to:

- i. the floor covering (if such floor covering is carpeting it shall be replaced as needed but not less often than after five years of use);
- ii. interior partitions;
- iii. doors;
- iv. the interior side of demising walls (which shall be repainted as needed but not less often than every five years and
- v. signage
- vi. emergency exit signage and egress battery replacement.

10.3. Tenant Obligations

Without limiting Landlord's repair and maintenance obligations, Tenant shall, at Tenant's sole expense, be responsible for the (i) cost of repairing any area of the Property damaged by Tenant or by Tenant's agents, employees, invitees or visitors, and (ii) 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:

- a. be made and performed by contractors or mechanics approved by Landlord, which consent shall not be unreasonably withheld or delayed,
- b. be at least equal in quality, value and utility to the original work or installation, and
- c. be in accordance with all laws.

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 five 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 plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten days, Tenant shall be entitled to deduct from Base 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

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 addition, Landlord shall furnish HVAC, twenty-four (24) hours/seven (7) days a week, and 365 days per year dedicated to Tenant's Main Distribution Frame (MDF) and Intermediate Distribution Frame (IDF) Rooms.

b. Electricity

Landlord 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 Landlord 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

Landlord shall furnish freight and passenger elevator services to the Premises during Normal Working Hours. During all other hours, Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis, and, by prior arrangement with Landlord's building manager, freight elevator service.

d. Water

Landlord 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

Landlord, 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 hours 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

Landlord 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

Landlord agrees to pay, at its sole cost, 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, trash removal service, power charges associated with the HVAC, and other utility rents and charges accruing or payable in connection with the Premises and the Common Area during the Term of this Lease or any renewal, extension, or holdover thereof, whether the same are pro-rated or measured by separate meters. In the event Landlord fails or refuses to pay any or all such charges when due, Tenant may give Landlord ten (10) calendar days prior written notice and thereafter pay directly such charges and deduct the payments from the installments of rent next due as a charge against the Landlord.

12. TAXES

Landlord at its sole cost and expense, shall pay, prior to delinquency, 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.

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

13. LANDLORD ACCESS

Tenant shall permit Landlord and its agents to enter the Premises during Normal Working Hours 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, Base Rent shall be prorated based upon the percentage of the Premises or Building rendered unusable 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, 10.4, 18, 19, 21.2 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 five 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 five 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) plus interest at the rate of ten percent (10%) per annum from the installments of Base Rent next falling due;
- b. to pursue the remedy of specific performance;
- 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; and/or
- d. to terminate this Lease.

15.2. Waiver

Nothing herein contained shall relieve Landlord from its duty to affect 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 without first obtaining Landlord's prior consent: provided, however, no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations 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 in proportion to the degree with which Tenant's use of the Premises and the Common Areas is impaired by such Condemnation.

#### 18.4. Restoration

Notwithstanding the preceding paragraph, if, within 30 days after the Determination Date, Landlord notifies Tenant that Landlord, at its sole cost, will add to the remaining Premises and/or the Commons Areas 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 Base 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. Landlord's Indemnity

The landlord shall indemnify, defend and hold harmless the Tenant from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with the Landlord's negligence or willful misconduct (including repair, maintenance and other acts and omissions arising from and/or relating to the Landlord's ownership of the Premises), or arising from any breach or default under this Lease by Landlord. The foregoing provision 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.

19.2. Tenant's Indemnity

The Tenant shall indemnify, defend and hold harmless the Landlord, from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with the Tenant's negligence or willful misconduct (including repair, maintenance and other acts and omissions arising from and/or relating to the Tenant's use of the Premises), or arising from any breach or default under this Lease by Tenant. The foregoing provision 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.

20. INSURANCE: During the term of this Lease, the following insurance requirements will be in effect.

20.1. WAIVER

Both the Tenant and the Landlord each agree to release the other and waive their rights of recovery against the other for damage to their respective property arising from perils insured in the Causes-of-Loss Special Form (ISO form CP 10 30).


20.2. GENERAL INSURANCE PROVISIONS – LANDLORD'S REQUIREMENTS

Without limiting the Landlord's indemnification of Tenant and during the term of this Lease, and until all of its obligations pursuant to this Lease have been met, Landlord shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Lease. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Landlord pursuant to this Lease. The Tenant in no way warrants that the Required Insurance is sufficient to protect the Landlord for liabilities which may arise from or relate to this Lease.

**A. Evidence of Coverage and Notice to Tenant**

Certificate(s) of insurance coverage (Certificate) satisfactory to Tenant, and a copy of an Additional Insured endorsement confirming Tenant and its Agents (defined below) has given Insured status under the Landlord's General Liability policy, shall be delivered to Tenant at the address shown below and provided prior to the start day of this Lease.

Renewal Certificates shall be provided to Tenant not less than 10 days prior to Landlord's policy expiration dates. The Tenant reserves the right to obtain complete, certified copies of any required Landlord insurance policies at any time should litigation arise. Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by

	
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an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Landlord identified in the Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding twenty-five thousand (\$25,000.00) dollars, and list any endorsement forms required by this Lease. Notwithstanding the foregoing, financial ratings need not be shown on the Certificates but shall be provided separately.

Neither the Tenant's failure to obtain, nor the Tenant's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Landlord, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements, notices of cancellation shall be delivered to:

County of Los Angeles  
Chief Executive Office  
Real Estate Division  
222 S. Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012

and to:

Brunswig Office Center, LP  
c/o Jamison Services  
3470 Wilshire Boulevard, Suite 700  
Los Angeles, California 90010  
Attention: Paul Kim, Vice-President

Landlord will use reasonable efforts to notify Tenant of any third-party claim or suit filed against Tenant and known to Landlord which arises from or relates to this Lease, and in Landlord's judgment is likely to result in the filing of a claim or lawsuit against Landlord and/or Tenant.

#### **B. Additional Insured Status and Scope of Coverage**

The Tenant, which is the County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively Tenant and its Agents), shall be provided additional insured status under Landlord's General Liability policy with respect to liability arising from or connected with the Landlord's negligent acts, errors, and omissions. Tenant's additional insured status shall apply with respect to liability and defense of suits arising out of the Landlord's negligent acts or omissions. The full policy limits and scope of protection also shall apply to the Tenant as an additional insured, even if they exceed the Tenant's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

**C. Cancellation of or Changes in Insurance**

Landlord shall provide the Tenant with, or Landlord's insurance policies shall contain a provision that the Tenant shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to the Tenant at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance ("Insurance Notice") may constitute a material breach of the Lease. Should Landlord or its insurers fail to provide the required Insurance Notice within thirty (30) days of written notice from Tenant that it did not receive the required Insurance Notice, Tenant may suspend or terminate this Lease.

**D. Failure to Maintain Insurance**

Landlord's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Lease.

**E. Insurer Financial Ratings**

Insurance is to be provided by an insurance company authorized to do business in California and acceptable to the Tenant, with an A.M. Best rating of not less than A:VII, unless otherwise approved by the Tenant.

**F. Landlord's Insurance Shall Be Primary**

Landlord's insurance policies, with respect to any claims related to this Lease, shall be primary with respect to all other sources of coverage available to Tenant. Any Tenant maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Tenant coverage.

**G. Waiver of Subrogation**

To the fullest extent permitted by law, Landlord and Tenant hereby waive its and its insurer(s) rights of recovery against the other party under all required insurance policies for any loss arising from or related to this Lease. Landlord and Tenant shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.

**H. Deductibles and Self-Insured Retentions (SIRs)**

Landlord's policies shall not obligate the Tenant to pay any portion of any Tenant deductible of SIR.

**I. Claims Made Coverage**

If any part of the Required Insurance is written on claims made basis, any policy retroactive date shall precede the start date of this Lease. Landlord

understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Lease expiration, termination or cancellation.

**J. Application of Excess Liability Coverage**

Landlord may use a combination of primary and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

**K. Separation of Insureds**

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

**20.3. INSURANCE COVERAGE TYPES AND LIMITS**

**A. Tenant Requirements:** During the term of this Lease, Tenant shall maintain a program of insurance coverage as described below. Tenant, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self-insurance. Certificate evidencing coverage or letter evidencing self-funding will be provided to Landlord after execution of this Lease at Landlord's request.

**1. Commercial General Liability Insurance** providing scope of coverage equivalent to ISO policy form CG 00 01, naming Landlord and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$ 2 million
Products/Completed Operations Aggregate:	\$ 1 million
Personal and Advertising Injury:	\$ 1 million
Each Occurrence:	\$ 1 million

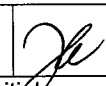
**20.4. Landlord Requirements:** During the term of this Lease, Landlord shall provide and maintain the following programs of insurance coverage:

**1. Commercial General Liability Insurance** providing scope of coverage equivalent to ISO policy form CG 00 01, naming Tenant and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$ 10 million
Products/Completed Operations Aggregate:	\$ 10 million
Personal and Advertising Injury:	\$ 5 million
Each Occurrence:	\$ 5 million

**2. Commercial Property Insurance.** Such insurance shall:

- Provide coverage for Landlord's property and any improvements and betterments; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), excluding earthquake and including flood and ordinance or law coverage.

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- Landlord shall carry insurance on any furniture and furnishings which will become the property of Tenant at the expiration of the Term and on all modular furniture installed in the Premises.

- Be written for the full replacement cost of the property, with a deductible no greater than \$250,000 or 5% of the property value, whichever is less. Insurance proceeds shall be payable to the Tenant and Landlord as their interests may appear.

## 21. PARKING

### 21.1. Tenant's Rights

Tenant shall have the right to the number of non-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 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) then Tenant shall provide thirty (30) days written notice to Landlord and Landlord shall have thirty (30) days to cure. If at the end of the thirty (30) day period, Landlord has not permanently cured, then Tenant may:

a. terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective 30 days thereafter, or

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

## 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 sub-tenants 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 those 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 in the Premises or a holder of any mortgage upon Landlord's interest in the Premises.

24. TENANT IMPROVEMENTS

Prior to the Commencement Date, Landlord shall construct the Tenant Improvements in the manner set forth in the Landlord's Work Letter executed by Landlord and Tenant concurrently herewith.

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 a "broom-clean" condition. 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 and building standards at Tenant's sole cost and expense.

#### 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.

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 ten (10) 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 Office of the (the "Chief Executive Office") 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. OPTION TO LEASE ADDITIONAL PREMISES

(a) Provided that no material Default has occurred and is continuing under the Lease, if at any time during the Lease Term, Landlord has or will have leasable space located contiguous to the Premises (the "Additional Premises"), Landlord shall give written notice to Tenant of the availability of such space ("Landlord's Lease Notice"). Landlord's Lease Notice shall constitute an offer to lease the Additional Premises to Tenant upon the terms and conditions, prevailing rental rate and pro rata tenant improvement allowances contained in this Lease and Work letter. Landlord's Lease Notice shall state the anticipated date of availability of the Additional Premises. Tenant shall have one-hundred-eighty (180) days after receipt of Landlord's Lease Notice to accept such offer. Tenant shall accept such offer, if at all, only by delivery to Landlord of Tenant's irrevocable written commitment to lease the Additional Premises at the prevailing rental rate and terms and conditions contained in this Lease and Work Letter (the "Expansion Commitment").

(b) If Tenant delivers to Landlord the Expansion Commitment within such one-hundred-eighty (180) day period, all (but not part) of the Additional Premises shall be leased to Tenant commencing on the earlier of (a) the date Tenant first uses the Additional Premises for the Permitted Use; or (b) fifteen (15) days after Landlord provides Tenant with possession of the Additional Premises and continuing for a period of time coterminous with the remaining Term, including any options to extend the Term. Tenant shall lease the Additional Premises upon the same terms, conditions, covenants and prevailing rental rate in this Lease.

(c) Except as otherwise set forth in Landlord's Lease Notice, possession of the Additional Premises shall be delivered to Tenant pursuant to the terms and conditions of this Lease and Work Letter. Landlord shall prepare and Landlord and Tenant shall execute and deliver a written agreement modifying and supplementing the Lease and specifying that the Additional Premises are part of the Premises and subject to all of the terms and conditions of the Lease.

(d) Time is of the essence with respect to the exercise by Tenant of its rights granted hereunder. In the event Tenant fails to deliver to Landlord Tenant's Expansion Commitment within the one-hundred-eighty (180) day period prescribed above, all rights of Tenant to lease the Additional Premises shall terminate and Landlord shall have no further obligation to notify Tenant of any proposed leasing of the Additional Premises, and Landlord shall thereafter have the unconditional right to lease the Additional Premises to third parties or to accept offers from third parties to lease the



Additional Premises without further obligation to Tenant. It is understood that Tenant will exercise this option subject to approval of the Board of Supervisors.

34. OPTION TO PURCHASE

(a) Right of Option. Provided that Landlord has not given Tenant written notice that a material Default has occurred and is continuing under the Lease at the time of Tenant's delivery of its Notice of Intent (as defined below), Tenant shall have the option to purchase the Property on the terms and conditions set forth herein (the "Purchase Option").

(b) Exercise of Option. To exercise its option, Tenant shall deliver to Landlord written notice of its intent to acquire the Property ("Notice of Intent"), stating the proposed closing date of the acquisition (the "Closing Date"), which shall be no later than eighteen (18) months after the date of such Notice of Intent and enclosing the form of a purchase and sale agreement and escrow instructions in the form then customarily used by Tenant (the "Purchase Contract") by which Landlord shall agree to convey the Property and Tenant shall agree to purchase the Property for Fair Market Value (as defined below) purchase price (as defined below). Landlord and Tenant shall execute such Purchase Contract within six (6) months after the date of the Notice of Intent or promptly after the determination of Fair Market Value is finalized pursuant to subsection (d) below, whichever is earlier, and deliver a copy thereof to an escrow holder selected by Tenant, in its sole discretion. Escrow fees shall be shared equally by Landlord and Tenant. Proration of expenses of the Property and the payment of closing costs shall be shared in accordance with the custom then prevailing in Los Angeles County, except as otherwise provided herein. The Term of this Lease shall be extended, as necessary, until the Closing Date or until the Purchase Contract is terminated in accordance with its terms; provided, however, if Landlord is in default in its obligation to diligently complete the closing of the sale, Tenant shall be entitled to pursue all available legal and equitable remedies to complete the purchase.

(c) Terms and Conditions of the Purchase Option. The Purchase Option may be exercised by Tenant at or any time after ten (10) years from the commencement of the Lease term and shall be at a purchase price equal to one-hundred percent (100%) of Fair Market Value (as defined below). It is understood that Tenant will exercise its option subject to approval of the Board of Supervisors, which will not be prior to the determination of the Fair Market Value as provided herein.

(d) Fair Market Value. The term "Fair Market Value", as determined jointly by Landlord and Tenant, shall be the purchase price that comparable properties, as defined below, in the market in which the Property is located would command on the open market at the time Tenant provides the Notice of Intent. For purposes hereof, the term "comparable properties" means improved properties similar in age, size and location to the Property. In determining the Fair Market Value, appropriate consideration shall be given to comparable properties for a comparable use for a comparable period of time, the annual rental rates per square foot, the standard of measurement by which the rentable square footage is measured, the ratio of rentable square feet to usable square feet, the type of escalation clause (e.g., whether increases in additional rent are determined on a net or gross basis, and if gross, whether such increases are determined according to a base year or a base dollar amount expense stop), the extent of tenant's liability under the lease, parking rights and obligations, signage rights, abatement provisions reflecting free rent and/or no rent during the period of construction or subsequent to the commencement date, brokerage commissions, if any, which would

be payable by Landlord in similar transactions, length of the lease term, age, size and location of the Building, and other general applicable conditions of sale or such comparable transactions.

(e) Opinions of Fair Market Value. Landlord shall submit its opinion of Fair Market Value to Tenant no later than thirty (30) days after Landlord's receipt of the Notice of Intent and Tenant shall respond no later than fifteen (15) days thereafter by either: (a) accepting Landlord's opinion of Fair Market Value (in which case, such Fair Market Value shall be used as the purchase price in the Purchase Contract, or (b) submitting Tenant's opinion of Fair Market Value. If Landlord's and Tenant's opinions of Fair Market Value are within ten percent (10%) of each other, then Landlord and Tenant, within fifteen (15) days thereafter, shall accept the mathematical average of Landlord's and Tenant's opinions of Fair Market Value, which shall be used as the Purchase Price for the Purchase Contract during the Option period. If Landlord and Tenant cannot agree upon the Fair Market Value of the Property within fifteen (15) days after Tenant's submission to Landlord of its opinion of value, then Landlord and Tenant within five (5) days of such fifteen (15) day period shall each submit to each other their final written statement of Fair Market Value ("Final Statement"). No later than ten (10) days after Tenant's submission of its Final Statement, Landlord and Tenant shall jointly appoint one real estate appraiser who will determine whether Landlord's or Tenant's Final Statement is the closest to the actual (in such appraiser's reasonable opinion) Fair Market Value of the Property. If Landlord and Tenant cannot mutually agree upon an appraiser within said ten (10) day period, Tenant may apply to the Presiding Judge of the Superior Court for Los Angeles County, requesting said Judge to appoint a qualified appraiser. The appraiser so appointed shall promptly determine whether Landlord's or Tenant's Final Statement is the closest to the actual (in such appraiser's reasonable opinion) Fair Market Value of the Property, and such Final Statement shall be the Fair Market Value used as the purchase price under the Purchase Contract. The fees and expenses of the appraiser(s) shall be shared equally by Landlord and Tenant. The appraiser(s) appointed or selected pursuant to this Section shall be members of the American Institute of Real Estate Appraisers and shall have no less than ten (10) years of experience appraising commercial properties in Los Angeles County.

(f) Due Diligence. The purchase of the Property shall be subject to: (a) Tenant's review of the feasibility, zoning, environmental, title and other matters affecting the Property, which review must be completed no later than twelve (12) months from the date of execution of the Purchase Contract, and (b) approval of the proposed purchase of the Property by the Los Angeles County Board of Supervisors ("Board"). If Tenant, in its sole discretion, is not satisfied with the results of such due diligence review, or if the purchase of the Property is not approved by the Board, the Purchase Contract may be terminated by Tenant by written notice to Landlord with no further obligation or liability. Landlord shall cooperate with Tenant by permitting access to the Property for purposes of making such inspections as are reasonable and customary and shall deliver all information concerning the Property as may be requested by Tenant.

(g) Title. Landlord shall convey good and marketable fee title to the Property to Tenant at the Closing and shall, at its expense, deliver to Tenant at the Closing, an ALTA policy of title insurance in the amount of the Purchase Price insuring that fee title is vested in Tenant subject only to such matters as Tenant has approved as set forth in the Purchase Contract. Except as set forth above, the sale of the Property shall be on an "as-is" basis.

35. 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.



**EXHIBIT A**  
**FLOOR PLAN OF PREMISES**

**EXHIBIT B**

**LEGAL DESCRIPTION OF REAL PROPERTY**

**POR OF LOT 1 OF P M 196-40-41 AND POR OF LOT 2 OF TR NO 4054 N**

EXHIBIT C

COMMENCEMENT DATE MEMORANDUM AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain lease ("Lease") dated \_\_\_\_\_, 2018, between COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), and BRUNSWIG OFFICE CENTER, LP, a California Limited Partnership ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at One Civic Plaza Drive, Carson ("Premises"),

Landlord and Tenant hereby acknowledge as follow:

- 1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on \_\_\_\_\_ ("Possession Date").
2) Tenant has accepted possession of the Premises and now occupies the same;
3) The Lease commenced on \_\_\_\_\_ ("Commencement Date").
4) The Premises contain \_\_\_\_\_ rentable square feet of space; and

For clarification and the purpose of calculating future rental rate adjustments:

- 1) Base Rent per month is \_\_\_\_\_.
2) The Base Index Month is \_\_\_\_\_.
3) The Base Index is \_\_\_\_\_.
4) The New Index Month is \_\_\_\_\_.

IN WITNESS WHEREOF, this memorandum is executed this \_\_\_ day of \_\_\_\_\_, 201\_\_

Table with 2 columns: Tenant and Landlord. Tenant: COUNTY OF LOS ANGELES, a body politic and corporate. Landlord: BRUNSWIG OFFICE CENTER, LP, a California Limited Partnership. Both have signature lines for Name and Its.

## EXHIBIT D

### HEATING, VENTILATION AND AIR CONTITIONING

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Normal Working Hours established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one zone for approximately each 1,000 square feet and one diffuser for each 200 square feet of usable/net square footage within the Premises. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.



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.
5. SEMI-ANNUALLY
- A. All painted wall and door surfaces washed and stains removed.
  - B. All walls treated with vinyl covering washed and stains removed.
6. ANNUALLY
- A. Exterior windows washed once per year.
  - B. 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.
  - C. 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.
  - D. 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.

- E. All walls repainted 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 and 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

Landlord shall, upon request of Tenant, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

**TENANT ESTOPPEL CERTIFICATE**

To: \_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

Re:   Date of Certificate:           \_\_\_\_\_

      Lease Dated:                    \_\_\_\_\_

      Current Landlord:            \_\_\_\_\_

      Located at:                    \_\_\_\_\_

      Premises:                      \_\_\_\_\_

      Commencement Date of Term:  \_\_\_\_\_

      Expiration Date:              \_\_\_\_\_

      Current Rent:                 \_\_\_\_\_

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

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

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

COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
Dean Lehman  
Acting Sr Manager, Real Estate Division

APPROVED AS TO FORM:

MARY C. WICKHAM  
County Counsel

By: \_\_\_\_\_  
Deputy

**SUBORDINATION, NON-DISTURBANCE  
AND ATTORNMENT AGREEMENT**

**AND WHEN RECORDED MAIL TO:** )  
)  
**County of Los Angeles** )  
**CHIEF EXECUTIVE OFFICE** )  
**Real Estate Division** )  
**222 South Hill Street, 3<sup>rd</sup> Floor** )  
**Los Angeles, California 90012** )

**Space above for Recorder's Use**

**SUBORDINATION, NON-DISTURBANCE  
AND ATTORNMENT AGREEMENT**

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

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

Factual Background

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

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

C. Tenant and Borrower (as "Landlord") entered into a lease dated \_\_\_\_\_ (the "Lease") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "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 Non-Disturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

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

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

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

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

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

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

To Lender: \_\_\_\_\_  
\_\_\_\_\_

To Borrower:

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

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of

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

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

TENANT:

COUNTY OF LOS ANGELES,  
a body politic and corporate

By: \_\_\_\_\_  
Acting Senior Manager, Real Estate Division

BORROWER:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

LENDER:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

APPROVED AS TO FORM:

MARY C. WICKHAM  
County Counsel

By: \_\_\_\_\_  
Deputy



**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

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**REQUEST FOR NOTICE**

**(UNDER SECTION 2924B CIVIL CODE)**

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

Date of Recording of Deed of Trust

Instrument Number of Deed of Trust

Trustor

Trustee

Beneficiary

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

LENDER:

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
SIGNEE'S NAME

Its: \_\_\_\_\_

(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 \_\_\_\_\_.

**COMMUNITY BUSINESS ENTERPRISE FORM**

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

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

\*Corporation, Partnership, etc.

**MINORITY/WOMEN PARTICIPATION IN FIRM**

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

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

**PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM**

	TOTAL # OF OWNERS	% OF OWNERSHIP
Black/African American		
Hispanic/Latin American		
Asian American		
Portuguese American		
American Indian/Alaskan Native		
All Others		
<b>TOTAL</b>		
Women*		

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

CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

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

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

WE DO NOT WISH TO PROVIDE

Initial

Initial here if applicable	
----------------------------	--

SIGNED:

TITLE:

DATE:

**LANDLORD'S WORK LETTER**

**For**

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

**TENANT:**

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

**LANDLORD:**

**BRUNSWIG OFFICE CENTER, LP,**

**ONE CIVIC PLAZA DRIVE  
CARSON, CALIFORNIA**

## LANDLORD'S WORK LETTER

This Work Letter supplements the Lease (the "Lease") dated \_\_\_\_\_, 2018, executed concurrently herewith, by and between BRUNSWIG OFFICE CENTER, LP ("Landlord") as Landlord, and COUNTY OF LOS ANGELES ("Tenant" or "County") as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

The parties hereby agree as follows:

1. Basic Work Letter Information. The following terms as used herein shall have the meanings provided in this Section unless otherwise specifically modified by provisions of this Work Letter.

- |   |  |
|---|--|
| (a) <u>Base Tenant Improvement Allowance:</u>               | \$2,464,479 (which is based upon \$27 per rentable square foot)  |
| (b) <u>Additional Tenant Improvement Allowance:</u>         | \$7,941,099 (which is based upon \$87 per rentable square foot)  |
| (c) <u>Additional Tenant Improvement Amortization Rate:</u> | 6.25% per annum  |
| (d) <u>Basic Rent Reduction</u>                             | Intentionally left blank   |
| (e) <u>Tenant's Work Letter Representative:</u>             | An assigned staff person of the Chief Executive Office Real Estate Division  |
| (f) <u>Landlord's Work Letter Representative:</u>           | Paul Kim/Juliette Kim, or an assigned staff person of the Landlord   |
| (g) <u>Landlord's Address for Work Letter Notice:</u>       | See Section 1.2 (h) of the Lease.  |
| (h) <u>Tenant's Address for Work Letter Notice:</u>         | See Section 1.2 (i) of the Lease   |
| (i) <u>Addenda:</u>   | Addendum A: Base Building Improvements<br>Addendum B: Tenant Improvements<br>Addendum C: Memorandum of Tenant Improvement Cost |

2. Construction of the Building.

2.1 Base Building Improvements. Landlord has constructed or shall construct the base Building improvements as a part of the Building described on Addendum A hereto and Landlord has completed all site improvements, upgrades and replacements to the Base Building in compliance with all codes including ADA and Los Angeles County Department of Public Works Real Property Acquisition and Evaluation Policy,

such that Tenant can conduct normal business operations from the Premises (the "Base Building Improvements"). To the extent that the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, such changes or additions shall be considered Tenant Improvements (as defined below).

## 2.2 Additional Costs Not Tenant Improvement Costs.

(a) If the Building as initially constructed does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes, and Landlord incurs increased design or construction costs that it would not have incurred if the Building had been in compliance with such codes, then such costs shall not be included in the calculation of Tenant Improvement Costs (as defined below) and Tenant shall have no financial responsibility for such costs.

(b) Any work that Landlord must undertake to cause the Premises to comply with the access requirements of the ADA or to make existing building systems, including, but not limited to, electrical service and HVAC equipment, fully operational shall be at Landlord's sole cost and expense. Tenant Improvement Costs shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease, including all expenses associated with curing any "Sick Building Syndromes"; (ii) fire sprinkler system installation or upgrade; (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere; (iv) utility costs incurred during construction; (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease; nor (vi) supervision or overhead costs of Landlord, unless otherwise approved by Tenant.

2.3 Base Building Plans. Subject to Section 3, below, Landlord has delivered to Tenant "as built" plans and specifications for the Building in an AutoCAD 2000 format.

3. Selection of Architect and Engineer. Subject to review and approval by Tenant and Tenant's Internal Services Department, Landlord shall promptly select a qualified licensed architect ("Architect") and engineers ("Engineer") familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings as defined below. The Architect and the Engineer shall be selected by Landlord subject to Tenant's consent, which consent shall not be unreasonably withheld, and which consent (or refusal to consent for reasonable reasons) shall be granted within three (3) business days after Landlord has submitted the name of the selected Architect and the selected Engineer to Tenant, together with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until the Architect and the Engineer is/are finally approved by Tenant and written consent has been delivered to and received by Landlord. Landlord, at its sole cost and expense, shall contract for the approved Architect and Engineer to complete the Working Drawings and the Final Plans, as defined below, provide plan check review and permitting by the local agencies having jurisdiction and provide the complete scope of Architectural and Engineering services to complete the project according to the Final Permitted Plans. Landlord's costs shall be included in the calculation of Tenant Improvement Costs (as defined below) and the costs for plan check and permits shall be included in the calculation of Tenant Improvement Costs (as defined below).

4. Selection of Contractor. The Final Plans, as defined below, and a proposed construction contract approved by Tenant and Tenant's Internal Services Department, shall be submitted to contractors, selected by Landlord and approved by Tenant, sufficient in number so that a minimum of three bids are received. Each approved contractor shall be requested to submit a sealed fixed price contract bid price (on such contract form as Landlord shall designate) to construct the Tenant Improvements depicted on the Final Plans. Landlord and Tenant shall jointly open and review the bids. Landlord and Tenant, after adjustments for inconsistent assumptions, shall select the most qualified bidder offering the lowest price, and Landlord shall enter into a construction contract ("Construction Contract") with the selected contractor (the "Contractor"), consistent with the terms of the bid to construct the Tenant Improvements according to the Final Plans and Specifications.

5. Preparation of Plans and Specifications and Construction Schedule.

5.1 Preparation of Space Plan. Concurrently with the execution of this Lease, Landlord shall submit to Tenant, and subject to review, revision and approval by Tenant and Tenant's Internal Services Department, a space plan and specifications for the Premises showing all demising walls, corridors, entrances, exits, doors, interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, file room, telecommunications and access controls (collectively the "Space Plan"). Landlord's costs shall be included in the calculation of Tenant Improvement Costs as defined below.

5.2 Preparation and Approval of Working Drawings. Within ten days after the date the Space Plan is submitted to Tenant, as provided in Section 5.1 (the "Plan Submission Date"), Landlord shall instruct the Architect to commence preparation of working drawings (the "Working Drawings"), which shall be compatible with the design, construction and equipment of the Building, comply with all applicable laws, be capable of physical measurement and construction, contain all such information as may be required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and shall include all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, telecommunications and access controls, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant and Tenant's Internal Services Department the Working Drawings, or such portion thereof as has from time to time been submitted for Tenant's review and approval. Landlord shall be solely responsible for insuring that the Working Drawings fully comply with all applicable building codes and are free from errors or omissions on the part of the Architect. Landlord's costs shall be included in the calculation of Tenant Improvement Costs (as defined below).

5.3 Preparation and Approval of Engineering Drawings. Landlord shall cause the Architect to coordinate all engineering drawings prepared by the Engineer, showing complete mechanical, electrical, plumbing, and HVAC plans ("Engineering Drawings") to be integrated into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's and Tenant's Internal Services Department review and approval. Landlord's costs shall be included in the calculation of Tenant Improvement Costs (as defined below).

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant and Tenant's Internal Services Department has approved the



Engineering Drawings, Landlord shall cause the Architect to integrate the approved Working Drawings with the approved Engineering Drawings (collectively "Final Plans") and deliver five (5) sets of the Final Plans to Tenant and Tenant's Internal Services Department for review and approval. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements), power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, and other Tenant Improvements. Landlord's review of the Space Plan, Working Drawings, Engineering Drawings and Final Plans shall be at Landlord's sole cost and expense.

5.5 Approval of Plans by Tenant. Approval by Tenant and Tenant's Internal Services Department shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements.

5.6 Schedule. Within 30 days after the Plan Submission Date, Landlord shall submit to Tenant and Tenant's Internal Services Department a detailed construction schedule, subject to approval by Tenant which approval shall not be unreasonably withheld, setting forth the completion dates of certain project benchmarks, including, but not limited to, completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of construction contract, construction commencement, construction completion, the Projected Commencement Date and other relevant dates. As the construction continues, Landlord shall amend the schedule from time to time to reflect any changes to the projected dates.

## 6. Final Construction Budget and Payment of Tenant Improvement Costs.

6.1 Construction Budget. Within three days after the Plan Submission Date, Landlord shall submit to Tenant and Tenant's Internal Services Department a preliminary budget (the "Preliminary Budget"). Such budget shall be revised into final form within ten (10) days after the date the Contractor is selected and will be referred to herein as the "Final Construction Budget". Tenant and Tenant's Internal Services Department shall have five (5) days after the date of receipt of the Final Construction Budget to approve or disapprove the Final Construction Budget. Construction of the Tenant Improvements shall not begin until Tenant and Tenant's Internal Services Department approves the Final Construction Budget in writing or the five-day period expires without any response from Tenant and Tenant's Internal Services Department. If Tenant and Tenant's Internal Services Department disapproves of the Final Construction Budget due to matters related to cost, and the Final Construction Budget is ten percent (10%) higher or more in cost than was projected in the Preliminary Construction Budget, then any delay caused by the necessity to rebid or redesign the Tenant Improvements shall not be considered a Tenant Delay. Landlord shall review the Space Plan, Working Drawings, Engineering Drawings and Final Plans at its sole cost and expense. No fee for profit, overhead or general conditions in connection with

the construction of the Tenant Improvements shall be included in the Final Construction Budget unless approved by Tenant and Tenant's Internal Services Department.

6.2 Additional Tenant Improvement Allowance. All improvements required by the Final Plans and modular furniture described in the Modular Specifications, as further described in Addendum B hereto (collectively, the "Tenant Improvements") shall be first borne by Landlord and later reimbursed by Tenant in the manner provided for in section 6.3 hereof. Costs of Tenant Improvements shall include costs for furniture, telecommunications equipment, soft costs not included in Landlord's cost, and any other costs approved in writing by Tenant and Tenant's Internal Services Department all of which shall not exceed the sum of the Base Tenant Improvement Allowance, the Additional Tenant Improvement Allowance and costs of any Change Orders, as defined below (collectively "Tenant Improvement Costs"). Landlord shall be solely responsible for any delay in completing the Tenant Improvements except for delays or costs arising from Tenant Delays as defined below. Except as otherwise provided herein, all Tenant Improvement Costs shall be paid by Landlord and deducted from the Base Tenant Improvement Allowance. If it is anticipated that the Tenant Improvement Costs will exceed the Base Tenant Improvement Allowance, then Tenant's Chief Executive Office may authorize Landlord to pay the overage in an amount not exceeding the Additional Tenant Improvement Allowance. The Additional Tenant Improvement Allowance shall be paid by Tenant to Landlord as provided in Section 6.3 below.

6.3 Method of Payment. That portion of the Additional Tenant Improvement Allowance used to pay for the Tenant Improvement Costs may, at Tenant's election be paid to Landlord (i) in a lump sum when the Tenant Improvements are Substantially Complete, or (ii) in equal amortized monthly payments over the term of the Lease, or shorter time period at its discretion, at the Tenant Improvement Amortization Rate. Tenant may, at any time during the Term, prepay Landlord in a lump sum for all or any portion of the Tenant Improvement Costs in excess of the Base Tenant Improvement Allowance and pay any remaining amounts in equal monthly payments amortized over the remaining term of the Lease at the Tenant Improvement Amortization Rate.

## 7. Construction of Tenant Improvements.

7.1 Tenant Improvements. Tenant Improvements to be constructed by Landlord are described more particularly on Addendum B hereto. If any work required by the Final Plans is not described on Addendum B hereto, such work shall be performed by Landlord and included in the cost of Tenant Improvements.

7.2 Bids. Unless waived by Tenant and Tenant's Internal Services Department in writing, any major contractors, subcontractors and materials suppliers providing labor and/or materials for the Tenant Improvements shall be selected only after at least three bids have been solicited from responsible and qualified persons. Landlord shall submit at least three sealed fixed price bids for the construction of the Tenant Improvements to Tenant and Tenant's Internal Services Department for its review and approval prior to the award of the Construction Contract. The bids shall be jointly opened and reviewed. The bids shall include a Schedule of Values defined as an itemized list of all materials and labor, and shall include all additional costs, including

architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. At least three bids for the purchase and installation of the office furniture system, prepared by the furniture dealer, shall be included in the construction estimates, if applicable.

(a) Permits. Landlord, at its sole cost and expense, shall obtain the approval of all applicable governmental authorities, and all permits required for the Tenant Improvements, promptly after Tenant's approval of the Final Plans. Landlord's costs shall be included in the calculation of Tenant Improvement Costs (as defined below) and Tenant shall have no financial responsibility for such costs.

(b) Commencement of Construction. Landlord shall commence construction of the Tenant Improvements within 15 business days after issuance of all such necessary permits therefor. Thereafter, Landlord shall diligently proceed to construct and complete all Tenant Improvements, subject only to any cessation that may be caused by Force Majeure Delays (as defined below).

7.3 Construction. Construction of the Tenant Improvements will be subject to the following terms and conditions:

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

(b) Decorating Decisions. All design and programming, space planning and interior decorating services, such as selection of wall paint colors and/or wall coverings, furniture, fixtures, carpeting and any other decor required by Tenant, shall be provided by Landlord, at Landlord's expense, in accordance with Tenant's Space Plan and such costs shall be included in the calculation of Tenant Improvement Costs. Landlord shall consult with Tenant and Tenant's Internal Services Department with respect to all such decorating services and decisions.

(c) Clean-Up and Substandard Work. Landlord will be responsible for all clean-up with respect to the Tenant Improvements, whether in the Premises themselves or in other areas utilized by Landlord or its contractors, and Landlord agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of substandard work performed by Landlord's contractor or contractors (as reasonably determined by Tenant and Tenant's Internal Services Department according to the usual standards of work in the Building) or as a result of inadequate clean-up.

(d) Compliance with Laws. Construction of the Tenant Improvements shall comply with all applicable laws and regulations and shall be subject to the general inspection of Tenant and Tenant's Internal Services Department. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including, but not limited to, all provisions of the Labor Code of the State of California. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly wage rate in dollars and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction of the Tenant Improvements. Particulars of the current Prevailing Wage Scale as approved by the Board of Supervisors which are applicable to the work are filed with the Clerk of the Board of Supervisors and must be posted at the site.

7.4 Conformed Plans. Within 60 days after Substantial Completion of the Tenant Improvements and Landlord's receipt from the Contractor of all field changes, Landlord shall submit to Tenant and Tenant's Internal Services Department a set of conformed plans ("as-builts") incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such "as-built" or "record documents" shall be submitted on Compact Disc (CD), in Auto CAD R 13.dwg (or later version) format or .DXF format, along with three (3) complete printed sets of drawings and three (3) complete sets of specifications.

8. Change Orders. Tenant and Tenant's Internal Services Department, and Landlord may make changes, additions, deletions or alterations in the Final Plans (each, a "Change Order") provided that both Tenant and Tenant's Internal Services Department, and Landlord must approve such changes in writing. The costs of all authorized Change Orders, as approved by the Chief Executive Officer on behalf of Tenant, shall be added to the calculation of Tenant Improvement Costs (as defined below). Tenant may elect to pay for Change Orders by: (a) payment in a lump sum upon Substantial Completion of the Tenant Improvements, or (b) amortization of such costs over the initial Term of the Lease at the Tenant Improvement Amortization Rate payable in equal monthly installments over the initial Term of the Lease. Landlord shall submit to the Chief Executive Officer with each requested Change Order (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Change Orders previously approved, and (iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved. Each Change Order must be signed and dated by the Chief Executive Officer.

9. Furniture System.

9.1 Tenant and Tenant's Internal Services Department shall deliver to Landlord within ten days after execution hereof, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, Landlord and/or Landlord's Architect, shall prepare modular furniture specifications bid package for submission to no less than three furniture vendors. Prior to submission for bids, Landlord shall review the bid package with Tenant and Tenant's Internal Services Department and Tenant shall have the right to approve or disapprove the bid package within five (5) days. Landlord shall provide at its cost the modular furniture set forth in the Modular Specifications and shall not be responsible for the cost of such modular furniture in excess of the Additional Tenant Improvement Allowance. Tenant shall reimburse the Landlord in a lump sum or in accordance with a financed transaction entered into between Landlord and the furniture vendor acceptable to the Tenant, including, but not limited to, a lease purchase agreement, provided the outstanding balance can be no more than One Dollar (\$1) at the end of a term not to exceed 96 months.

9.2 Alternatively, Tenant may elect to finance the lump-sum payment for the cost of modular furniture through lease-purchase financing with a third-party lender/vendor ("Creditor"). If Tenant elects to enter into a lease-purchase financing any of furniture or telecommunications equipment (individually or collectively, the "Personal Property") through a Creditor, Landlord expressly agrees as follows:

(a) The Personal Property shall not become part of the realty or real property, but shall remain personal property removable by the Creditor and its assigns, provided that any damage to the Building or the Premises caused by such removal shall be repaired by Creditor.

(b) Landlord must receive written notice from Creditor of any plan by Creditor to remove the Personal Property from the Building.

(c) This Section 9.2 shall be binding on the representatives, successors and assigns of all parties hereto and shall inure to the benefit of the successors-in-interest to all parties hereto.

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

10. Tenant Improvement Costs Adjustment and Right to Audit. Within five days of the issuance of a Certificate of Occupancy for the Premises, or a final sign-off by the County of Los Angeles, whichever occurs first, Landlord shall provide to Tenant a statement showing in reasonable detail all Tenant Improvement Costs and the amount thereof in excess of the Base Tenant Improvement Allowance and amount payable hereunder by Tenant to Landlord. Upon approval of such statement by Tenant, payments by either party pursuant to the Lease and this Landlord's Work Letter shall be adjusted as appropriate, based upon such statement. Tenant shall have the right to audit these costs for a period of 24 months from the date of acceptance by Tenant of the Premises. If the audit shows that Tenant is entitled to a reduction in payments to the Landlord pursuant to this Work Letter, then Tenant shall provide Landlord with a copy of the audit summary, and Landlord, within 30 days, shall refund to Tenant the amount of any overpayment made by Tenant and all future payments shall be adjusted as appropriate based upon the audit results.

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

12. Telephone/Computer Room and Equipment. Landlord shall complete the telephone equipment room(s) including permanent power and HVAC, in compliance with the Space Plan and specifications provided by Tenant, at least 30 days prior to the Projected Commencement Date. During this 30-day period, the Landlord shall be solely responsible for any telephone/data equipment delivered to the site for programming prior to the Projected Commencement Date.

13. Delay.

13.1. Tenant Delays and Force Majeure Delays. Except as set forth in this Section 13, no delay in the completion of construction of the Tenant Improvements shall be considered in the determination of the Commencement Date of the Lease and, except as set forth herein or in the Lease, under no circumstance shall Tenant be

charged with any delay whatsoever as a result of delay in the construction of Tenant Improvements. Subject to the provisions of Section 13.2, the Projected Commencement Date set forth in the Lease shall be extended one (1) day for each day that: (i) Tenant fails or refuses to give authorizations or approvals within the time periods required herein but only to the extent such delays delay the commencement or completion of construction of the Tenant Improvements (referred to herein as "Tenant Delay(s)"); or (ii) Substantial Completion of the Tenant Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)").

### 13.2. Limitations.

(a) Notice. No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless, within 48 hours of the event giving rise to such claim, Landlord has provided Tenant with written notice in compliance with the Lease, specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred only commencing as of the date Tenant received such notice from Landlord.

(b) Mitigation. Tenant Delays and Force Majeure Delays shall delay the Projected Commencement Date only in the event that Substantial Completion of the Tenant Improvements is delayed, despite Landlord's reasonable efforts to adapt and compensate for such delays, which efforts Landlord shall be obligated to make (provided that the additional cost incurred by Landlord due to such effort does not exceed \$1,000 on a cumulative basis, unless Tenant agrees to pay to the excess).

(c) Concurrent Delays. Tenant Delays and Force Majeure Delays shall be recognized hereunder if the same are not concurrent with any other Tenant Delay or Force Majeure Delay which is effective hereunder. For example, if there are ten days of Tenant Delays and four days of Force Majeure Delays which occur during the same ten-day period of such Tenant Delays, then the Projected Commencement Date would be extended by only ten days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, the Projected Commencement Date would be extended by 14 days.

(d) Change Orders. Landlord may not claim that a Change Order requested by Tenant was the cause of a delay in the construction of the Tenant Improvements unless the anticipated delay is specified in writing in the executed Change Order.

14. Tenant Remedies. If Landlord fails to obtain the building permit to construct the Tenant Improvements within a reasonable time, taking all factors into consideration, or if the Tenant Improvements have not been completed within 120 days after the Projected Commencement Date, then Tenant may, at its option:

14.1. Cancel the Lease upon 30 days written notice to Landlord; or

14.2. Upon 30 days written notice to Landlord, assume the responsibility for constructing and/or completing the Tenant Improvements itself. If Tenant elects to construct or complete the Tenant Improvements itself, then:

(a). Tenant, its officers, employees, agents, contractors and assignees, shall have free access to the Premises and the Building at all reasonable times for the purpose of constructing the Tenant Improvements and for any other purposes reasonably related thereto; and

(b). Base Rent shall be reduced by Tenant's total expense in constructing the Tenant Improvements, including any financing charges for capital and a reasonable amount for Tenant's administrative costs, and including interest at the rate of six percent (6%) per annum (collectively, "Tenant's Total Expense"). The rent reduction schedule shall be as mutually agreed to between the parties or, if no such agreement is made, Tenant's Total Expense shall be fully amortized in equal monthly amounts over five years and deducted from Base Rent payable under the Lease.

14.3 Any default by Landlord under the terms of this Landlord's Work Letter shall constitute a default under the Lease and shall entitle Tenant to exercise all remedies set forth in the Lease.

## 15. Representatives.

15.1 Tenant Representative. Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Landlord's Work Letter who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Tenant's Address for Work Letter Notice as set forth in Section 1.

15.2 Landlord Representative. Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on behalf of Landlord as required in this Landlord's Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Landlord's Address for Work Letter Notice as set forth in Section 1.

16. Elevator Usage During Move-In. In the event that the use of the freight elevators and/or hoists is not sufficient to meet Tenant's requirement during the early occupancy period set forth in Section 4.3 of the Lease, Landlord shall cause to be made operational (a) a temporary construction elevator and hoist, or (b) Tenant shall have priority usage of two passenger elevators in the elevator bank that services the Premises in order to assist Tenant in the installation of Tenant's fixtures, furniture and equipment.

17. Construction Meetings. During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant and Tenant's Internal Services Department at least once per week, unless Tenant directs otherwise, at a time and place that is mutually convenient. An initial construction meeting shall be held five days after the Contractor is selected.


18. Delivery. Delivery of all plans and drawings referred to in this Work Letter shall be by commercial messenger service or personal hand delivery, unless otherwise agreed by Landlord and Tenant.



IN WITNESS WHEREOF, Landlord and Tenant have executed the Work Letter as of the dates set forth below.

LANDLORD:

By: BRUNSWIG OFFICE CENTER, LP,  
a California Limited Partnership

Name:   
Title: Exp  
Date Signed: \_\_\_\_\_

TENANT:

COUNTY OF LOS ANGELES,  
a body politic and corporate

By: \_\_\_\_\_  
Name: David P. Howard  
Title: Assistant Chief Executive Officer  
Date Signed: \_\_\_\_\_



**ADDENDUM A  
to Landlord's Work Letter**

**BASE BUILDING IMPROVEMENTS**

Landlord has constructed (or will construct) the Building to include the following:

(a) The Building shell and exterior, including perimeter window frames, mullions and glazing in good condition;

(b) The core area, including mechanical, electrical, sprinkler, plumbing, life safety, heating, air conditioning, ventilation and structural systems within the Building core, stubbed out to the face of the core wall at locations determined by Landlord;

(c) Men's and women's toilet rooms, including necessary plumbing fixtures, ceramic tile floors, accessories, ceilings and lighting, with running hot and cold water;

(d) Unpainted exterior dry wall or lath and plaster covering the exposed side of all exposed core walls, core and perimeter columns and the interior exposed side of all exterior building wall areas except at and under windows;

(e) Public stairways;

(f) Passenger and freight elevators;

(g) Parking facilities;

(h) Ground floor lobby;

(i) Finished elevator lobbies (with carpet, lights, finished walls and ceiling);

(j) Exterior plazas and landscaping;

(k) Loading dock and/or area;

(l) Drinking fountains at the core;

(m) Electrical/telephone closet with not less than seven watts per square foot of rentable area of normal power in the floor electrical closet;

(n) Conduit access sufficient for Tenant's electrical wiring (no additional improvement to increase conduit access will be furnished by Landlord unless there is not sufficient riser space as required for a 1.5" diameter signal cable from the Building main telecommunication vault to the telephone closets on Tenant's floors, in which case Landlord, at no cost to Tenant and without deduction from the Base Tenant Improvement Allowance, shall cause such riser space to be made available to Tenant, and provided further that Tenant shall be responsible for the cost for removing the riser floor seal at each floor and the patching of each seal after installation of Tenant's cable);

(o) Two 208/120 and one 480/277 volt panels connected to the Building power system;

(p) Mechanical equipment room with ducted mechanical exhaust system;

(q) Concrete floors with trowelled finish, level to specified tolerances and designed to support a minimum live load of 50 pounds per square foot and a partition load of 20 pounds per square foot;

(r) Standard window coverings;

(s) Primary HVAC duct for cooling and primary HVAC duct for heating (heating is for perimeter zone only) to loop from the mechanical equipment room around the building core;

(t) Hot and cold air loops located within the Premises;

(u) Primary fire sprinkler distribution, including secondary piping and sprinkler heads as required for the unoccupied Premises;

(v) Primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution;

(w) Access at panels in the service core for distribution of Building requirements electrical power (initially 120/208 V for power and 277V for fluorescent lighting) up to the limits permitted under applicable law at the time the Building receives the initial temporary certificate of occupancy for the Building; and

(x) Gypsum board on the service core walls, columns and sills in the Premises.

**ADDENDUM B**  
**to Landlord's Work Letter**  
**TENANT IMPROVEMENTS**

Tenant improvements to be constructed using the Tenant Improvement Allowances shall include:

- (a) Tenant ceilings and lighting;
- (b) Floor finish in the Premises (except elevator lobbies and public corridors on multi-tenant floors and toilet rooms);
- (c) Interior finishes of any kind within the Premises (except elevator lobbies and public corridors on multi-tenant floors and core area toilet rooms);
- (d) Interior partitions, doors and hardware within the Premises;
- (e) Terminal boxes and reheat coils or other HVAC or air distribution devices to or within the Premises;
- (f) As applicable, Tenant's furniture, fixtures and equipment, including telephones, computers and cabling therefor;
- (g) Distribution of electrical services, plumbing services and sprinklers from the core to the Premises, and domestic hot water heater and associated hot water piping;
- (h) Any and all signs for Tenant and the power therefor;
- (i) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms and extinguishers;
- (j) Additional and/or above standard electrical capacity; and
- (k) Fiber optic access.

**ADDENDUM C  
to Landlord's Work Letter**

**MEMORANDUM OF TENANT IMPROVEMENT COST**

Reference is made to that certain Lease ("Lease") dated the \_\_\_\_\_ day of \_\_\_\_\_, 2018, between County of Los Angeles, a body politic and corporate ("Tenant"), and BRUNSWIG OFFICE CENTER, LP, a California Limited Partnership ("Landlord"), whereby Landlord leases to Tenant and Tenant leases from Landlord certain premises in the building located at One Civic Plaza Drive, Carson, California ("Premises"),

Landlord and Tenant hereby acknowledge the following:

- 1) Landlord represents that Tenant Improvement Work to the Premises has been in substantially complete condition as of MONTH DD, YYYY, and the Lease commenced on MONTH DD, YYYY ("Lease Commencement").
- 2) Landlord and Tenant hereby confirm the final total cost of the Tenant Improvement Work for the demised Premises which have been completed pursuant the Work Letter to this Lease is: \_\_\_\_\_, DOLLARS AND xx/100 (\$ , .XX).

(a) The aforementioned final total cost is comprised of:

<u>Lease Budget:</u>	<u>Actual Cost:</u>
\$ _____ Base Tenant Improvement Allowance	\$ _____
\$ _____ Additional Tenant Improvement Allowance	\$ _____
\$ _____ Change Order Allowance	\$ _____
\$ _____ Total	\$ _____

(b) Per the terms of the Lease, Tenant shall amortize the combined total of Additional Tenant Improvement Costs and Change Order Allowance of \$\_\_\_\_\_. at \_\_\_\_% per annum over the term of the Lease. As such, Tenant shall pay to the Landlord \$\_\_\_\_\_ per month beginning upon the Lease Commencement through the initial term of the Lease. Tenant may at any time during the term prepay Landlord in a lump sum for all or any portion of the Tenant Improvement Costs.

IN WITNESS WHEREOF, this memorandum is executed this \_\_\_\_\_ day \_\_\_\_\_ of \_\_\_\_\_, 20\_\_.

<p>Tenant: COUNTY OF LOS ANGELES a body politic and corporate</p>  <p>By: _____ Name: Dean Lehman Its: Acting Senior Manager, Real Estate Division</p>	<p>Landlord: BRUNSWIG OFFICE CENTER, LP, a California Limited Partnership</p>  <p>By: _____ Name: Its: Authorized Representative</p>
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