



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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November 13, 2018

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

12 November 13, 2018

CELIA ZAVALA
EXECUTIVE OFFICER

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

Dear Supervisors:

**NINE-YEAR LEASE
DEPARTMENT OF MENTAL HEALTH
20101 HAMILTON AVENUE, TORRANCE
(FOURTH DISTRICT)
(3 VOTES)**

SUBJECT

Approval of a proposed nine-year lease for 21,164 square feet of office space, and 97 parking spaces at 20101 Hamilton Avenue, Torrance, for the Department of Mental Health.

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 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, find on the basis of the whole record that the project will have no effect on fish and wildlife, 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 Omninet Hamilton, LP, for 21,164 square feet of office space, and 97 parking spaces at 20101 Hamilton Avenue, Torrance to be occupied by the Department of Mental Health (DMH). The base rent in the first year is \$495,238.

3. Authorize the Chief Executive Officer, or her designee, to reimburse Omninet Hamilton, LP, up to \$1,164,020 for additional tenant improvement (TI) cost to be paid in one lump sum payment, should the entire additional TI funds be expended. The total annual lease cost in the first year is not to exceed \$1,659,258, which is comprised of the \$495,238 initial annual base rent and the \$1,164,020 maximum additional TI reimbursement cost. The proposed lease costs are 100 percent funded with Mental Health Services Act and other State and federal funds.

4. Authorize the Director of the Department of DMH to contract with the Internal Services Department (ISD) or Omninet Hamilton LP (Landlord), or Landlord's County-approved vendor, for the acquisition and installation of telephone, data, and low-voltage systems at a cost not to exceed \$997,500 or \$1,101,200 if financed. Among which, the telephone, data and low voltage equipment and vendor installation may be either in a lump sum not to exceed \$648,375, or be financed not to exceed \$150,420 per year through the Chief Executive Office Capital Financing Program over a five-year term. The Smart Net (enhanced technical support and extended equipment warranty) and ISD services will be paid in lump sum not to exceed \$349,125. The low-voltage amount is in addition to the rental costs and TI reimbursements payable to the Landlord.

5. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the terms of the lease, and authorize the Chief Executive Officer, and the Directors DMH and ISD, or their designees, to take other actions necessary and appropriate to implement and effectuate the terms of the lease. The proposed lease will be effective upon approval by the Board of Supervisors, but the term and rent will commence upon completion of the TIs by Omninet Hamilton, LP and acceptance of the premises by the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed facility will house the DMH Continuum of Care Reform (CCR) Clinical Operations South. Assembly Bill 403 was implemented in January 2017, creating a new program to expand specialty mental health services to youth receiving services from the Department of Children and Family Services (DCFS) and the Probation Department (Probation). DMH will collaborate with Probation, helping youth placed in Short-Term Residential Therapeutic Programs, and assist youth in DCFS foster care. CCR will also require Local Mental Health Plans to provide a full array of care along the continuum. This is an administrative office with no client visitors. The program is not a clinic as all clients will be served at site visits, away from the office. CCR staff will participate in daily interagency placement committees to review the clinical history of children and youth, and ensure they receive quick access to placement and services.

The proposed facility will allow CCR staff to be more accessible to various County departments and other providers delivering services to youth in the southern region of the County. The facility will house approximately 115 employees and provide an additional 16 drop-in stations for partner agencies. No relocation of employees will take place, as DMH will incrementally hire staff to fill existing budgeted positions.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal 1 “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 recommendations herein will support investment in suitable office space that will allow DMH to interact with other County departments and providers to identify efficiencies and create synergy in delivering comprehensive services to children and youth. The lease is in conformance with the Asset Management Principles as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease will provide DMH with approximately 21,164 square feet of office space, and 97 parking spaces, at a maximum first year rental cost of \$1,659,258, which is comprised of the \$495,238 initial base rent and \$1,164,020 maximum lump sum reimbursement by the County for TIs, should the entire allowance be expended.

The telephone, data, and low-voltage system costs will be paid by DMH. The labor costs, related to equipment installation, amount to \$349,125, which will be paid via a lump sum payment. The labor costs include enhanced technical support, extended equipment warranty and ISD services. The materials costs comprised of telephone, data and low-voltage equipment, and vendor installation in the amount of \$648,375 may be paid via lump sum, or financed over a five-year term. The total low-voltage costs including equipment, vendor installation, and services related to equipment installation will not exceed \$997,500, if paid lump sum, or \$1,101,220 if financed, with monthly payments of \$12,535 or annual payments of \$150,420.

The aggregate lease expense over the nine-year term, net of low voltage costs, would be approximately \$6,334,301, which includes annual rent increase projections based upon the Consumer Price Index capped at 4 percent per annum. Attachment B provides an overview of the proposed lease and total lease costs.

Sufficient funding for the proposed lease, low-voltage, and TI reimbursement costs over the initial year of the lease term are included in the Fiscal Year (FY) 2018-19 Rent Expense budget, and will be billed back to DMH. DMH has sufficient funding in its FY 2018-19 operating budget to cover the proposed lease, low voltage and TI reimbursement costs. The lease costs for DMH are 100 percent funded through the Mental Health Services Act and other State and federal funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease includes the following provisions:

- A nine-year lease term which commences 15 days after completion of the TIs by the Landlord and acceptance of the premises by the County.
- A modified-gross lease structure obligating the Landlord to pay operating, maintenance and utility expenses associated with the County’s occupancy, with the exception of electricity to be reimbursed to the landlord.
- A non-reimbursable Base TI allowance of \$846,560 or \$40 per square foot is included in the lease.

- An additional TI cost to be repaid by the County in the amount of \$1,164,020 or \$55 per square foot is included in the lease. The maximum reimbursable TI funds payable to the Landlord are to be paid via lump-sum payment.
- Annual rental rate adjustments based upon the Consumer Price Index, with a minimum of 2 percent and a maximum of 4 percent per annum.
- The use of 97 off-street surface parking spaces is included as part of the rent.
- An option to extend the lease for an additional seven years with 365 days notice, at fair market rent.
- An option to terminate the lease any time after 72 months, with 365 days notice and a cancellation penalty in the form of unamortized TIs and broker fees.

The Chief Executive Office (CEO), Real Estate Division staff conducted a market search of available office space for lease, and was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Staff conducted a space search through CoStar, a commercial property multiple listing service, and carefully reviewed potential sites available for lease. After careful consideration of properties available, staff determined the proposed facility was the most suitable, meeting the County's space requirements. Based upon a review of available industry data, staff has established that the annual rental range for similar space, including parking costs, is between \$25.80 and \$28.20 per square foot on a full-service basis. Thus, the base annual rental rate of \$23.40 modified service (net electricity), which approximates \$27.00 on a full-service basis, including parking, for the proposed lease represents a rate within the market range for the area. Attachment C shows all County-owned and leased facilities within the surveyed areas, and there are no County-owned or leased facilities available for this space requirement.

Based on County policy, the Department of Public Works has inspected the facility and found it seismically suitable for County occupancy. Construction of the TIs will be completed in compliance with relevant building and construction laws and regulations, including the Americans with Disabilities Act.

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 a suitable office location for DMH's programs, which is consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012, as outlined in Attachment D.

ENVIRONMENTAL DOCUMENTATION

The CEO has made an initial study of environmental factors, and has concluded that this project will have no significant impact on the environment and no adverse effect on the wildlife resources. Accordingly, a Negative Declaration has been prepared and a notice posted at the site as required by the California Environmental Quality Act and the California Administrative Code, Section 15072. Copies of the completed study, the resulting Negative Declaration, and the Notice of Intent to Adopt a Negative Declaration as posted are attached. No comments to the Negative Declaration were received. A fee must be paid to the State Department of Fish and Game when certain notices are filed with the Registrar-Recorder/County Clerk. The County is exempt from paying this fee when the Board of Supervisors finds that a project will have no effect on Fish and Game resources.

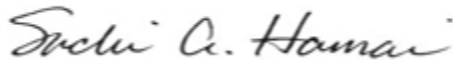
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease will provide the necessary office space, and parking spaces for this County requirement. DMH concurs with the proposed lease.

CONCLUSION

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

Respectfully submitted,



SACHI A. HAMAI
Chief Executive Officer

SAH:DPH:DL
JLC:MN:FC:gw

Enclosures

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

**DEPARTMENT OF MENTAL HEALTH
20101 HAMILTON AVENUE, TORRANCE**

Asset Management Principles Compliance Form¹

| 1. <u>Occupancy</u> | | Yes | No | N/A |
|---|--|-----|----|-----|
| A | Does lease consolidate administrative functions? ² | X | | |
| B | Does lease co-locate with other functions to better serve clients? ² | X | | |
| C | Does this lease centralize business support functions? ² | X | | |
| D | Does this lease meet the guideline of 200 sq. ft of space per person? ² DMH will have 115 staff with 184 sq.ft. of space per person. | X | | |
| E | Does lease meet the 4/1000 sq. ft. parking ratio guideline? ² 4.58/1000 DMH was approved for 116 parking spaces, landlord only had 97. | | X | |
| F | Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ² | X | | |
| 2. <u>Capital</u> | | | | |
| A | Is it a substantial net County cost (NCC) program? 100 percent funded through the Mental Health Services Act and other State and federal funds. | | 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? ² | | | X |
| 3. <u>Portfolio Management</u> | | | | |
| A | Did department utilize CEO Space Request Evaluation (SRE)? | X | | |
| B | Was the space need justified? | X | | |
| C | If a renewal lease, was co-location with other County departments considered? | | | X |
| D | Why was this program not co-located? | | | X |
| | 1. ____ The program clientele requires a "stand alone" facility. | | | |
| | 2. ____ No suitable County occupied properties in project area. | | | |
| | 3. ____ No County-owned facilities available for the project. | | | |
| | 4. ____ Could not get City clearance or approval. | | | |
| | 5. ____ The Program is being co-located. | | | |
| E | Is lease a full-service lease? ² Modified Gross (net electricity) Landlord requested that County pay for the electricity usage. | | X | |
| F | Has growth projection been considered in space request? | X | | |
| G | Has the Dept. of Public Works completed seismic review/approval? | X | | |
| ¹ As approved by the Board of Supervisors 11/17/98 | | | | |
| ² If not, why not? | | | | |

**FISCAL IMPACT/FINANCING
OVERVIEW OF PROPOSED LEASE COSTS**

| | |
|---|---|
| Area (square feet) | 21,164 |
| Term | 9 years, commencing upon Board approval and County's acceptance of the TI |
| Annual Base Rent ⁽¹⁾ | \$495,238 (\$23.40 per sq.ft.annually) |
| TI Reimbursement ⁽²⁾ | \$1,164,020 |
| Total Annual Lease Costs ⁽³⁾ | \$1,659,258 (\$78.40 per sq.ft. annually) |
| Rental Adjustment | Annual CPI adjustments, minimum 2 percent, maximum 4 percent |
| Cancellation | Any time after 72 months, with 365 days notice and a penalty fee in the form of unamortized TIs and broker fees |
| Option to Renew | One 7-year option with 365 days notice at fair market |

| | <u>Base Rent</u> | <u>Tenant Improvement Cost</u> | <u>Total Due Under Lease</u> | <u>Low Voltage Cost</u> | <u>Total Costs for Space</u> |
|-------------------------|----------------------------|--------------------------------|------------------------------|----------------------------|------------------------------|
| First Year Lease Costs: | \$495,238 | \$1,164,020 | \$1,659,258 ⁽³⁾ | \$499,544 ⁽⁵⁾ | \$2,158,802 |
| Nine-Year Lease Costs: | \$5,170,281 ⁽⁴⁾ | \$1,164,020 ⁽²⁾ | \$ 6,334,301 ⁽⁶⁾ | \$1,101,220 ⁽⁵⁾ | \$7,435,520 |

(1) Rent is modified-service (net of electricity), all other operating expenses to be paid by landlord.

(2) The reimbursable amount of the Additional TI Allowance of \$1,164,020 (\$55 psf) to be paid lump sum.

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

(4) Assumes projected CPI index annual increases in base rent at a maximum of 4 percent per annum.

(5) Low Voltage Costs= \$349,125 (total labor cost) + \$648,375 (total material cost) = \$997,500. The \$648,375 is a loan amount, amortized over 5 years at 6 percent interest per annum, resulting in annual loan payments of \$150,420. First year cost is \$499,544 = \$349,125 (Labor) + \$150,420 (first year Materials cost). Over the Five year financing period, total costs (if financed) = \$349,125 + \$752,095 = \$1,101,220.

(6) Total amount paid under the 9-year Lease Term for rent plus tenant improvement costs.

**DEPARTMENT OF MENTAL HEALTH
SPACE SEARCH – 5 MILE RADIUS
Hawthorne/EI Segundo/Torrance**

| LACO | Name | Address | Ownership Type | Gross SqFt | Net SQFT | Vacant |
|-------------|---|--|-----------------------|-------------------|-----------------|---------------|
| A242 | DPSS - Medical Inglewood Office/Public Health | 9800 S La Cienega Blvd Inglewood 90301 | Leased | 59,069 | 56,116 | None |
| X419 | Probation Centinela Office/PW - Building & Safety | 1320 W Imperial Hwy Los Angeles 90044 | Owned | 30,000 | 28,500 | None |
| A557 | DCSS - Adult Protective Services | 4300 W 120th St. Hawthorne 90250 | Leased | 23,000 | 20,700 | None |
| A614 | DPSS - Southwest Spec District (Vermont Villa) | 1819 Charlie Sifford Drive Los Angeles 90047, 1819 W 120th St. Los Angeles | Leased | 88,546 | 84,119 | None |
| 5721 | DPSS - South Central AP District Office | 10728 S Central Ave Los Angeles 90002 | Owned | 51,991 | 30,697 | None |
| A338 | DCFS - Compton West (SPA 6) | 11539 S Hawthorne Blvd Hawthorne 90250 | Leased | 31,832 | 27,057 | None |
| A378 | DPSS - Airport/Westside Gain Region I Office | 5200 W Century Blvd Westchester 90045 | Leased | 50,147 | 47,640 | None |
| B520 | Probation Department (Inglewood) | 923 E Redondo Blvd Inglewood 90302 | Owned | 40,000 | 25,991 | None |

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Nine-year lease for the Department of Mental Health (DMH) – 20101 Hamilton Avenue, Torrance – 4th District.

A. Establish Service Function Category – Regional and local administrative office for the south west portion of the County.

B. Determination of the Service Area – The proposed lease will provide DMH and their collaborators, 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: DMH programs are most effective when located within the same geographic area as its consumers, providers and stakeholders. The consolidated DMH programs will provide a central location within the designated service area.
- Need for proximity to existing County facilities: These programs work closely with the DMH Contracts Development, Administration Division and the Quality Assurance Division. These programs also partner with the Department of Children & Family Services (DCFS) and the Probation Department serving the South West region of Los Angeles County.
- 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, i.e. the Torrance Transit System as well as LA Metro Bus System lines 205 and 550, and is within ¼ mile proximity of the 110 freeway and ½ mile proximity to the 405 freeway.
- Availability of affordable housing for County employees: The surrounding area provides for affordable 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 Department's ongoing service needs.

- Compatibility with local land use plans: The City of Torrance 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 annual base rent of \$495,238 i.e., \$1.95 per square foot per month, including parking, plus the maximum lump sum cost of the additional tenant improvements of \$1,164,020, total approximately \$1,659,258 over the first year of the lease. The proposed lease costs are 100 percent funded through the Mental Health Services Act and other State and federal funds.

D. Analyze results and identify location alternatives

Based upon a review of available industry data, staff has established that the annual rental range for similar space including parking costs, is between \$25.80 and \$28.20 per square foot on a full-service gross basis. Thus, the base annual rental rate of \$23.40 modified-service, which approximates \$27.00 on a full-service gross basis, including parking, for the proposed lease represents a rate within the market range for the area.

- 19701 Hamilton Avenue, Torrance-Did not meet County requirements. Higher rent.
- 19700 S. Vermont Avenue, Torrance-Did not meet County requirements. Higher rent.
- 19750 So. Vermont Avenue, Torrance-Did not meet County requirements. Higher rent.

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 DMH 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

COUNTY OF LOS ANGELES
(DEPARTMENT OF MENTAL HEALTH)
Tenant

OMNINET HAMILTON, LP
Landlord

20101 HAMILTON AVENUE
LOS ANGELES, CALIFORNIA 90502

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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 OMNINET HAMILTON, LP, a Delaware limited partnership ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION

1.1. Terms

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

a. Landlord's Address for Notice:

Omninet Hamilton, LP
9420 Wilshire Blvd., Suite 400
Beverly Hills, CA 90212
Attn.: Michael Danielpour

With a copy to:

Omninet Property Management
9420 Wilshire Blvd., Suite 400
Beverly Hills, CA 90212
Attn.: Operations

All Rent shall be delivered to:

Omninet Hamilton, LP
9420 Wilshire Blvd., Suite 400
Beverly Hills, CA 90212
Attn.: Accounts Receivable

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:

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

- c. Premises: Approximately 21,164 rentable square feet in the Building (defined below) as shown on Exhibit A attached hereto.
- d. Building: The Building located at 20101 Hamilton Avenue, Torrance, which is currently assessed by the County Assessor as APN 7351-033-017 and described more particularly in Exhibit B attached hereto (the "Property")
- e. Term: 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 tenth (10th) annual anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which as option has been validly exercised.
- f. Projected Commencement Date: April 1, 2019, as the same may be extended pursuant to the terms of this Lease and Landlord's Work Letter
- g. Irrevocable Offer Expiration Date: December 31, 2018

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- h. Base Rent: \$41,269.80 per month (which is based upon a rental rate of \$1.95 per square foot (adjustable only as provided in Section 2.2 hereof.)
- i. Early Termination Notice Date: At or any time after the last day of the 72nd full calendar month following the Commencement Date of the original Term, and, if Tenant does not exercise such early termination right during the initial one hundred twenty (120) months of Term and Tenant extends the Term pursuant to Section 4.5 below, then Tenant shall also have the right to terminate this Lease at any time after last day of the sixtieth (60th) full calendar month of the Extension Term, all upon the terms and conditions provided in Section 4.4 hereof.
- j. Rentable/gross Square Feet in the Premises: 21,164 (adjustable only as provided in Section 2.2 hereof)
- k. Use: The Premises together with all appurtenances belonging to, or in any wise appertaining, shall be used as governmental office space or for other government purposes during normal working hours, after normal working hours, and on weekends and holidays.
- l. Initial Departmental Use: General governmental office and public service office use for the Department of Mental Health
- m. Parking Spaces: 4.58 parking spaces per 1,000 rentable square feet of the Premises, which equals 97 non-exclusive parking spaces located on-site as defined in Section 20
- n. Normal Working Hours: 7:00 a.m. to 7:00 p.m., Monday through Friday and 9:00 a.m. to 1:00 p.m. Saturday, except New Year's Day,

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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. Asbestos Report: A report dated May 11, 2018, prepared by Magnolia Environmental, a licensed California Asbestos contractor.
- p. Disabled Access Survey N/A.
- q. Seismic Report A report dated December 7, 2017 prepared by the Department of Public Works.

1.2. Defined Terms Relating to Landlord's Work Letter

- a. Base Tenant Improvement Allowance: \$846,560.00 (which is based upon \$40 per rentable square foot)
- b. Additional Tenant Improvement Allowance: \$1,164,020.00 (which is based upon \$55 per rentable square foot)
- c. Intentionally Omitted.
- d. Additional Tenant Improvement and Change Order Amortization Rate: Not applicable.
- e. Base Rent Reduction: Not applicable.
- f. Tenant's Work Letter Representative: Farron Chavarria, or an assigned staff person of the Chief Executive Office Real Estate Division
- g. Landlord's Work Letter Representative: Don Carp and/or an assigned staff person of the Landlord

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- h. Landlord's Address for Work Letter Notice: 9420 Wilshire Blvd., Suite 400
Beverly Hills, CA 90212
- i. Tenant's Address for Work Letter Notice: Board of Supervisors
Kenneth Hahn Hall of Administration
Room 383
500 West Temple Street
Los Angeles, California 90012

With a copy to:

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

- 1.3. Exhibits to Lease:

(Executed concurrently with this Lease and incorporated herein by this reference):

Exhibit A- Floor Plan of Premises
Exhibit B- Legal Description of Property
Exhibit C- Commencement Date Memorandum and Confirmation of Lease

Terms
Exhibit D- HVAC Standards
Exhibit E- Cleaning and Maintenance Schedule
- 1.4. Landlord's Work Letter:

(Executed concurrently with this Lease and incorporated herein by this reference):

Landlord's Work Letter
Addendum A: Base Building Improvements
Addendum B: Tenant Improvements
Addendum C: Memorandum of Tenant Improvements Cost
- 1.5. Supplemental Lease Documents:

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

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

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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

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Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached as Exhibit C. The Commencement Date shall begin 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 Premises are Substantially Complete, Tenant has inspected the Premises and Tenant has accepted 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;
- b. Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease, 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 final sign off from the local building inspector or the equivalent of any of the forgoing;
- 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

Landlord shall use commercially reasonable efforts to complete the construction of the work described in Landlord's Work Letter by the one hundred eightieth (180th) day following the date of Landlord's receipt of the final governmental building permit granting Landlord the right to perform such work; provided, however, such day shall be extended on a day for day basis due to any delays in Landlord completing such work to the extent caused by Tenant Delay(s) and/or Force Majeure Delays and/or Change Orders (as described in Section 8 of Landlord's Work Letter). Following the expiration of such one hundred eighty (180) day period (as extended for Tenant Delays, Force Majeure Delays and/or Change Orders), Tenant may, at any time before the Commencement Date occurs, terminate this Lease effective upon the giving of at least sixty (60) days prior written notice to Landlord. Upon such termination, the parties shall have no further obligations to one another hereunder.

4.3. Early Possession

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Tenant shall be entitled to possession of the Premises not less than 30 days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Such early occupancy shall be subject to all provisions hereof but shall not advance the Termination Date, and Tenant shall not pay Base Rent for such early occupancy period.

4.4. Early Termination

Tenant shall have the right to terminate this lease at any time after the applicable Early Termination Notice Date, as defined in Section 1, by giving Landlord not less than 365 days prior written notice ("**Termination Notice**") executed by the Chief Executive Officer of Tenant. The effective date of such termination as set forth in such Termination Notice is hereinafter referred to as the "**Termination Effective Date**". Tenant shall pay to Landlord the Termination Fee (defined below) within sixty (60) days after the Termination Effective Date. The "**Termination Fee**" shall mean the unamortized Leasing Costs (defined below) as of the Termination Effective Date, based upon an amortization period from the Commencement Date until the Termination Date, with interest accruing on said unamortized Leasing Costs at seven percent (7%) per annum from the date such Leasing Costs were paid. The term "**Leasing Costs**" shall mean the sum of (A) the Base Tenant Improvement Allowance, and (B) the brokerage commissions paid by Landlord in connection with this Lease. In the event that Tenant timely exercises the termination option set forth in this Section 4.4, the Term of the Lease shall terminate effective as of the Termination Effective Date. Base Rent and all other monetary obligations under this Lease shall be paid through and apportioned as of the Termination Effective Date, and neither Landlord nor Tenant shall have any rights, liabilities or obligations accruing under this Lease after the Termination Effective Date, except for such rights, liabilities and obligations which, by the terms of this Lease, are obligations of the Tenant or Landlord which expressly survive the expiration or earlier termination of this Lease. The termination option set forth in this Section 4.4 shall be personal to the original Tenant named in this Lease (and shall not be available to any assignee, sublessee or other transferee), and such termination option (and the applicable Termination Fee) shall be applicable during the initial Term only and not any extension or renewal thereof. Further, no Termination Fee shall be due or payable in connection with Tenant's exercise of the termination right during the Extension Term, except to the extent Landlord performs any improvement work on behalf of Tenant during the Extension Term or provides Tenant with an improvement allowance during the Extension Term. Then, in such case, the Termination Fee for Tenant's exercise, during the Extension Term, of the termination right set forth herein shall be calculated as provided herein with item (A) above to be the amount of such improvement allowance granted to Tenant and item (B) above to be the brokerage commissions paid by Landlord in connection with the extension of the Term of this Lease.

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4.5. Option to Extend

(a) Terms of Option. Provided that no material Default has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have one (1) option to renew this Lease for an additional period of seven (7) 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 three hundred sixty-five (365) 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. Extension Term shall be on all the terms and conditions of this Lease, except that Base Rent during Extension Term shall be equal to the 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, and Landlord shall have no additional obligation for free rent, leasehold improvements or for any other tenant inducements for the Extension Term; provided, however, Tenant shall have the right to terminate this Lease after the expiration of the fifth year of the Extension Term upon the terms and conditions set forth in Section 4.4 hereinabove.

(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. Base Rent during the Extension Term 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 Building and 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 the Building similar in size and location to the Premises and premises in the market in which the Premises is located which premises are similar in size and location to the Premises, in each case, excluding any improvements installed by Tenant in the Premises. 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 for comparable premises (which

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comparable premises is located in the Building and in the market in which the Premises is located) for general office use or 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 fact that Tenant is not obligated to pay Tenant's share of operating expenses or taxes allocable to the Building in connection with this Lease (and whether tenants of comparable transactions are required to pay such operating expenses and taxes pursuant thereto), parking rights, signage rights, length of lease term, size and location of the premises being leased and other general applicable conditions of tenancy for such comparable transactions; provided, however, no consideration shall be given to (i) the fact that Landlord is or is not required to pay a real estate brokerage commission in connection with Tenant's exercise of its right to extend the Lease Term, or the fact that landlords (of buildings located in the market in which the Premises is located) are or are not paying real estate brokerage commissions in connection with such comparable space, and (ii) any period of rental abatement, if any, granted to tenants in comparable transactions (which comparable transactions are in the Building and in the market in which the Building is located) in connection with the design, permitting and construction of tenant improvements in such comparable spaces.

(f) Opinion. Landlord shall submit its opinion of Market Rental Value to Tenant within fifteen (15) days after Landlord's receipt of the Notice of Intent and Tenant shall respond thereto within ten (10) 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' 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 the 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 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' experience appraising commercial properties in Los Angeles County.

(g) Amendment of Lease. Immediately after the Board of Supervisors approves the exercise of any option granted pursuant to this Section 4.5, 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.

5.1 Rent Adjustment.

(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, Base Rent shall be adjusted by applying the CPI Formula set forth below. The "Base Index" shall be the Index published for the month in which 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 in which the Commencement Date occurs. 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 rent shall be as follows:

$$\begin{aligned} & \frac{\text{New Index}}{\text{[Base Index]}} \times \$41,269.80 \text{ (Base Rent)} \\ & + \text{Amount needed to amortize Tenant's Additional Tenant} \\ & \quad \text{Improvements, if any} \\ & \pm \text{Amount needed to amortize change order costs, if any} \\ & = \text{Monthly Rent} \end{aligned}$$

(d) Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI Formula result in an annual increase less than two percent (2%) or greater than four percent (4%) per year of the Base Rent. In no event

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

(e) In the event the Option is exercised, the Base Index shall be the Index published for the month the Option term commences. The Base Rent will be readjusted per the terms above.

5. 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.

6. 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.

7. COMPLIANCE WITH LAW

Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the 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.

8. DAMAGE OR DESTRUCTION

8.1. 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 210 days, then Landlord shall promptly, at Landlord's expense, repair such damage to the extent of insurance proceeds received and this Lease shall continue in full force and effect. Tenant

shall not be liable to Landlord for any deficient insurance proceeds. If all or any portion of the Premises shall be made unusable or otherwise untenable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within ten days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises usable 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.

8.2. 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 210 days for any reason, then Tenant may terminate this Lease by giving written notice within ten days after notice from Landlord specifying such time period of repair; and this lease shall terminate and the Base Rent shall be abated from the date the Premises became unusable. In the event that Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided insurance proceeds are available to repair the damages.

8.3. 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.

8.4. Default By Landlord

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

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

9. REPAIRS AND MAINTENANCE

9.1. Landlord Representations

Landlord represents to Tenant that:

- a. Subject to the disclosures made in and any contrary statements set forth in the Asbestos Report and the other property condition reports provided by Landlord to Tenant prior to the mutual execution of this Lease, as of the date hereof 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 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 Asbestos Report that the Premises and the Building contain no asbestos containing material (other than as may be reflected in the Asbestos Report), Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos containing materials to the extent required by applicable laws and provide Tenant with an updated Asbestos Report from a licensed California Asbestos contractor to that effect.

9.2. 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, concealed electrical systems and telephone intra-building network cable;

- ii. mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building
- iii. the Common Areas;
- iv. exterior windows of the Building;
- v. elevators serving the Building;
- vi. Fire/life-safety systems 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. During the Term, if requested by Tenant, Landlord shall, at Landlord's sole cost and expense, perform the following repairs to the Premises:

- i. Replace carpet as needed, but not less often than after five years of use;
- ii. Repair interior partitions;
- iii. Repair interior doors;
- iv. Repair interior side of demising walls and repaint such walls as needed, but not less often than every five years;
- v. Repair signage;
- vi. Repair emergency exit signage and egress battery replacement.

9.3. Tenant Obligations

Without limiting Landlord's Obligations, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall:

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

9.4. 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 seven (7) days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action. If not reimbursed by Landlord within 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 its CEO, may request that Landlord perform, supply and administer any repairs, replacement or services that are the responsibility of Tenant hereunder and, in such event, Tenant shall reimburse Landlord the costs of such services within thirty (30) days after receipt of an invoice and supporting documentation.

10. SERVICES AND UTILITIES

10.1. Services

Landlord shall furnish and pay for the following services and utilities to the Premises:

a. Heating, Ventilation and Air Conditioning (HVAC)

Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings and not less than the standard set forth in Exhibit D attached hereto.

Any HVAC provided to the Premises after Normal Working Hours shall be provided at the rate of \$10 per hour per zone to compensate Landlord for wear and tear of the HVAC system providing such HVAC to the Premises after Normal Working Hours. Landlord agrees that such after Normal Working Hours HVAC rate shall not increase during the initial Term, as the same may be extended.

Tenant hereby acknowledges that the Premises will be separately metered (through the use of a submeter) for electricity as part of the Tenant Improvements to be constructed by Landlord pursuant to the Landlord's Work Letter attached hereto. Accordingly, Tenant shall reimburse the landlord for such utility and pay for all electricity

consumed at the Premises by Tenant. Tenant shall be responsible, at Tenant's sole cost, for repairing, maintaining and replacing such submeter, but only to the extent of any damage caused by Tenant.

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. Tenant shall pay for such electricity upon the terms and conditions set forth in Section 10.2 below.

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 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building and Force Majeure (defined below).

g. Pest Control. Landlord, at Landlord's cost, shall provide pest control services to the Premises by a reputable pest control service provider in accordance with the terms and conditions set forth in Section 7(c) of Exhibit E attached hereto.

10.2. Utilities

a. Common Area. Landlord agrees to pay when due all charges for the use of the sewer, effluent treatment, when and if imposed by any governmental authority, all water, sprinkler standby charges, gas, heating payable with respect to the Common Areas. In addition, Landlord shall pay all Common Area power and lighting arising or accruing during the Term. If Landlord shall fail or refuse to pay any or all of the above-stated charges when due, Tenant may deliver to Landlord thirty (30) days prior written notice and, if such amounts are not paid by Landlord within such period, Tenant may thereafter pay directly such charges and deduct an amount equal to such payments from Base Rent next due and payable under this Lease.

b. Premises. Landlord agrees to pay when due all charges for the use of the sewer, effluent treatment, when and if imposed by any governmental authority, all water, sprinkler standby charges, gas, heating payable with respect to the Premises. Tenant agrees to pay when due all charges for the use of electricity ("Electricity Costs") accruing or payable in connection with the Premises during the Term of this Lease, or any renewal, extension, or holdover thereof, which shall be separately metered. Landlord and Tenant hereby agree that Tenant shall not be responsible for utility costs for the Premises other than separately metered Electricity Costs attributable to Tenant's use of the Premises.

11. TAXES

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

In the event Landlord fails or refuses to pay any of all taxes or assessments when due, Tenant may, as 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 installments of Base Rent next due and payable under this Lease.

12. LANDLORD ACCESS

Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or Premises, 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.

13. TENANT DEFAULT

13.1. Default

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

13.2. Termination

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

13.3. 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.

14. LANDLORD DEFAULT

14.1. Remedies

In addition to the provisions for Landlord's default provided by Sections 9.4, 10.3, 19 and 20.2, Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within ten (10) days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10.3); provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such ten (10) 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

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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.

14.2. Waiver

Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

14.3. Emergency

Notwithstanding the foregoing cure period, Tenant may, after delivering to Landlord notice to the extent commercially reasonably possible under the circumstances, 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 health and safety of Tenant's contractors, agents, employees or guests in the Premises.

14.4 Limitation on Liability. Notwithstanding anything to the contrary set forth in this Lease, Landlord, its managers, officers, directors, contractors, agents and employees ("Landlord Parties"), shall not, except to the extent of damage caused by Landlord's gross negligence or willful misconduct, be liable for injury to Tenant's business, or loss of income, loss of opportunity or loss of goodwill therefrom, or any consequential, punitive, special or exemplary damages, however occurring. Without limiting the foregoing, Landlord and the Landlord Parties shall not be liable for any claims, losses, liabilities or damages that may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees, customers, agents, or contractors, or any other person in, on or about the Premises directly or indirectly caused by or resulting from any cause whatsoever, including, but not limited to, fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning, light fixtures, or mechanical or electrical systems, or from intrabuilding cabling or wiring, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the

Building or from other sources or places and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant. Landlord and the Landlord Parties shall not be liable to Tenant for any claims, losses, liabilities or damages arising from any willful or negligent action or inaction of any other tenant of the Project.

15. ASSIGNMENT AND SUBLETTING

Tenant may assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises after first obtaining Landlord's prior consent, which consent shall not be unreasonably withheld; provided, however, that 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.

16. ALTERATIONS AND ADDITIONS

16.1. 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, then Landlord shall be deemed to approve the Alterations described in such consent request.

16.2. 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.

17. CONDEMNATION

17.1. Controlling Terms

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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.

17.2. 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").

17.3. 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.

17.4. Restoration

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

under this Lease shall remain in effect, except that Base Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

17.5. 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.

17.6. 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.

18. INDEMNIFICATION:

18.1. Landlord's Indemnity. Landlord shall indemnify, defend and hold Tenant harmless 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 connection with Landlord's repair, maintenance and other acts and omissions arising or resulting from Landlords negligence or willful misconduct.

18.2. Tenant's Indemnity. Tenant shall indemnify, defend and hold harmless 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 Tenant's repair, maintenance or other acts and omissions, or arising from and/or relating to the use of the Premises by Tenant, its contractors, agents, employees, invitees or guests, and/or from any breach or default under this Lease by Tenant.

19. INSURANCE:

19.1. LANDLORD'S INSURANCE.

- a. During the term of this Lease, the following insurance requirements will be in effect.

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b. 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).

c. GENERAL INSURANCE PROVISIONS – LANDLORD REQUIREMENTS

i. Subject to the waiver(s) of subrogation and limitation on Landlord's liability set forth in this Lease, during the Term of this Lease, Landlord shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Section 19.1(c)(ii) of this Lease (the "Required Insurance"). 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.

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

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:

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| General Aggregate: | \$ 5 million |
| Products/Completed Operations Aggregate: | \$ 5 million |
| Personal and Advertising Injury: | \$ 3 million |
| Each Occurrence: | \$ 3 million |

Notwithstanding any contrary provision contained in this Lease, Landlord shall be permitted to maintain the types and amounts of insurance required herein pursuant to an umbrella or excess liability policy or policies of insurance.

iii. Evidence of Coverage and Notice to Tenant

1. Certificate(s) of insurance coverage (Certificate), and a copy of an Additional Insured endorsement confirming Tenant has been given Insured status under the Landlord's General Liability policy, shall be delivered to Tenant at the address shown below within fifteen (15) business days of the start day of this Lease.

2. Renewal Certificates shall be provided to Tenant prior to the expiration of such certificates.

3. Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by 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, and confirm that Tenant has been given Insured status under the Landlord's General Liability policy.

4. 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.

5. 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 South Hill Street, 3rd Floor
Los Angeles, CA 90012
Attention: Property Management

6. Landlord also shall promptly notify Tenant of any third party claim or suit filed against Tenant which arises from or relates to this Lease, and could result in the filing of a claim or lawsuit against Landlord and/or Tenant.

iv. Additional Insured Status and Scope of Coverage. Tenant, which is the County of Los Angeles, shall be provided additional insured status under Landlord's General Liability policy. The full policy limits and scope of protection also shall apply to 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.

v. Cancellation of or Changes in Insurance. Landlord shall provide 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 in advance of cancellation for non-payment of premium or for any other cancellation or any change of the Required Insurance below the minimum amounts set forth in Section 19.1(c)(ii) above. Failure to provide written notice of such cancellation or change of the Required Insurance below the minimum amounts set forth in Section 19.1(c)(ii) above may constitute a material breach of this Lease, in Tenant's

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reasonable discretion, upon which Tenant shall have the right to suspend or termination this Lease. Landlord's failure to maintain or provide commercially reasonable evidence that Landlord maintains the Required Insurance may constitute a material breach of this Lease.

vi. Insurer Financial Ratings. Insurance is to be provided by an insurance company authorized to do business in California with an A.M. Best rating of not less than A:VII, unless otherwise approved by Tenant, which approval shall not be unreasonably withheld.

vii. Tenant's Insurance Shall Be Primary. Tenant's insurance policies shall be primary with respect to any claims related to the Premises. Landlord's policies shall be secondary and non-contributing with respect to any claims related to the Premises. Landlord's insurance policies shall be primary with respect to any claims related to the common areas of the Property. Tenant's policies shall be secondary and non-contributing with respect to any claims related to the common areas of the Property.

viii. Per Occurrence Coverage. Required Insurance shall be maintained by Landlord on a per occurrence basis. If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the start date of this Lease. Landlord understands and agrees that it shall maintain such claims made coverage for a period of not less than the earlier to occur of (i) three (3) years following Lease expiration, termination or cancellation or (ii) the date of Landlord's sale of the Building.

ix. 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.

x. Deductibles and Self-Insured Retentions ("SIRs"). Landlord's insurance policies shall not obligate Tenant to pay any portion of any SIR.

xi. Waiver of Subrogation. Landlord and Tenant each agree to require their respective insurers issuing all-risks property insurance required in this Lease to waive any rights of subrogation that such companies may have against the other party. Tenant hereby waives any right that Tenant may have against Landlord and Landlord hereby waives any right that Landlord may have against Tenant as a result of any loss or damage to the extent such loss or damage is insurable under such all-risks policies.

19.2 TENANT'S 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,

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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.

B. 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:

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| General Aggregate: | \$ 3 million |
| Products/Completed Operations Aggregate: | \$ 2 million |
| Personal and Advertising Injury: | \$ 2 million |
| Each Occurrence: | \$ 2 million |

C. Commercial Property Insurance. Landlord's insurance shall provide coverage for all of Landlord's owned business personal property, all of Tenant's property and any improvements and betterments which are located within the Premises and used by Tenant; 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 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 Tenant and Landlord as their interests may appear.

D. Waiver of Subrogation. Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant and if Tenant shall satisfy its insurance requirements hereunder by a policy of third party insurance (as opposed to self-insurance), Tenant shall obtain a written waiver of subrogation from such third party provider. During the period in which Tenant shall self-insure its insurance obligations under this Lease, such waiver of subrogation shall apply with respect to such self-insurance. Neither Landlord nor Tenant shall be liable to the other for any damage caused by fire or any of the risks insured under any insurance policy required by this Lease.

20. PARKING

20.1. Tenant's Rights

Tenant shall have the right to the number of unreserved 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

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time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all 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.

20.2. Remedies

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

- a. 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 1.5, but such deduction from Base Rent shall be not less than ten percent (10%) nor more than one hundred percent (100%).

21. ENVIRONMENTAL MATTERS

21.1. Hazardous Materials

a. Tenant shall not cause nor permit, nor allow any of Tenant's employees agents, customers, visitors, invitees, licensee, contractor, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes,

living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

b. In the event of (I) Landlord receives written notice of the presence of Hazardous Materials in the Premises or the Building in violation of applicable law during the Term, which Hazardous Materials were present in the Premises or Building prior to the Commencement Date, or (II) the release of Hazardous Materials within the Building or the Premises in violation of applicable law by Landlord or any of Landlord's agents, employees or contractors (and specifically excluding, however, any Hazardous Materials released, transported, generated or used by Tenant, or Tenant's agents, employees, invitees, successors or assigns) after the Commencement Date, then Landlord shall (A) commence within a reasonable time frame (considering the nature and urgency of the situation) after Landlord receives written notice of such breach or discovery and verifies the accuracy of such claim, a removal, containment or other encapsulation program relating to the breach in question to the extent required by applicable law in order to comply with applicable law, (B) diligently prosecute such program to completion, and (C) indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of Landlord's breach or default under this Section 21(b). The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

c. Landlord agrees to indemnify, defend and save Tenant, its agents, officers and employees from or against all liability, expenses (including defense costs, legal fees, and response costs imposed by law) and claims for damages of any nature whatsoever (subject to the limitations set forth in this Lease), judgments, causes of action, damage, penalties, fines and related taxes thereon which arise out of the presence of Hazardous Materials on the Premises which has been caused by Landlord or Landlord's agents. This indemnity shall include the cost of any required or necessary repair, clean up 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 applicable 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 Premises in violation of applicable laws. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or earlier

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termination of this Lease. A default by Landlord under this paragraph shall constitute a material default under this Lease.

d. Tenant agrees to indemnify, defend and save harmless Landlord, its agents, officers and employees from and against all liability, expenses (including defense costs, legal fees and response costs imposed by law) and claims for damages of any nature whatsoever which arise out of the presence of Hazardous Materials on the Premises caused by Tenant or Tenant's agents.

e. The indemnity provided each party by this provision shall survive the termination of this Lease.

22. ESTOPPEL CERTIFICATES

Tenant shall, within 30 days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Document II in the Supplemental Lease Documents delivered to Landlord concurrently herewith (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

23. 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.

24. 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.

25. SUBORDINATION AND MORTGAGES

25.1. 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.

25.2. 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.

25.3. 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.

25.4. 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.

26. 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).

27. SIGNAGE

Subject to Landlord's reasonable prior written approval, Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances.

28. 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.

29. GENERAL

29.1. 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.

29.2. Successors and Assigns

All 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.

29.3. Brokers

Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. Tenant shall receive from Landlord or Landlord's broker, within thirty (30) days after the execution of this Lease, an amount equal to 50% of the Commissions (defined below). As used herein, "Commission" shall mean two percent (2%) of Base Rent payable by Tenant under this Lease for the first sixty (60) months of the Term and, with respect to the remaining forty-two months of the Term, "Commission" shall mean one percent (1%) of Base Rent payable by Tenant under this Lease. Landlord shall provide Tenant with a commission schedule and copy of the applicable listing agreement with a third party broker representing Landlord in connection with this Lease, if any.

29.4. 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.

29.5. 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.

29.6. 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.

29.7. 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.

29.8. 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.

29.9. Time of Essence

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

29.10. Consent

Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise

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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.

29.11. 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.

29.12. 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.

30. AUTHORITY

Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Officer of the County or its delegee (the "Chief Executive Officer") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

31. ACKNOWLEDGEMENT BY LANDLORD

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Initial

Landlord acknowledges that it is aware of the following provisions:

31.1. 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.

31.2. 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 1 (800) 544-6861. Failure to report such solicitation may result in the Landlord's submission being eliminated from consideration.

31.3. 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, other than an assignment of this Lease in connection with the sale of the Building or Property, is hereafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with this Section 31.1 shall, at Tenant's option, be void.

c. Each assignee or transferee under the Security Agreement shall certify in writing that such assignee or transferee has read and is familiar with the requirements

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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 (excluding, collateralized mortgage backed securities).

d. Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity other than purchasers, lenders, and prospective purchasers and lenders, and all of their legal representatives or brokers on a need to know basis, except with County's prior written consent.

e. 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.

f. 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.

g. Notwithstanding any contrary provision contained in this Lease, Landlord shall have the right, at any time and from time to time, without notice to Tenant, to refinance the Building or transfer Landlord's right, title and interest in and to the Building without Tenant's consent.

32. 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.

33. Force Majeure. Except for the payment of monetary amounts, and notwithstanding any other provisions of this Lease, in the event that either party is delayed or hindered from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials not related to the price thereof, failure of power, restrictive governmental laws and regulations, riots, insurrection, war, delay in the issuance of building permits or other required approvals by governmental authorities (provided the party responsible for obtaining such permits or approvals is diligently pursuing the issuance thereof) or other reasons of a like nature beyond the control of such party, then performance of such acts shall be excused for the period of the delay and the period for performance of any such act shall be extended for a period equivalent to the period of such delay.

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Initial

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

LANDLORD:

OMNINET HAMILTON, LP,
A Delaware limited partnership

By: Omninet Three GP, LLC,
A California limited liability company
Its: General Partner

By: 
Name: Michael Danielpour
Its: Manager

TENANT:

COUNTY OF LOS ANGELES
a body politic and corporate

By: _____
David P. Howard
Assistant Chief Executive Officer

ATTEST:

Dean C. LOGAN
Registrar-Recorder/County Clerk

By: _____
Deputy

APPROVED AS TO FORM

MARY C. WICKHAM
County Counsel

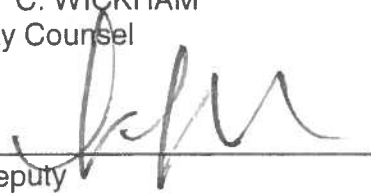
By: 
Deputy

EXHIBIT A

FLOOR PLAN OF PREMISES

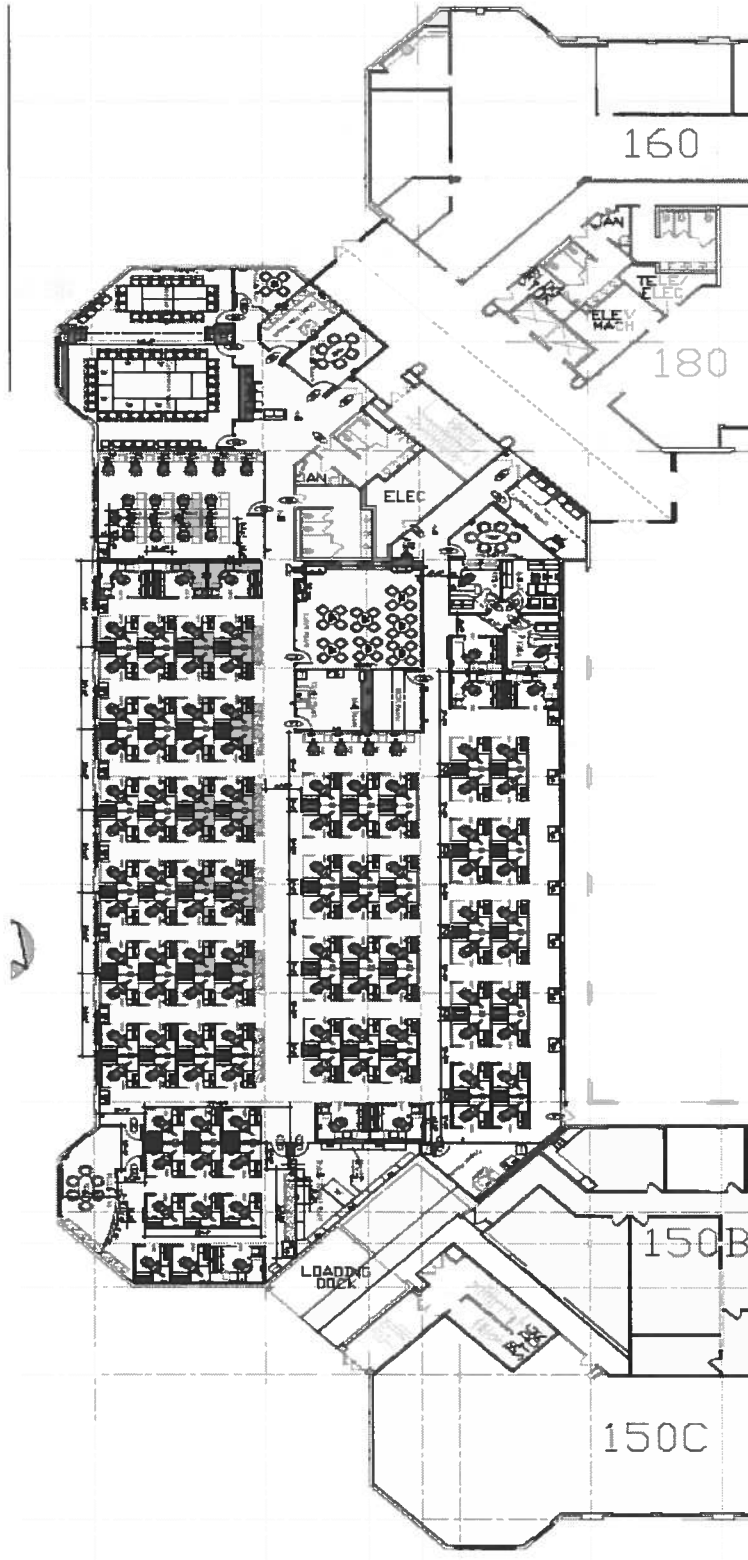


EXHIBIT B

LEGAL DESCRIPTION OF PREMISES

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 63 AND 64 OF TRACT NO. 4671, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 56, PAGES 30 AND 31 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Assessor's Parcel Number: 7351-033-017

END OF LEGAL
DESCRIPTION

**EXHIBIT C
COMMENCEMENT DATE MEMORANDUM
AND CONFIRMATION OF LEASE TERMS**

Reference is made to that certain lease ("Lease") dated _____, 201____, between County of Los Angeles, a body politic and corporate ("Tenant"), and OMNINET HAMILTON, LP, a Delaware limited partnership ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 20101 Hamilton Avenue, Torrance, CA 90502 ("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 21,164 rentable/gross 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 _____, 20_____.

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| <p>Tenant:</p> <p>COUNTY OF LOS ANGELES a body politic and corporate</p> <p>By: _____ Name _____ Its _____</p> | <p>Landlord:</p> <p>OMNINET HAMILTON, LP, A Delaware limited partnership</p> <p>By: Omninet Three GP, LLC, A California limited liability company Its: General Partner</p> <p>By: _____ Michael Danielpour Manager</p> |
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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.

EXHIBIT E (continued)
CLEANING AND MAINTENANCE SCHEDULE

1. DAILY (Monday through Friday)

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

EXHIBIT E (continued)
CLEANING AND MAINTENANCE SCHEDULE

5. SEMI-ANNUALLY

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

6. ANNUALLY

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

7. AS NEEDED

- A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
- B. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.
- C. Interior and exterior pest control inspections and remediation frequency is to be mutually and reasonably determined by Landlord and Tenant.
- D. Carpets to be cleaned as needed, as mutually and reasonably agreed upon by Landlord and Tenant, using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.
- E. All walls repainted and wall coverings replaced throughout the Premises. The paint finish should be eggshell or semi-gloss as directed by Tenant and in a color acceptable to Tenant. In no event will Landlord be required to repaint or replace wall coverings more than one (1) time in a five (5) year period (the "Occurrence").

EXHIBIT E (continued)
CLEANING AND MAINTENANCE SCHEDULE

F. All HVAC ducts cleaned as needed.

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.

LANDLORD'S WORK LETTER

For

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

DEPARTMENT OF MENTAL HEALTH

Tenant

OMNINET HAMILTON, LP

Landlord

20101 HAMILTON AVENUE

LOS ANGELES, CALIFORNIA 90502

LANDLORD'S WORK LETTER

This Work Letter supplements the Lease (the "Lease") dated _____, 2018, executed concurrently herewith, by and between OMNINET HAMILTON, 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.

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| (a) <u>Base Tenant Improvement Allowance:</u> | \$846,560 (which is based upon \$40 per rentable square foot) |
| (b) <u>Additional Tenant Improvement Allowance:</u> | \$1,164,020 (which is based upon \$55 per rentable square foot) |
| (c) <u>Intentionally Omitted:</u> | |
| (d) <u>Additional Tenant Improvement and Change Order Amortization Rate:</u> | Not Applicable. |
| (e) <u>Basic Rent Reduction per \$1,000:</u> | Not Applicable. |
| (f) <u>Tenant's Work Letter Representative:</u> | Farron Chavarria, or an assigned staff person of the Chief Executive Office-Real Estate Division. |
| (g) <u>Landlord's Work Letter Representative:</u> | Don Carp or an assigned staff person of the Landlord. |
| (h) <u>Landlord's Address for Work Letter Notice:</u> | See Section 1.2 (h) of the Lease. |

(i) Tenant's Address for Work Letter Notice:

Board of Supervisors
Kenneth Hahn Hall of Administration
Room 383
500 West Temple Street
Los Angeles, California 90012
With a copy to:
Chief Executive Office-
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Fax Number: (213) 217-4971

(j) Addenda:

Addendum A: Base Building
Improvements
Addendum B: Tenant Improvements
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 (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) only to the extent such changes or additions are specifically described in Addendum B hereto.

2.2 **Additional Costs Not Tenant Improvement Costs.**

(a) In the event that the Common Areas of the Building or base Building structure or systems do 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 had the Common Areas of the Building or base Building systems or structure been in compliance with such codes, 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 existing Premises to comply with the access requirements of the ADA or 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) any initial installation of a fire sprinkler system

(provided, however, any modification of upgrade of the fire sprinkler system in the Premises to accommodate the Tenant Improvements and not required as provided in the foregoing herein, shall be included as a Tenant Improvement Cost) (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere; (iv) utility costs incurred during construction; and (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease.

(c) Landlord shall be solely responsible for all costs and expenses necessary to maintain structural floor loading in order to accommodate Tenant's libraries, file rooms, unusual live loads and other such uses. If Tenant's floor loading requirements exceed the structural floor loading capacity of the Building, then all costs of increasing the floor loading shall be included as a Tenant Improvement Cost.

2.3 **Base Building Plans.** Landlord has delivered to Tenant "as built" plans and specifications for the Building in an AutoCAD 2000 format. In the event Tenant incurs additional costs because such plans and specifications are incomplete or inaccurate, such increased costs will be reimbursed to Tenant and any delay caused thereby shall not be a Tenant Delay, as defined below.

3. **Selection of Architect and Engineer.** Landlord shall promptly solicit at least three proposals from qualified licensed architects ("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 business days after Landlord has submitted the name of the Architect and the 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.

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

5. Preparation of Plans and Specifications and Construction Schedule.

5.1 Preparation of Space Plan. Concurrently with the execution of this Lease, Tenant shall submit to Landlord a space plan and specifications for the Premises showing all demising walls, corridors, entrances, exits, doors, interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room (collectively the "Space Plan"). The Space Plan is subject to Landlord's consent, which consent shall not be unreasonably withheld, conditioned or delayed.

5.2 Preparation and Approval of Working Drawings. Within ten (10) days of the date the Space Plan is approved by Landlord (the "Plan Submission Date"), which approval shall not be unreasonably withheld, conditioned or delayed, Landlord shall instruct the Architect to commence preparation of Working Drawings (the "Working Drawings"), which shall be compatible with the design, construction and equipment of the Building, comply with all applicable laws, be capable of physical measurement and construction, contain all such information as may be required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and contain all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times and the cost of the Architect to prepare the Working Drawings shall be Tenant Improvement Cost. Landlord shall provide Tenant the Working Drawings, or such portion as has from time to time been submitted, for review. 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.

5.3 Preparation and Approval of Engineering Drawings. As part of the Tenant Improvement Costs, 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 review.

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has approved the Engineering Drawings, Landlord shall cause the Architect to integrate the approved Working Drawings with the approved Engineering Drawings (collectively "Final Plans") and deliver five sets of the Final Plans to Tenant. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements) and

power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements.

5.5 Approval of Plans by Tenant. Approval by Tenant shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements. The cost and expense of any changes to the Engineering Drawings or Working Drawings shall be included in the Tenant Improvement Costs.

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

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

6.1 Construction Budget. Within forty-five (45) days after the Plan Submission Date, Landlord shall submit to Tenant a preliminary budget (the "Preliminary Budget"). Such budget shall be revised into final form within ten (10) business days from the date the Contractor is selected and will be referred to herein as the "Final Construction Budget". Tenant shall have five (5) days from the date of receipt of the Final Construction Budget to approve or disapprove the Final Construction Budget. Construction of the Tenant Improvements shall not begin until such time as Tenant indicates its approval or disapproval of the Final Construction Budget or the five (5) day period expires without any response from Tenant. In the event Tenant disapproves the Final Construction Budget due to matters related to cost and the Final Construction Budget is twenty percent (20%) or more higher 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 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.

6.2 Additional Tenant Improvement Allowance. The Tenant Improvement Allowance shall be used by Landlord to pay for the costs of all improvements required by the Working Plans and modular furniture described in the Modular Specifications, as further described in Addendum B hereto (collectively, the "Tenant Improvements"); provided, however, to the extent the Tenant Improvement Costs (defined below), exceed the Tenant Improvement Allowance, then such additional costs shall be paid by the Additional Tenant Improvement Allowance upon the terms set forth below. Costs of Tenant Improvements shall include, without limitation, construction costs for furniture, telecommunications equipment, soft costs and any other costs designated in writing by

Tenant (collectively "Tenant Improvement Costs") not to exceed, in the aggregate, the sum of the Base Tenant Improvement Allowance, the Additional Tenant Improvement Allowance and costs of Change Orders, as defined below. Landlord shall be solely responsible for any delay or increased cost in completing the Tenant Improvements except for delays or costs arising from Tenant Delays, Force Majeure or Change Orders as defined below. It is anticipated that the Tenant Improvement Costs will exceed the Tenant Improvement Allowance, and 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 to Landlord as provided in Section 6.3 herein.

6.3 Method of Payment. That portion of the Additional Tenant Improvement Allowance used to pay for the Tenant Improvement Costs shall be paid by Tenant to Landlord (i) in a lump sum when the Tenant Improvements are Substantially Complete and (ii) within 30 days after the Tenant receives closing documents from the Landlord, including a statement of Tenant Improvement costs, referenced in section 10 herein, This shall include but not be limited to the certificate of occupancy or final sign-off from the governing agency, the close-out package from the General Contractor, final invoices from the furniture vendor and other specialty vendors (if any), and final invoices and documentation from the Architectural Engineer.

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 the work shall be performed by Landlord as part of the Tenant Improvement Costs.

7.2 Bids. Unless waived by Tenant in writing, any major contractors, subcontractors and materials providers providing labor and/or materials for the Tenant Improvements shall be reasonably selected jointly by Landlord and Tenant only after at least three sealed, fixed price 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 for its review prior to the award of the Construction Contract. The bids shall include an itemized list of all materials and labor and shall include all additional costs, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. 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. As part of the Tenant Improvement Costs, Landlord shall secure the approval of governmental authorities, and all permits required by governmental authorities having jurisdiction over such approvals and permits for the Tenant Improvements, promptly after approval of the Final Plans.

(b) Commencement of Construction. Landlord shall commence construction of the Tenant Improvements within 30 days after issuance of all such necessary permits. Landlord shall commence and, once commenced, shall thereafter

diligently proceed to construct and complete all Tenant Improvements, subject to any cessation that may be caused by Force Majeure Delays or Tenant Delays.

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

(a) No Interference. Tenant shall not interfere with Landlord's construction of the improvements described in this Landlord's Work Letter.

(b) Decorating Decisions. As part of the Tenant Improvement Costs, 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 or all other decorator selection efforts required by Tenant, shall be provided by Landlord to Tenant. Landlord shall consult with Tenant with respect to all such decorating services and decisions.

(c) Clean-Up and Substandard Work. As part of the Tenant Improvement Costs, Landlord will cause all needed clean-up with respect to the Tenant Improvements, whether in the Premises themselves or in other areas utilized by Landlord or its contractors, and agrees to reimburse Tenant for any and all reasonable expenses incurred by Tenant by reason of substandard work performed by Landlord's contractor or contractors (as reasonably determined by Tenant 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. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including, but not limited to, all provisions of the Labor Code of the State of California. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction of the improvements. Particulars of the current Prevailing Wage Scale as approved by the Board of Supervisors which are applicable to the work are filed with the Clerk of the Board of Supervisors and must be posted at the site.

(e) Notice of Non-Responsibility. Landlord and Contractor shall cooperate with Tenant in posting a notice or notices of non-responsibility by Tenant and Tenant shall not interfere with Landlord's or Contractor's posting of a notice or notices of non-responsibility by Landlord.

7.4 Conformed Plans. Within 60 days after Substantial Completion of the Tenant Improvements and receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans ("as-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 sets of drawings and three (3) complete sets of specifications.

8. **Change Orders.** Tenant and Landlord may make changes, additions, deletions or alterations in the Final Plans ("Change Order") provided both Tenant and Landlord approve such changes in writing. A Change Order requested by Tenant shall not constitute a Tenant Delay; provided, however, the one hundred eighty (180) day period for Landlord to complete the work described in this Landlord's Work Letter shall be extended on a day for day basis for each day of delay due to the Change Order and the Projected Commencement Date shall be extended on a day for day basis for each day of delay due to the Change Order. Tenant to pay for Change Orders by: (a) payment in a lump sum upon Substantial Completion of the Tenant Improvements, and (b) within 30 days after Tenant receives statement of Tenant Improvement Cost as provided in Section 6.3 and Section 10 herein. Landlord shall submit to the Chief Executive Officer (of Tenant) 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 shall deliver to Landlord within ten (10) 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 a 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 shall have the right to approve or disapprove the bid package. Landlord shall provide at a cost to be deducted from the Tenant Improvement Allowance 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.

10. **Tenant Improvement Costs Adjustment and Right to Audit.** Within thirty (30) days of the issuance of a Certificate of Occupancy, or a final sign-off by the City of Los Angeles, whichever occurs first, Landlord shall provide to Tenant a statement showing in reasonable detail all Tenant Improvement Costs and the total amount payable hereunder by Tenant to Landlord. Upon approval of the 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. In the event the audit shows that Tenant is entitled to a reduction in payments to the Landlord under this Landlord's Work Letter, Tenant shall provide Landlord with a copy of the audit summary and Landlord, 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, the initial fire sprinkler system installation (but modifications or upgrades to accommodate the Tenant Improvements shall be included in the Tenant Improvement Costs) or conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere. All work for required asbestos abatement, the initial installation of a 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 by the Projected Commencement Date. In addition, Landlord shall provide a telephone room and a key to Tenant to such room to store any telephone/data equipment delivered to the Premises prior to the Projected Commencement Date. Tenant shall be solely responsible for any telephone/data equipment delivered to the site for programming prior the Projected Commencement Date. The cost of such equipment and work shall be a Tenant Improvement Cost.

13. **Delay.**

13.1. **Tenant Delays; Force Majeure Delays; Change Order Delays.** Except as set forth herein or in the Lease to the contrary, 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 to the contrary, 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 (and the one hundred eighty (180) day period to complete the Tenant Improvements as set forth in Section 4.2 of 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 public enemy, sabotage, delay in the issuance of building permits or other required approvals by governmental authorities (provided the party responsible for obtaining such permits or approvals is diligently pursuing the issuance thereof, or other similar causes beyond the reasonable control of Landlord (referred to herein as "**Force Majeure Delay(s)**") or (iii) Landlord's performance of the work described herein is delayed due to a Change Order.

13.2. **Limitations.**

(a) **Notice.** No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless Landlord has provided written notice of the event giving rise to such claim, in compliance with the Lease, to Tenant specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. 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 of the Tenant Delay or Force Majeure Delay. At the time of any Change Order by Tenant, Landlord shall inform Tenant of the number of days of delay associated with such Change Order.

(b) Mitigation. Tenant Delays, Force Majeure Delays and Change Orders 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 such additional cost incurred by Landlord due to such effort does not exceed \$1,000 on a cumulative basis, unless Tenant agrees to pay to such excess).

(c) Concurrent Delays. Tenant Delays and Force Majeure Delays shall be recognized hereunder only to the extent the same are not concurrent with any other Tenant Delay or Force Majeure Delay which is effective hereunder. For example, if there are ten 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 Change Order authorization.

14. **Tenant Remedies**. If Landlord fails to complete the construction of the Tenant Improvements within 180 days after the date of Landlord's receipt of the final governmental building permit granting Landlord the right to perform the Tenant Improvements (as extended on a day for day basis due to any delays in Landlord completing such work to the extent caused by Tenant Delay(s) and/or Force Majeure Delays and/or Change Orders), Tenant may, at its option:

14.1. Terminate the Lease by exercising the early termination option upon the terms and condition set forth in Section 4.2 of the Lease; or

14.2 Upon 60 days written notice to Landlord, assume the responsibility for providing the Tenant Improvements itself. If Tenant elects to provide Tenant Improvements itself, then:

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

(b). 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 its administrative costs, and including interest at the rate of six percent (6%) (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 the rent payable hereunder and under the Lease.

14.3 Any default by Landlord, beyond applicable notice and cure periods, 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 requirements, as part of the Tenant Improvement Costs, 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 at least once per week, unless Tenant directs otherwise, at a time and place which is mutually convenient. An initial construction meeting shall be held within five days of the date the Contractor is selected.

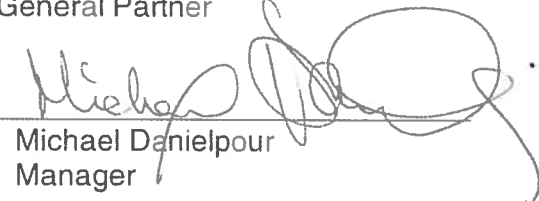
18. **Delivery.** Delivery of all plans and drawings referred to in this Work Letter shall be by commercial messenger service or personal hand delivery, unless otherwise agreed by Landlord and Tenant.

[Signatures on the following page.]

LANDLORD:


OMNINET HAMILTON, LP

By: Omninet Three GP, LLC,
A California limited liability company
Its: General Partner

By: 
Michael Danielpour
Manager

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate

By: 
Name: Dean Lehman
Title: Director of Real Estate
Date Signed: 10/5/18

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 floors , in which case Landlord, at no cost to Tenant and without deduction from the 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 cooling with packaged unit on the roof of the building in which the Premises is located and VAV boxes located in the Premises. Heating for perimeter zone supplied by reheat coils. Hot water provided by boiler per building standard;
- (t) Cold air loops located within the Premises and heating supplied via reheat coils on perimeter VAV boxes;
- (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 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 _____, 20__, between County of Los Angeles, a body politic and corporate ("Tenant"), and _____, a _____ ("Landlord"), whereby Landlord leases to Tenant and Tenant leases from Landlord certain premises in the building located at _____ ("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: _____ HUNDRED, _____ THOUSAND, _____ HUNDRED, _____ 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 pay the combined total of Additional Tenant Improvement Costs and Change Order Allowance of \$_____ in a lump sum for the Tenant Improvement Costs as provided in Section 6.3 of Work Letter.

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: Christopher M. Montana Its: Director of Real Estate</p> | <p>Landlord: OMNINET HAMILTON, LP A Delaware Limited Partnership</p> <p>By: Omninet Three GP, LLC, A California limited liability company Its: General Partner</p> <p>By: _____ Name: Michael Danielpour Manager</p> |
|---|---|

SUPPLEMENTAL LEASE DOCUMENTS

For

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

DEPARTMENT OF MENTAL HEALTH, as Tenant

LANDLORD: OMNINET HAMILTON, LP, a Delaware limited partnership

20101 HAMILTON AVENUE, TORRANCE, CA

Document I - Subordination, Nondisturbance and Attornment Agreement

Document II - Tenant Estoppel Agreement

Document III - Community Business Enterprises Form

Document IV - Memorandum of Lease

Document V - Request for Notice

DOCUMENT I

**SUBORDINATION, NONDISTURBANCE
AND ATTORNMENT AGREEMENT**

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:)**

County of Los Angeles)
Chief Executive Office)
Real Estate Division)
222 South Hill Street)
3rd Floor)
Los Angeles, California 90012

Space above for Recorder's Use

**SUBORDINATION, NONDISTURBANCE
AND ATTORNMENT AGREEMENT**

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

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

Factual Background

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

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

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

D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other

conditions, provided that Lender agrees to a nondisturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

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

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

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

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

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

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

To Lender: _____

To Borrower: _____

Attn: _____

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

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Agreement shall be conducted in the County of Los Angeles, State of California. This Agreement is the entire Agreement between the Lender and Tenant and may only be modified by a written amendment executed by Lender and Tenant.

8. Counterparts. This Agreement may be extended 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.

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

By: _____
Deputy

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

SACHI A. HAMAI
Chief Executive Officer

By: _____
Dean Lehman
Director of Real Estate Division

BORROWER: *[Insert name of borrower]*

By: _____
Name: _____
Title: _____

LENDER: *[Insert name of Lender]*,

By: _____
Name: _____
Title: _____

Exhibit "A"

Legal Description

DOCUMENT II

TENANT ESTOPPEL CERTIFICATE

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

Attn: _____

Re: Date of Certificate: _____

 Lease Dated: _____

 Current Landlord: _____

 Located at: _____

 Premises: _____

 Commencement Date of Term: _____

 Expiration Date: _____

 Current Rent: _____

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

1. Tenant is the present owner and holder of the tenant's interest under the lease described above, as it may be amended to date (the "Lease"). The Lease covers the premises described above (the "Premises") in the building (the "Building") at the address set forth above.
2. (a) A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda and riders of and to it) is attached to this Certificate as Exhibit A.

 (b) The current Rent is set forth above.

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

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

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

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

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

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

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

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

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

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

TENANT:

COUNTY OF LOS ANGELES

By: _____
DEAN LEHMAN
Acting Senior Manager, Real Estate Division

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

By: _____
Deputy County Counsel

DOCUMENT III

COMMUNITY BUSINESS ENTERPRISES FORM

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

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

FIRM: NAME
 ADDRESS
 CONTACT TELEPHONE NO.

TOTAL NUMBER OF EMPLOYEES IN FIRM: _____

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

II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

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

TOTAL NUMBER OF OWNERSHIP/PARTNERS, ETC.: _____

PERCENTAGE OF OWNERSHIP

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

III. CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM


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

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

IV. FIRM'S DESIRE NOT TO RESPOND TO INFORMATION

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

Firm Name: OMNINET HAMILTON, LP

Signed: 

Date: 6/6/18

Title: MANAGER OF GP

DOCUMENT IV

MEMORANDUM OF LEASE

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

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

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

MEMORANDUM OF LEASE

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

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

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

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

Dated: _____, 20__.

LANDLORD:

TENANT:

By: _____
Its: _____

By: _____
Its: _____

DOCUMENT V

REQUEST FOR NOTICE

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

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

REQUEST FOR NOTICE

(UNDER SECTION 2924B CIVIL CODE)

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

Date of Recording of Deed of Trust

Instrument Number of Deed of Trust

Trustor

Trustee

Beneficiary

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

"LENDER":

a _____

By: _____
SIGNEE'S NAME

Its: SIGNEE'S TITLE

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

COUNTY OF _____ ss.

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

WITNESS my hand and official seal

Signature _____

My commission expires _____.