County of Los Angeles
CHIEF EXECUTIVE OFFICE
713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
http://ceo.lacounty.gov

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

July 1, 2008

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

Dear Supervisors:

TEN-YEAR LEASE
DISTRICT ATTORNEY
5900 SOUTH EASTERN AVENUE, COMMERCE
(FIRST DISTRICT) (3 VOTES)

SUBJECT

The proposed ten-year lease will provide the District Attorney (DA), 10,000 rentable square feet of office space to house the Auto Insurance Fraud Task Force (Task Force).

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines 2.

2. Approve and instruct the Chair to sign the ten-year lease with Quadrangle-CP, LLC (Landlord), for 10,000 rentable square feet of office space and 40 parking spaces at an initial annual base rent of $228,000. Additionally, the $450,000 total cost of the Tenant Improvements (TIs) may be amortized over a five-year period to result in an annual payment of $112,095, or paid in lump-sum at the option of the tenant department. The total initial annual maximum lease cost is $340,095. The rental costs are approximately 92 percent revenue offset by the State.

3. Authorize the Landlord and/or the Director of the Internal Services Department (ISD), at the discretion of the Chief Executive Office (CEO), to acquire a telephone system not to exceed $450,000. The full cost of the new low voltage system, telephone, data and access controls, may be amortized at 8 percent over a five-year term in the annual amount of $109,493, or paid in lump sum by the County.

4. Authorize the CEO, ISD and the DA to implement the project. The lease will be effective upon Board approval and the term will commence upon completion and acceptance of the TIs by the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Task Force is currently housed at the State of California, Department of Insurance facility located at 5999 East Slauson Avenue, Commerce. The State has requested the DA vacate the premises due to its need for expansion.

The proposed lease will provide the Task Force office space in close proximity to their current location. The proposed facility will provide the Task Force immediate access to outside agencies which act as collaborative partners in the investigation and prosecution of auto insurance fraud within the County. The Task Force is a covert operation which investigates and prosecutes individuals, criminal fraud organizations and their co-conspirators.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we provide organizational effectiveness and ensure service delivery systems are efficient, effective and goal oriented (Goal 3) and that we strengthen the County's fiscal capacity (Goal 4). The proposed action will provide leased space for the implementation of the Task Force in space exclusively for their use.

FISCAL IMPACT/FINANCING

The proposed full service gross lease will provide 10,000 rentable square feet of office space and 40 non-exclusive surface parking spaces included in the base rent. The proposed lease rate is $1.90 per rentable square foot, $19,000 per month or $228,000 annually.

5900 South Eastern Avenue	Proposed Lease
Area (Square Feet)	10,000
Term	Ten years
Annual Base Rent	$228,000 ($22.80)
Option to Renew	One five-year option at 95 percent of market rental rates
Rental adjustment	Annual Consumer Price Index (CPI) with a 3 percent base and 6 percent cap
Base TIs	$400,000 or $40 per rentable square foot
Additional TIs	$400,000 or $40 per rentable square foot
Change Order allowance	$50,000 or $5 per rentable square foot
Parking	40 surface spaces
Cancellation	At any time after 60 months of the lease term, upon 180 days or no later than 360 days prior written notice.

Sufficient funds are available in the 2008-09 Rent Expense budget and will be charged back to the department.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease will provide 10,000 rentable square feet of office space and 40 surface parking spaces included in the base rent. The proposed lease includes the following provisions:

- The ten-year term will commence upon substantial completion and County acceptance of the TI.
- The monthly base per square foot rental rate will be $1.90.
- The base rent will be subject to annual CPI adjustment with a base of 3 percent and a cap of no more than 6 percent.
- The County will have one option to renew the term for an additional five years under the same terms and conditions as in the proposed lease except that the rental rate will be adjusted to 95 percent of market rental rates as defined in the lease. The actual exercise of the option will be only by the Board of Supervisors.

- The County will have the right to cancel the lease at any time after 60 months of the lease term by giving Landlord not less than 180 or more than 360 days prior written notice.

- The Landlord, at its sole cost and expense, will provide the payment of all taxes, insurance, utilities and maintenance associated with the County's occupancy and there will not be any expenses passed through to the tenant.

- The Landlord will provide the County a non-reimbursable base TI allowance of $400,000, or $40 per rentable square foot of the premises, an additional TI allowance of $400,000, or $40 per rentable square foot of the premises, and a Change Order allowance of $50,000, or $5 per rentable square foot of the premises. The expended portion of the Additional TI and Change Order allowances will be reimbursed to the Landlord, either paid in lump sum or amortized at 9 percent over a five-year period, at tenant's option.

- After hours HVAC use will be paid directly by the tenant department at $60 per hour.

- Notice has been sent to the City of Commerce pursuant to Government Code Sections 65402 and 25351.

The CEO Real Estate Division staff surveyed the immediate area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Attachment B shows all County owned and leased facilities countywide of equal or greater size. Based upon the survey, staff has established that the annual rental range for similar space is between $21.00 and $27.00 per square foot on a full service gross basis. The annual rental rate of $22.80 is at the low end of the market range for full service gross market rates in the area and represents a competitive rental rate.

ENVIRONMENTAL DOCUMENTATION

The CEO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board November 17, 1987, and Section 15061 (b)(3) of the State CEQA Guidelines.

A child care center is not feasible in this building.

The Department of Public Works inspected the facility for seismic safety and American with Disabilities Act (ADA) accessibility and has found it suitable for County occupancy.

The proposed lease was submitted for review to the Board-appointed Real Estate Management Commission on May 28, 2008. After careful review, the Commission approved the lease.

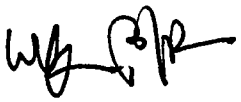
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease will provide the necessary office space for their County requirement. The DA concurs with the proposed lease.

CONCLUSION

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

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:DL:JSE
CEM:MM:hd

Attachments (3)

c: County Counsel
Auditor-Controller
District Attorney

5900SEastern.B

Attachment A

DISTRICT ATTORNEY
5900 SOUTH EASTERN AVENUE, COMMERCE

Asset Management Principles Compliance Form[1]

			Yes	No	N/A
1.	**Occupancy**				
	A	Does lease consolidate administrative functions?[2]			X
	B	Does lease co-locate with other functions to better serve clients?[2]			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] **227/sq. ft. per staff person. The SRE approved 9,782 sq. ft., however, the landlord would not divide the 10,000 sq. ft. space as the remaining space would not be marketable.**		X	
2.	**Capital**				
	A	Should this program be in leased space to maximize State/Federal funding?	X		
	B	If not, is this a long term County program?			X
	C	Is it a substantial net County cost (NCC) program?		X	
	D	If yes to 2 B or C; is it a capital lease or an operating lease with an option to buy?			X
	E	If no, are there any suitable County-owned facilities available?		X	
	F	If yes, why is lease being recommended over occupancy in County-owned space?			X
	G	Is Building Description Report attached as Attachment B?	X		
	H	Was build-to-suit or capital project considered? **The lease costs are approximately 92 percent State funded.**		X	
3.	**Portfolio Management**				
	A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			X
	D	Why was this program not co-located?			
		1. ___ The program clientele requires a "stand alone" parking area.			
		2. _X_ No suitable County occupied properties in project area.			
		3. _X_ 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]	X		
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
		[1]As approved by the Board of Supervisors 11/17/98			
		[2]If not, why not?			

Attachment B

DISTRICT ATTORNEY
5900 SOUTH EASTERN AVENUE, COMMERCE

Ownership	LACO	Facility Name	Address		City	ZIP	Thomas Brother		Building Use	Gross SQFT	Net SQFT	Distance in Miles	Vacant Space
LEASED	B460	DPSS-GAIN PROGRAM REGION VI OFFICE	5460	BANDINI BLVD	BELL	90201	675	G4	OFFICE	31,400	21,815	1.3	-
LEASED	A133	CHILD SUPPORT SERVICES-DIVISION II HQ	5770	S EASTERN AVE	COMMERCE	90040	675	G5	OFFICE	84,477	63,413	0.4	-
LEASED	A146	FIRE-HAZARDOUS MATERIALS DIVISION HEADQUARTRS	5825	RICKENBACKER RD	COMMERCE	90040	675	H5	OFFICE	16,670	13,737	0.5	-
LEASED	A157	DC&FS-REGION III HEADQTRS/ BELVEDERE SERVICES	5835	S EASTERN AVE	COMMERCE	90040	675	G6	OFFICE	38,814	36,873	0.4	-
LEASED	A183	SHERIFF-HOMICIDE BUREAU OFFICE BUILDING	5747	RICKENBACKER RD	COMMERCE	90040	675	H5	OFFICE	17,460	14,563	0.6	-
LEASED	A188	SHERIFF-INTERNAL AFFAIRS BUREAU/RISK MANAGEMT	4900	S EASTERN AVE	COMMERCE	90040	675	G5	OFFICE	26,643	22,797	0.9	-
LEASED	A310	CSSD-CENTRAL FINANCIAL SVCS DIV	5895	RICKENBACKER RD	COMMERCE	90040	675	H5	OFFICE	11,394	11,394	0.5	-
LEASED	A332	CHILD SUPPORT SERVICES-TRAINING/IT DIVISION	5500	S EASTERN AVE	COMMERCE	90040	675	G5	OFFICE	48,794	46,354	0.6	-
LEASED	A570	CSSD-INTERSTATE/CALL CENTER/CID	5701	S EASTERN AVE	COMMERCE	90040	675	G5	OFFICE	61,130	55,017	0.5	-
LEASED	A580	FIRE-ADMINISTRATIVE HEADQUARTERS OFFICE ANNEX	5801	S EASTERN AVE	COMMERCE	90040	675	G6	OFFICE	28,474	25,627	0.4	-
LEASED	A823	FIRE-FIRE PREVENTION DIV/ FORESTRY DIV HDQTRS	5823	RICKENBACKER RD	COMMERCE	90040	675	H5	OFFICE	17,710	15,939	0.5	-
OWNED	A460	DHS-FERGUSON ADMINISTRATIVE SERVICES CENTER	5555	FERGUSON DR	COMMERCE	90022	675	H2	OFFICE	268,400	246,550	2.4	-
OWNED	4465	DF KIRBY CENTER-ADMINISTRATION BUILDING	1500	S MCDONNELL AVE	COMMERCE	90022	675	F2	OFFICE	18,169	10,117	2.9	-
OWNED	Y460	DPSS-CUDAHY A/P DISTRICT OFFICE	8130	S ATLANTIC AVE	CUDAHY	90201	705	E2	OFFICE	30,873	24,212	3.5	-
OWNED	4364	PROBATION-EAST LOS ANGELES AREA OFFICE	4849	E CIVIC CENTER WAY	EAST LOS ANGELES	90022	635	G6	OFFICE	31,168	22,654	4.7	-
OWNED	5428	DPSS-BELVEDERE AP DISTRICT OFFICE	5445	E WHITTIER BLVD	EAST LOS ANGELES	90022	675	H1	OFFICE	70,493	49,261	3.0	-
OWNED	6467	AG COMM/WTS MEAS-SOUTH GATE ADMINISTRATION	11012	GARFIELD AVE	SOUTH GATE	90280	705	G6	OFFICE	21,902	15,325	4.5	-

COUNTY OF LOS ANGELES

CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

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DEPARTMENT: DISTRICT ATTORNEY, as TENANT

LANDLORD: QUADRANGLE-CP, LLC,
A CALIFORNIA LIMITED LIABILITY COMPANY

5900 SOUTH EASTERN AVENUE, COMMERCE

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Addendum C – Form of Budget
Addendum D – Costs of Tenant Improvements

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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 is entered into as of the 1ST day of JULY, 2008, between QUADRANGLE-CP, LLC, a California Limited liability company ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION

1.1. Terms

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

a. Landlord's Address For Notice:	777 Figueroa Street Suite 4850 Los Angeles, CA 90017
b. Tenant's Address For Notice:	Board of Supervisors Kenneth Hahn Hall of Administration, Room 383 500 West Temple Street Los Angeles, California 90012 With a copy to: Chief Executive Office Real Estate Division 222 South Hill Street, 3rd Floor Los Angeles, California 90012 Attention: Director of Real Estate Fax Number: (213) 217- 4971
c. Premises:	Approximately 10,000 rentable square feet in the Building (defined below) as shown on Exhibit A attached hereto.
d. Building:	The building is located at 5900 South Eastern Avenue, Commerce, which is located upon the real property described more particularly in Exhibit B attached hereto (the "Property");

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e. Term:	10 years commencing upon Substantial Completion and Tenant's Acceptance of the Premises as defined in Section 4.1 (the "Commencement Date");
f. Projected Commencement Date:	December 15, 2008
g. Commencement Date:	As defined in Section 4 of the Lease
h. Irrevocable Offer Expiration Date:	May 31, 2008
i. Basic Rent:	$19,000 per month (which is based upon a rental rate of $1.90 per rentable square foot) adjustable only as provided in Section 2.2 hereof.
j. Early Termination Notice Date:	At or after the last day of the 54th full calendar month of the Lease term.
k. Rentable Square Feet in the Premises:	10,000
l. Use:	General office use or for any other lawful purposes not incompatible with other uses in the Building.
m. Initial Departmental Use:	Office space for the District Attorney as provided in Section 6 hereof. Landlord will have approval of all uses outside of the District Attorney, in the event space is backfilled with different user group.
n. Parking Spaces:	40, as further defined in Section 20 hereof.
o. Normal Working Hours:	7:00 a.m. to 7:00 p.m., Monday through Friday and 9:00 a.m. to 2:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County

Initial

	of Los Angeles, California.
p. Asbestos Report:	As defined in Section 10.
1.2. Defined Terms Relating to Landlord's Work Letter	
a. Base Tenant Improvement Allowance:	$400,000 or $40 per rentable square foot of the Premises
b. Additional Tenant Improvement Allowance:	$400,000 or $40 per rentable square foot of the Premises
c. Maximum Change Order Allowance:	$50,000 or $5 per rentable square foot of the Premises
d. Additional Tenant Improvement and Change Order Amortization Rate:	9% per annum
e. Basic Rent Reduction:	$12.57 per month
f. Tenant's Work Letter Representative:	Manuel Martinez or an assigned staff person of the Chief Executive Office, Real Estate Division
g. Landlord's Work letter Representative:	Monty Gorst or an assigned staff person of the Landlord.
h. Landlord's Address for Work letter Notice:	777 Figueroa Street Suite 4850 Los Angeles, CA 90017
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

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1.3. Exhibits to Lease: (executed concurrently with this Lease and made a part hereof 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
1.4. Landlord's Work Letter: (executed concurrently with this Lease and made a part hereof by this reference):	Landlord's Work Letter Addendum A: Base Building Improvements Addendum B: Tenant Improvements Addendum C: Form of Budget Addendum D: Costs of Tenant Improvements
1.5. Supplemental Lease Documents: (delivered to Landlord and made a part hereof 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

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/usable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996, as promulgated by the Building Owners and Management Association ("BOMA") International except that no penthouse mechanical room space 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 Basic Rent in Section 1 accomplished by the mutual execution of a memorandum of understanding between the Landlord and the Tenant. Should Landlord and Tenant not agree with respect to the results of the measurement conducted pursuant to this Subsection 2.2

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

3. COMMON AREAS

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

4. COMMENCEMENT AND EXPIRATION DATES

4.1. Term

The term of this Lease shall commence upon the Commencement Date and terminate on the termination date. Within 30 days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and confirmation of Lease Terms attached as Exhibit C. The Commencement Date shall begin 30 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 its equivalent;
d. Tenant has been provided with the number of parking privileges and spaces to which it is entitled under this Lease; and

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

4.2. Termination Right

If the Commencement Date has not occurred within 60 days from the Projected Commencement Date, subject to Tenant Delays or Force Majeure Delays as provided in Landlord's Work Letter, which has been executed concurrently herewith, Tenant may thereafter, at any time before the Commencement Date occurs, terminate this Lease effective upon the giving of written notice to Landlord and the parties shall have no further obligations to one another hereunder.

4.3. Early Possession

Tenant shall be entitled to possession of the Premises not less than 30 days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Such early occupancy shall be subject to all provisions hereof but shall not advance the termination date, and Tenant shall not pay Basic Rent for such early occupancy period. Tenant shall be responsible for damages and delay caused by Tenant or its employees during Early Possession.

4.4. Early Termination

Tenant shall have the annual rights to terminate this Lease after the Early Termination Notice Date, as defined in Section 1, by giving Landlord not less than 180 days nor more than 360 days prior written notice executed by the Chief Executive Officer of Tenant. In the event Tenant exercises such right, Tenant shall pay Landlord the unamortized cost of the Tenant Improvements at an interest rate of 9.0% per annum and brokerage commissions paid by Landlord to Tenant's broker/representative in connection with this Lease, within sixty (60) days of the effective date of the early termination.

4.5 Option to Renew

(a) Term 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 (the "Option") to renew this Lease for an additional period of 60 months (the "Extension Term").

(b) Exercise of Option. Tenant shall exercise its Option by:

(i) giving Landlord written notice of its intention to do so (its "Notice of Intent") by letter from Tenant's Chief Executive Office ("CEO") no later than 180 days or earlier than 360 days, prior to the end of the initial Term hereof, and

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(ii) by giving written notice of its election to exercise such option after Market Rental Value has been determined as provided below, and after the Board of Supervisors has approved the exercise of the 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 the Option prior to 90 days after the expiration of the Term of this Lease as then in effect, Tenant shall be entitled to hold over as provided in this Lease.

(c) Terms and Conditions of the Extension Term. The Extension Term shall be on all the terms and conditions of this Lease, except that Basic Rent during the Extension Term shall be equal to 95% of Market Rental Value for the Premises as of the date Tenant delivers its Notice of Intent ("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.

(d) Agreement on Basic Rent. Landlord and Tenant shall have 90 days after Landlord receives the Notice of Intent in which to agree on the Adjusted Market Rental Value.

(e) Market Rental Value. The term "Market Rental Value" shall be the rental rate that Comparable Premises in the market in which the Premises is located would command for the same term as the Extension Term on the open market at the time Tenant provides its Notice of Intent, as determined jointly by Landlord and Tenant. For purposes hereof, the term "Comparable Premises" shall mean premises in a building within a radius of three mile, similar in size and location to the Building, excluding any improvements installed by Tenant in the Building. In determining the Market Rental Value, appropriate consideration shall be given to: (1) Tenant's creditworthiness, (2) the annual amount per rentable square foot that Landlord has accepted in current transactions between non-affiliated parties from new, non-expansion, non-renewal and non-equity tenants of comparable creditworthiness for Comparable Premises for a comparable use for a comparable period of time, (3) the annual rental rates per square foot of the Comparable Premises, (4) the standard of measurement by which the rentable square footage in the Comparable Premises is measured, (5) the ratio of rentable square feet to usable square feet in the Comparable Premises, (6) the type of escalation clause used in leasing the Comparable Premises (i.e., whether increases in additional rent are determined on a net or gross basis, and if gross, whether such increases are determined according to a base year or a base dollar amount expense stop), (7) the extent of a tenant's liability under a lease of a Comparable Premises, (8) parking rights and obligations, (9) signage rights, (10) abatement provisions reflecting free rent and/or no rent during the period of construction or subsequent to the commencement date as to the Comparable Premises, (11) brokerage commissions, if any, which would be payable by Landlord in similar transactions, (12) length of the lease term, size and location of the Comparable Premises, and (13) other

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general applicable conditions of tenancy for transactions involving such Comparable Premises.

(f) Determination of Market Rental Value. Landlord shall submit its determination 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 determination of Market Rental Value (in which case such Market Rental Value shall be used to determine Basic Rent during the Extension Term) or (b) submitting Tenant's determination of Market Rental Value. If Landlord and Tenant cannot agree upon the Market Rental Value of the Premises within fifteen (15) days after submission of Tenant's determination of Market Rental Value, then Landlord and Tenant within five (5) days shall each submit to the other a 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 an independent 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, within 20 days, will determine whether Landlord's or Tenant's determination of Market Rental Value is the closest to the actual (in such appraiser's opinion) Market Rental Value of the Premises, and such figure will be used in the determination of Adjusted Market Rental Value. If Landlord and Tenant cannot agree upon an appraiser within said ten (10) day period, Tenant may apply to the Superior Court for Los Angeles County, requesting a judicial appointment of the M.A.I. qualified appraiser. The appraiser so appointed shall, within 20 days, promptly determine whether Landlord's or Tenant's determination of Market Rental Value is the closest to the actual (in such appraisers' opinion) Market Rental Value of the Premises, and such determination of Market Rental Value shall be the Market Rental Value used in determining the Adjusted Market Rental Value. The fees and expenses of the appraiser, whether mutually selected or appointed 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, and such option is exercised, Landlord and Tenant shall execute an amendment to this Lease setting forth the new Basic Rent in effect.

5. RENT

(a) The first full calendar month's rent shall be due and payable within 60 days of the Commencement Date in the total amount shown in Section 1(i) hereof. A monthly installment in the same amount, subject to the adjustments described herein below, shall be due and payable without demand on or before the first day of each calendar month succeeding the Commencement Date during the Term, except that Rent for any fractional calendar month at the commencement or end of the Term shall be prorated on a daily basis, provided that Landlord shall file a payment voucher with the Auditor of the County of Los Angeles (the "County") for the monthly Rent prior to the Commencement Date for the initial

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month(s) of the Term up to and including June, and annually thereafter in June for the ensuing 12 months.

(b) CPI Adjustment. 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, Basic Rent shall be adjusted by applying the CPI Formula set forth below. The "Basic Index" shall be the Index published for the month the Lease commences.

(c) 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 Basic 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 Basic Index. If the Index is changed so that the Index differs from that used as of the Commencement Date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

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

$$\frac{\text{New Index}}{\text{[Base Index}} \times \$19{,}000 \text{ (Basic Rent)}$$

± Amount needed to amortize Tenant's Additional Tenant Improvements, if any
± Amount needed to amortize change order costs, if any
= Monthly Basic Rent

(e) Limitations on CPI Adjustment. In no event shall the monthly Basic Rent adjustment based upon the CPI Formula result in an annual increase of less than three percent (3%) per year or greater than six percent (6%) per year of the Basic Rent. **[In no event shall the monthly rent be adjusted by the CPI Formula to result in a lower monthly Basic Rent than was payable during the previous year of the Lease.]**

6. USES

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

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7. HOLDOVER

If Tenant remains in possession of the Premises or any part thereof after the expiration of the term of this Lease, such occupancy shall be a tenancy which is terminable only upon 60 days written notice from Landlord or 30 days written notice from the Chief Administrative Officer of Tenant at the last monthly Basic Rent payable under this Lease (as such Basic Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. COMPLIANCE WITH LAW

Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including without limitation, the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvement to the Premises.

9. DAMAGE OR DESTRUCTION

9.1. Damage

In the event any portion of the Premises is damaged by fire or any other cause other than arising from Tenant's negligence, rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenantable 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 tenantable again using standard working methods. The failure to do so shall be a material Default hereunder. Basic 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. If damage to the Premises is caused by Tenant, Tenant shall pay the cost for the repair of such damage. If such damage results in

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the destruction of ten percent (10%) or more of the entire Building, Landlord has the option to terminate the Lease.

9.2. Tenant Termination Right

In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days for any reason, then Tenant may terminate this Lease by giving written notice within ten days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Basic Rent shall be abated from the date the Premises became untenantable. In the event that Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided insurance proceeds are available to repair the damages.

9.3. Damage In Last Year

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

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

9.4. Default By Landlord

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

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

10. REPAIRS AND MAINTENANCE

10.1. Landlord Representations

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Landlord represents to Tenant that:

a. The Premises, the Building and all Common Areas (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including without limitation the Americans With Disabilities Act in all material respects; and are in reasonably good working order and condition and the roof is watertight;
b. The Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirement in all material respects; and
c. The Premises, Building and Common Areas are free of the presence of Hazardous Materials (as hereinafter defined) other than diminimus amount and or amounts maintained in accordance with applicable laws 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 which is uncured. Landlord represents, 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 materials (other than as may be reflected in the Asbestos Report). Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos containing materials to the extent required by law and provide Tenant with an updated report from a licensed California Asbestos contractor to that effect.

10.2. Landlord Obligations

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

   i. the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intra-building network cable
   ii. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Building
   iii. the Common Areas;
   iv. exterior windows of the Building; and
   v. elevators serving the Building.

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

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

10.3. Tenant Obligations

Without limiting the foregoing, 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.

10.4. Tenant's Right To Repair

If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than five business 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

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costs and expenses in having taken such action plus interest thereon at nine percent (9%) per annum. If not reimbursed by Landlord within thirty days, Tenant shall be entitled to deduct from Basic Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

11. SERVICES AND UTILITIES

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

11.1. 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. Tenant shall pay for after-hours HVAC in the amount of $60 per hour which shall be subject to annual adjustment. At the first anniversary date of the first day of the first full calendar month following the commencement of the term provided in this Lease and every twelve months thereafter, the after-hours HVAC expense shall be adjusted based upon and shall not exceed the actual cost of said expense.

11.2. 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 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.

11.3. 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.

11.4. Water

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

11.5. Janitorial

Landlord 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.

11.6. 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.

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, Basic Rent shall be prorated based upon the percentage of the Premises or Building rendered untenantable and not used by Tenant. Landlord shall have the right at any and all time 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 (a "Default") shall constitute a material default and breach of this Lease by Tenant:

a. the failure by Tenant to make any payment of Basic 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

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30-day period and thereafter diligently prosecutes such cure to completion.

13.2. Termination

Tenant agrees that if a Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law. Civil Code 1951.4 is in effect.

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 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 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 such default is such that the same cannot reasonably be cured within such five-day period, Landlord shall not be deemed to be in default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the default by Landlord ("Landlord Default") is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

a. to remedy such default or breach and deduct the costs thereof (including but not limited to attorneys' fees) plus interest at the rate of nine (9%) per annum from the installments of Basic Rent next falling due;
b. to pursue the remedy of specific performance;

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c. to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Basic 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 cure any default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition or materially and adversely affect the operation of Tenant's business in the Premises.

15. ASSIGNMENT AND SUBLETTING

Tenant may assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises with first obtaining Landlord's prior consent: provided, however, no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease.

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 applicable 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

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d. Does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building.
e. Work must be done by licensed contactor
f. Complies with Landlord's lender requirements
g. Provide as built plans to Landlord
h. Indemnify Landlord against mechanic liens
i. Landlord has the opportunity to file notice of non-responsibility before work begins
j. Tenant may remove improvements at end of the Lease.

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

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. Tenant shall repair any damages caused to Premises as a result of alterations or removal of alterations.

17. COMDEMNATION

17.1. Controlling Terms

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

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

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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 or 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 Basic 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 Basic 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

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18.1. Tenant's Indemnity

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

18.2. Landlord's Indemnity

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

19. INSURANCE

19.1. Landlord's Insurance

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

a. Commercial property insurance which shall:

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

ii be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value.

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

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

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

i. per occurrence and general aggregate amount of $5,000,000;
ii products/completed operations aggregate of $2,000,000 and
iii. personal and advertising injury of $1,000,000.

c. Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or to use any insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Lease.

19.2. Insurance Requirements

All insurance policies required to be maintained by Landlord under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All liability and property damage and other casualty policies of Tenant shall be written as primary policies, not contributing with, and not in excess of coverage which Landlord may carry.

19.3. Certificates

Landlord shall deliver to Tenant on the Commencement Date of this Lease and thereafter at least 15 days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates must document that each party has named the other as an additional insured (or equivalent) on its general liability and property insurance policy, and that Tenant has been named a loss payee on Landlord's commercial property insurance policy, as required. Further, all certificates shall expressly provide that no less than 30 days' prior written notice shall be given to Tenant in the event of material change to , expiration or cancellation of the coverages or policies evidenced by the certificates.

19.4. Waiver of Subrogation

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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.

19.5 Tenant's Insurance

During the term of this Lease, Tenant shall maintain a program of insurance coverage as described below. Tenant, at its sole option, shall use commercial insurance and/or self-insurance coverage or any combination thereof to satisfy these requirements. Certificate(s) evidencing coverage will be provided to Landlord after execution of this Lease at Landlord's request.

General Liability coverage (equivalent to ISO policy form CG 00 01) with limits of not less than the following:

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

Landlord shall be an Additional Insured (or its equivalent) with respect only to liability arising from Tenant's sole negligence in its use of the leased Premises.

20. PARKING

20.1. Tenant's Rights

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

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

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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

21. ENVIRONMENTAL MATTERS

21.1. Hazardous Materials

Tenant shall not cause nor permit, nor allow any of Tenant's employees agents, customers, visitors, invitees, licensee, contractors, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, 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, standard, 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.

21.2. Landlord Indemnity

Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments,

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causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials other than caused by Tenant as provided in Section 21.2. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

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 and their respective successors or assignees

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 material 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

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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 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

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

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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 of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

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 ten days after the execution of this Lease, an amount equal to 50% of all commissions due to Landlord's broker as a result of the execution of this Lease.

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.

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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,

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unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) days after written request is made therefore, together with all necessary information.

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 Record 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 Basic 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

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deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

31. ACKNOWLEDGEMENT BY LANDLORD

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 (213) 974-0914 or (800) 544-6861. Failure to report such solicitation my result in the termination of the Lease.

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 Basic 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

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this Lease or any portion thereof, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

c. Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with collateralized mortgage backed securities ("CMBS") financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.

d. Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of $500,000 or 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

e. Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Basic Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

f. Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Landlord shall indemnify, defend and hold County and its officers, agents and employee harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

g. The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall

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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.

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. MISCELLANIOUS

Landlord liability is limited solely to its interest in the Building and no owner, office, manager, employee, representative of Landlord shall have any personal liability arising from the Lease.

34. LENDER PROTECTION

34.1 Lender's Consent. Landlord has and in the future may cause all or any part of its interest in the Premises, Building or related property to be subject to a mortgage lien or other security interest. The holder/beneficiary of such security interest being referred to as the "Lender". Unless Lender shall give its written consent to the same, (a) Lender shall not be bound by any agreement amending or modifying the Lease which would change the term of the Lease or the fixed rent specified therein, and (b) Lender shall not be responsible for any prepayment of the rents, additional rents or other sums due under the Lease for more than one (1) month in advance of the due dates thereof, unless such prepayment is required under the terms of the Lease.

34.2 Lender to Receive Notices. Provided Landlord or Lender has provided Tenant with the notice address for Lender, Tenant shall provide Lender with copies of all written notices of any default by Landlord sent to Landlord pursuant to the Lease simultaneously with the transmission of such notices to Landlord. Lender shall have the right, but not the obligation, to remedy any Landlord default under the Lease, or to cause any default of Landlord under the Lease to be remedied during the same time period as Landlord as set forth in the Lease, plus such period of time necessary for Lender to become entitled under its loan documents including security instruments (as amended form time to time, collectively the "Loan Documents") to remedy the same. Tenant shall accept performance by Lender of any term, covenant, condition or agreement to be performed by Landlord under the Lease with the same force and effect as though performed by Landlord.

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34.5 Rent. Tenant hereby agrees to and with Lender that upon receipt from Lender of a notice of any default by Landlord under the Security Instrument, Tenant will pay to Lender directly all rents, additional rents, and other sums due under the Lease. Tenant shall have no responsibility to ascertain whether such demand by Lender is permitted under the Loan Documents, or to inquire into the existence of default by Landlord under the Loan Documents. In the event of the foregoing, Landlord hereby authorizes Tenant to pay to Lender directly all rents, additional rents, and other sums due under the Lease and hereby waives any right, claim or demand it may now or hereafter have against Tenant by reason of such payment to Lender, and any such payment shall discharge the obligations of Tenant under the Lease to make such payment to Landlord.

34.6 No Liability. Lender and Tenant agree that if Lender or its successor ("Acquiring Party") shall become the owner of the leased property by reason of the foreclosure of the Loan Documents or the acceptance of a deed or assignment in lieu of foreclosure or otherwise, the Lease shall not be terminated or affected thereby but shall continue in full force and effect as a direct lease between Acquiring Party and Tenant upon all of the terms, covenants and conditions set forth in the Lease and in that event, Tenant agrees to attorn to Acquiring Party; provided, however, that Acquiring Party shall not be:

(a) liable for any act or omission of any prior landlord (including Landlord), other than unperformed obligations of any prior landlord which continue after the date the Acquiring Party becomes owner of the Property, subject to the same written notice thereof and the same time to cure as afforded Landlord under the Lease; or

(b) subject to any offsets or defenses that Tenant might have against any prior landlord (including Landlord); or

(c) bound by any rent or additional rent which is payable on a monthly basis and which Tenant might have paid for more than one (1) month in advance to any prior landlord (including Landlord), unless such prepayment is required under the Lease; or

(d) accountable for any monies deposited with any prior landlord (including security deposits), except to the extent such monies are actually received by such party.

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

LANDLORD:

QUADRANGLE-CP, LLC,
a California limited liability company

By: _____
Name

Its MANAGING MEMBER

By: _____
Name

Its _____

TENANT:

COUNTY OF LOS ANGELES
a body politic and corporate

76625

By: _____
Chair, Los Angeles County

ATTEST:

Sachi A. Hamai
Executive Officer
Board of Supervisors

By: _____
Deputy

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

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

By _____
Deputy

APPROVED AS TO FORM:
Raymond G. Fortner, Jr.
County Counsel

By: _____
Amy M. Caves,
Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
LOS ANGELES

16 JUL 01 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

EXHIBIT A

FLOOR PLAN OF PREMISES

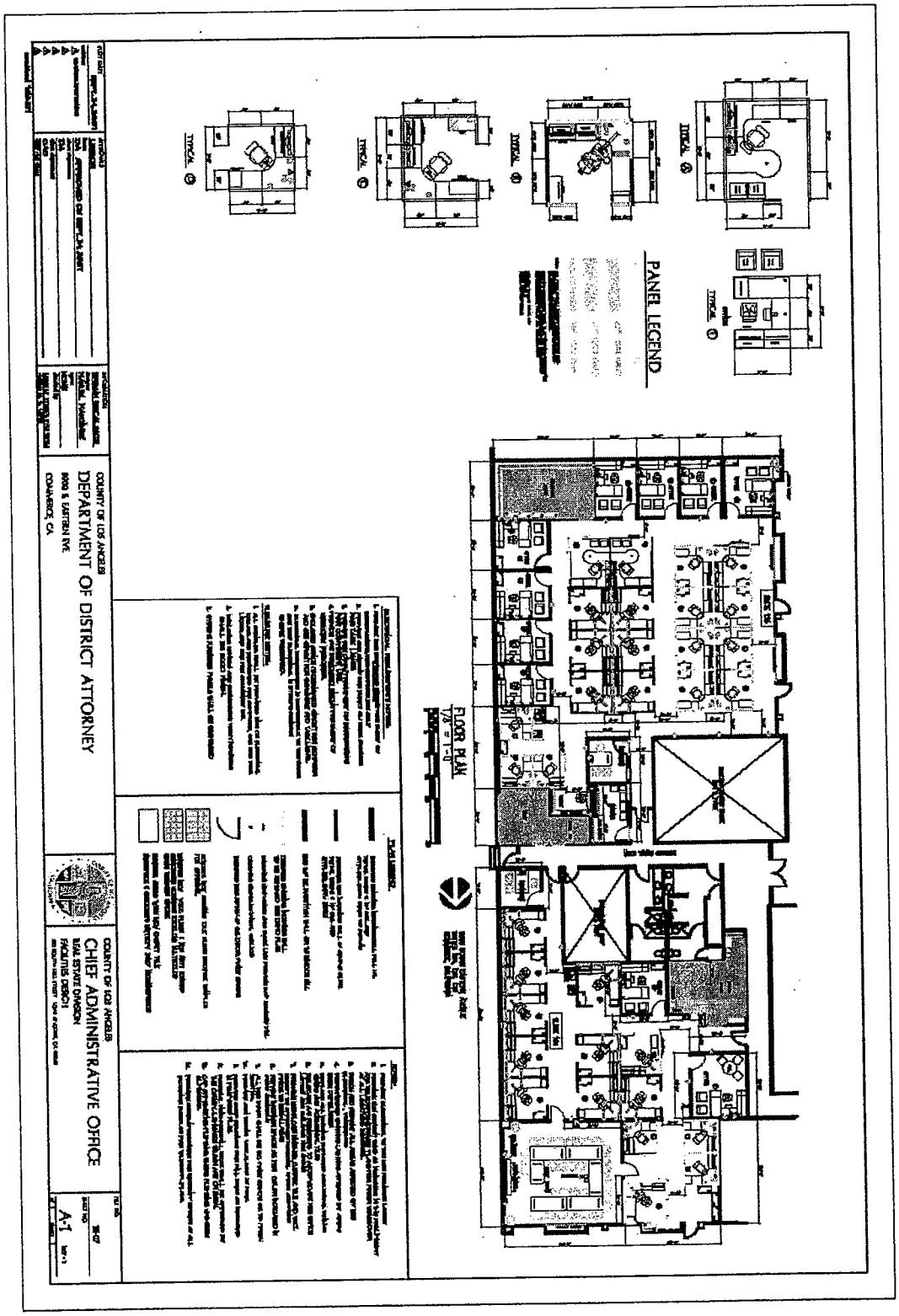

EXHIBIT B

LEGAL DESCRIPTION OF PREMISES

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

PARCEL A

PARCEL I OF PARCEL MAP NO. 26389, IN THE CITY OF COMMERCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 326 PAGES 78 AND 79 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B

NON-EXCLUSIVE EASEMENTS FOR PARKING, ACCESS, DRAINAGE, ENCROACHMENT AND OTHER UTILITY EASEMENTS ON, OVER AND ACROSS THE COMMON AREA AS DEFINED IN AND PROVIDED FOR AND SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THAT CERTAIN INSTRUMENT ENTITLED "DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS" RECORDED JUNE 20, 1996 AS INSTRUMENT NO. 96-9766840 OF OFFICIAL RECORDS.

EXHIBIT C

COMMENCEMENT DATE MEMORANDUM AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain lease ("Lease") dated _____,2008, between County of Los Angeles, a body politic and corporate ("Tenant"), and QUADRANGLE-CP, LLC, a California Limited liability company, ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at _____ ("Premises"),

Landlord and Tenant hereby acknowledge as follows:

1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____ ("Possession Date").

2) Tenant has accepted possession of the Premises and now occupies the same;

3) The Lease commenced on _____ ("Commencement Date").

4) The Premises contain _____ rentable square feet of space; and

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

1) Basic Rent per month is _____.

2) The Base Index Month is _____.

3) The Base Index is _____.

IN WITNESS WHEREOF, this memorandum is executed this __ day of _____, 2008.

Tenant: COUNTY OF LOS ANGELES a body politic and corporate	Landlord: QUADRANGLE-CP, LLC, a California Limited liability company
By: _____	By: _____
Name_____	Name_____
Its_____	Its_____

EXHIBIT D

HEATING, VENTILATION AND AIR CONTITIONING

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Normal Working Hours established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit we 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 square footage within the Premises. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.

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

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

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

4. QUARTERLY
   A. Light fixtures cleaned and dusted, but not less frequently than quarterly.
   B. Wood furniture polished.
   C. Draperies or mini-blinds cleaned as required, but not less frequently than quarterly.

D. HVAC units serviced for preventative maintenance purposes, all filters changed.

5. SEMI-ANNUALLY
   A. 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. Carpets to be cleaned using current janitorial method:

   D. 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 ten (10) year period (the "Occurrence"). The initial tenant improvements completed prior to Tenant's occupancy or as a condition to the renewal of the Lease shall not constitute an Occurrence for the purpose of determining the frequency of this work.

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: DISTRICT ATTORNEY, as TENANT

LANDLORD: QUADRANGLE-CP, LLC,

A CALIFORNIA LIMITED LIABILITY COMPANY

5900 SOUTH EASTERN AVENUE, COMMERCE

LANDLORD'S WORK LETTER

This Work Letter supplements the Lease (the "Lease") dated _____, 2008, executed concurrently herewith, by and between QUADRANGLE-CP, LLC, as Landlord, and COUNTY OF LOS ANGELES as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

The parties hereby agree as follows:

1. BASIC WORK LETTER INFORMATION

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

a. Base Tenant Improvement Allowance	$400,000 or $40 per rentable square foot of the Premises
b. Additional Tenant Improvement Allowance	$400,000 or $40 per rentable square foot of the Premises
c. Maximum Change Order Allowance	$50,000 or $5 per rentable square foot of the Premises
d. Additional Tenant Improvement and Change Order Amortization Rate:	9% per annum
e. Basic Rent Reduction per $1,000	$12.57 per month
f. Tenant's Work Letter Representative	Manuel Martinez or an assigned staff person of the Chief Executive Office-Real Estate Division
g. Landlord's Work Letter Representative	Monty Gorst or an assigned staff person of the Landlord.
h. Landlord's Address for Work Letter Notice	777 Figueroa Street Suite 4850 Los Angeles, CA
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: Form of Budget Addendum D: Costs of Tenant Improvements

2. CONSTRUCTION OF THE BUILDING

2.1. Base Building Improvements

Landlord has constructed or shall construct the base Building improvements as a part of the Building described on Addendum A hereto (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 Building as initially constructed does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes, and Landlord incurs increased design or construction costs that it would not have incurred had the Building 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 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) fire sprinkler system installation or upgrade, which if caused by Tenant's

improvements shall be at Tenant's sole cost and expense, (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere, (iv) utility costs incurred during construction, (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease, or (v) supervision or overhead costs of Landlord.

c. Landlord shall be solely responsible for all costs and expenses necessary to increase permitted structural floor loading in order to accommodate Tenant's libraries, file rooms, unusual live loads and other such uses.

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 (3) 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 (3) 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 (3) bids are received. Each approved contractor shall be requested to submit a sealed fixed price contract bid price (on such contract form as Landlord shall designate) to construct the Tenant Improvements 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 (the "Space Plan").

5.2. Preparation and Approval of Working Drawings

Within ten (10) days of the date the Space Plan is submitted to Landlord (the "Plan Submission Date"), Landlord shall instruct the Architect to commence preparation of Working Drawings (the "Working Drawings"), which shall be compatible with the design, construction and equipment of the Building, comply with all applicable laws, be capable of physical measurement and construction, contain all such information as may be required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and contain all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant the Working Drawings, or such portion as has from time to time been submitted, for review. Landlord 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

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 (5) 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.

5.6. Schedule

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

6. FINAL CONSTRUCTION BUDGET AND PAYMENT OF TENANT CONSTRUCTION COSTS

6.1. Construction Budget

Within three (3) days after the Plan Submission Date, Landlord shall submit to Tenant a preliminary budget (the "Preliminary Budget") in a format similar to Addendum C attached hereto. Such budget shall be revised into final form within ten (10) days from of 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 ten percent (10%) 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 not be considered a Tenant Delay. Landlord shall review the Space Plan, Working Drawings, Engineering Drawings and Final Plans at its sole cost and expense. No fee for profit, overhead or general conditions in connection with the construction of the Tenant Improvements shall be included in the Final Construction Budget unless approved by Tenant.

6.2. Additional Tenant Improvement Allowance

All improvements required by the Working Plans and modular furniture described in the Modular Specifications, as further described in Addendum B hereto, shall be Tenant Improvements and shall be at Landlord's sole cost and expense (collectively, "Tenant Improvements"). Costs of Tenant Improvements shall include costs for furniture, telecommunications equipment, soft costs and any other costs designated in writing by Tenant, in the aggregate not to exceed the sum of the Base Tenant Improvement Allowance, the Additional Tenant Improvement Allowance and costs of Change Orders, as defined below (collectively, "Tenant Improvement Costs"). 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 as defined below. In the event that the Tenant Improvement Costs exceed the Tenant Improvement Allowance, Tenant 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 herein.

6.3. Method of Payment of Additional Tenant Improvement Allowance.

That portion of the Additional Tenant Improvement Allowance used to pay for the Tenant Improvement Costs may, at Tenant's election, be paid to Landlord:

(i) in a lump sum when the Tenant Improvements are Substantially Complete, or
(ii) in amortized monthly payments over a five-year period at the Tenant Improvement Amortization Rate.

Tenant may at any time during the Lease Term prepay Landlord in a lump sum for all or any portion of the Tenant Improvement Costs, amortizing any remaining amount in monthly payments over a five-year period at the Tenant Improvement Amortization Rate.

7. CONSTRUCTION OF TENANT IMPROVEMENTS

7.1. Tenant Improvements

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

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 selected only after three (3) bids have been solicited from responsible and qualified persons. Landlord shall submit three (3) sealed fixed price bids for the construction of the Tenant Improvements to Tenant for its review prior to the award of the Construction Contract. The bids shall be jointly opened and reviewed. The bids shall include an itemized list of all materials and labor and shall include all additional costs, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Three (3) bids for the purchase and installation of the office furniture system, prepared by the furniture dealer, shall be included in the construction estimates, if applicable.

a. Permits
Landlord shall secure the approval of governmental authorities, and all permits required by governmental authorities having jurisdiction over such approvals and permits for the Tenant Improvements, promptly after approval of the Final Plans.

b. Commencement of Construction
Landlord shall commence construction of the Tenant Improvements within fifteen (15) days after issuance of all such necessary permits. Landlord shall commence and, once commenced, shall thereafter diligently proceed to construct and complete all Tenant Improvements, subject to any cessation that may be caused by Force Majeure Delays.

7.3. Construction

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

a. Notice of Nonresponsibility

Landlord and the Contractor shall cooperate with Tenant in posting a notice or notices of nonresponsibility by Tenant

b. Decorating Decisions
All design and programming, space planning and interior decorating services, such as selection of wall paint colors and/or wall coverings, furniture, fixtures, carpeting and any or all other decorator selection efforts required by Tenant, shall be provided by Landlord at Landlord's expense in accordance with Tenant's Space Plan. Landlord shall consult with Tenant with respect to all such decorating services and decisions.

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

7.4. Conformed Plans

Within sixty (60) days after Substantial Completion of the Tenant Improvements and receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans ("as-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 three and one-half inch (3½") 1.4Mb magnetic media diskettes in Auto CAD R 12.dwg (or later version) format or .DXF format,

along with one complete set of mylar transparencies of drawings and one complete set of specifications.

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. The amount of the Maximum Change Order Allowance set forth in Section 1 has been authorized by the Board of Supervisors of the County to be used to pay the costs of all authorized Change Orders but only the Chief Executive Officer is authorized to approve Change Orders on behalf of Tenant and then only if the aggregate amount of such approved Change Orders does not exceed the Maximum Change Order Allowance. Tenant may elect to pay for Change Orders

a. in a lump sum upon Substantial Completion of the Tenant Improvements, or
b. amortize the costs over the term of the Lease at the Change Order Amortization Rate per month for each ONE THOUSAND DOLLARS ($1,000.00) of Change Order costs.

Landlord shall submit to the Chief Executive Officer with each requested Change Order:

(i) the specific cost of the requested change,
(ii) the cumulative net total cost of all Change Orders previously approved, and
(iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved.

Each Change Order must be signed and dated by the Chief Executive Officer.

9. FURNITURE SYSTEM

9.1. Tenant 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 fewer than three (3) 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. The bids shall be jointly opened and reviewed. The bids shall include an itemized list of all materials and labor and shall include all additional costs (shipping, storage, and taxes). Landlord and Tenant, after adjustments for inconsistent assumptions, shall select the most qualified bidder offering the lowest price, and such vendor ("Vendor") shall enter into a contract ("Furniture Contract") with Landlord consistent with the terms of the bid.

9.2. Tenant may opt to finance the lump-sum payment for the cost of modular furniture through lease-purchase financing with a third-party ("Creditor"). In the event the Tenant elects to enter into a lease-purchase financing of the furniture and/or telecommunications equipment (the "Personal Property") through a Creditor, Landlord expressly agrees as follows:

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

b. Landlord shall be notified by Creditor of any plan by Creditor to remove the Personal Property.

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

d. This section shall be binding on the representatives, successors and assigns of all parties hereto and shall inure to the benefit of the successors-in-interest to all parties hereto.

10. TENANT IMPROVEMENT COSTS ADJUSTMENT AND RIGHT TO AUDIT

Within five (5) days of the issuance of a Certificate of Occupancy, or a final sign-off by the City of Los Angeles, which ever 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, in the form of Addendum D attached hereto (Memorandum of Tenant Improvement Costs). 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 twenty-four (24) months from the date of Tenant's Acceptance of the Premises. In the event the audit shows that Tenant is entitled to a reduction in payments to the Landlord under this Landlord's Work Letter, Tenant shall provide Landlord with a copy of the audit summary and Landlord shall pay Tenant the amount of any over-payment made by Tenant within thirty (30) days and future payments shall be adjusted as appropriate based upon the audit results.

11. EXCLUSIONS

The Tenant Improvement Costs shall not include any costs incurred for asbestos abatement, fire sprinkler system (if caused by Tenant's improvements then installation or upgrade shall be at Tenant's sole cost and expense), or conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere. All work for required asbestos abatement, fire sprinkler system,

or air conditioning system conversion shall be performed at the sole cost and expense of Landlord.

12. TELEPHONE/COMPUTER ROOM AND EQUIPMENT

Landlord shall complete the telephone equipment room(s) including permanent power and HVAC, in compliance with the Space Plan and specifications provided by Tenant, at least thirty (30) days prior to the Projected Commencement Date.

13. DELAY

13.1. Tenant Delays and Force Majeure Delays

Except as set forth herein, no delay in the completion of construction of the Tenant Improvements shall be considered in the determination of the Commencement Date of the Lease and, except as set forth herein or in the Lease, under no circumstance shall Tenant be charged with any delay whatsoever as a result of delay in the construction of Tenant Improvements (excluding Tenant Delays, defined below). Subject to the provisions of Section 13.2, the Projected Commencement Date set forth in the Lease shall be extended one (1) day for each day that:

(i) Tenant fails or refuses to give authorizations or approvals within the time periods required herein but only to the extent such delays delay the commencement or completion of construction of the Tenant Improvements (referred to herein as "Tenant Delay(s)"); or

(ii) Substantial Completion of the Tenant Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)").

13.2. Limitations

a. Notice
No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless Landlord has provided written notice, within forty eight (48) hours 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 Tenant received such notice from Landlord.

b. Mitigation
Tenant Delays and Force Majeure Delays shall delay the Projected Commencement Date only in the event that Substantial Completion of the Tenant Improvements is delayed, despite Landlord's reasonable efforts to adapt and compensate for such delays, which efforts Landlord shall be obligated to make (provided any 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 (10) days of Tenant Delays and four (4) days of Force Majeure Delays which occur during the same ten (10) day period of such Tenant Delays, then the Projected Commencement Date would be extended by only ten (10) days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, the Projected Commencement Date would be extended by fourteen (14) days.

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 obtain the building permit to construct the Base Building Improvements and/or the Tenant Improvements within a reasonable time, taking all factors into consideration, or if the Base Building Improvements and/or Tenant Improvements have not been completed within one hundred twenty (120) days from the Projected Commencement Date, Tenant may, at its option:

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

b. Upon thirty (30) days written notice to Landlord, assume the responsibility for providing the Tenant Improvements itself. If Tenant elects to provide Tenant Improvements itself, then:

i. 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

ii. Rent shall be reduced by Tenant's total expense in constructing the Tenant Improvements, including without limitation 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 (5) years and deducted from the rent payable hereunder.

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

15. REPRESENTATIVES

15.1. Tenant Representative

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

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

16. ELEVATOR USAGE DURING MOVE-IN

In the event that the use of the freight elevators and/or hoists is not sufficient to meet Tenant's requirements, Landlord shall cause to be made operational:

a. temporary construction elevator and hoist, or
b. Tenant shall have priority usage of two (2) 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 (5) 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.

TENANT:	LANDLORD:
COUNTY OF LOS ANGELES a body politic and corporate	QUADRANGLE-CP, LLC a California Limited liability company
By _____ Name William L. Dawson Title Acting Director of Real Estate Date Signed 5/30/08	By _____ Name Darryl L. Wong Title Managing Member Date Signed MAY 09 2008

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, 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, lath and plaster or wood, 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 – does not exist;

g. parking facilities;

h. ground floor lobby;

i. finished elevator lobbies (with carpet, lights, finished walls and ceiling) – does not exist;

j. exterior plazas and landscaping;

k. loading dock and/or area – does not exist;

l. drinking fountains at the core;

m. electrical/telephone closet with not less than seven (7) 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 10 and 11, 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 (2) 208/120 bolt 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 fifty (50) pounds per square foot and a partition load of twenty (20) pounds per square foot;

r. standard window coverings;

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

t. hot and cold air loops located within the Premises;

u. primary fire sprinkler distribution, including secondary piping and sprinkler heads as required for the unoccupied Premises. If caused by Tenant's improvements then installation shall be at Tenant's sole cost and expense;

v. primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution. If caused by Tenant's improvements then installation shall be at Tenant's sole cost and expense;

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. Tenant's furniture, fixtures and equipment, including telephones, computers and cabling therefore;

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 therefore;

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

ADDENDUM C

To Landlord's Work Letter

FORM OF BUDGET

ADDENDUM D

To Landlord's Work Letter

COSTS OF TENANT IMPROVEMENTS