County of Los Angeles
**CHIEF EXECUTIVE OFFICE**
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
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Chief Executive Officer

Board of Supervisors
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May 31, 2011

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

17 MAY 31, 2011

SACHI A. HAMAI
EXECUTIVE OFFICER

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**
**DEPARTMENT OF CHILDREN AND FAMILY SERVICES**
**801 CORPORATE CENTER DRIVE, POMONA**
**(FIRST DISTRICT) (3 VOTES)**

## SUBJECT

This is a recommendation to approve a lease for 49,414 rentable square feet of office space and 218 surface parking spaces for the Department of Children and Family Services.

## IT IS RECOMMENDED THAT YOUR BOARD:

1. Consider the Negative Declaration together with the fact that no comments were received during the public review process, find that the project will not have a significant effect on the environment, find that the Negative Declaration reflects the independent judgment of the County of Los Angeles to approve the Negative Declaration and find that the project will have no adverse effect on wildlife resources and authorize the Chief Executive Office to complete and file a Certificate of Fee Exemption for the project.

2. Approve and instruct the Mayor to sign the ten-year lease with Realty Associates Fund VII, for the Department of Children and Family Services to occupy 49,414 rentable square feet of office space and 218 surface parking spaces at an initial maximum annual lease cost of $1,565,471. The program is approximately 70 percent funded by State and federal funds, and 30 percent net County cost.

3. Authorize the Director of Internal Services, or the Landlord, at the direction of the Chief Executive Officer, to acquire telephone, data and low voltage systems at a cost not to exceed $1,500,000. At the discretion of the Chief Executive Officer, all or part of the telephone, data and low voltage systems may be paid in a lump sum or financed over a five-year term with the financed portion not to exceed $347,990 per year, in addition to the tenant improvement allowances provided under the lease.

4. Authorize the Chief Executive Office, the Departments of Internal Services and the Children and Family Services to implement the project.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Department of Children and Family Services (DCFS), SPA 3 regional office, has been housed at a facility located at 100 W. 2nd Street, Pomona, since May 1, 1998. The facility currently houses 234 DCFS staff of the Adoption and Child Protection Services programs.

The lease at 100 West 2nd Street, Pomona was terminated by the Landlord effective December 31, 2010. The Landlord must move all tenants to complete asbestos abatement and seismic retrofit of the building. Notwithstanding the termination notice, the Landlord proposed a lease amendment to extend the term to August 31, 2011, pending DCFS' relocation to the proposed facility at 801 Corporate Center Drive, Pomona. A Board letter to extend the existing lease term was approved by your Board on March 15, 2011, extending the lease term to September 15, 2011. The Landlord is cooperative and will allow DCFS' continued tenancy beyond September 15, 2011, or until the tenant improvements are completed and the department moves into the new proposed facility in December 2011.

DCFS provides services to families in crisis with the primary goal of maintaining the family unit, and a secondary goal of reunifying the family as quickly as possible. The department directs a comprehensive child protection system dedicated to the safety of children in their care, reducing their time to permanent placement and reliance on out-of-home care. Its adoption services include assessment of child adoptability, case management/supervision, and final adoption. The office is also supported by other programs designed to enhance direct services to children and families such as the Department of Mental Health foster child assessment services.

The proposed facility will provide space for 273 staff and an enhanced operational environment for comprehensive and collaborative adoption and child protection services. Approval of the proposed lease will provide DCFS a relocation facility of adequate size and central location to continue program operations while meeting the lease termination requirements of the existing lease and Landlord.

## Implementation of Strategic Plan Goals

The Countywide Strategic Plan goals of Operational Effectiveness (Goal 1) and Children, Family and Adult Well-Being (Goal 2) directs that we provide the public with the effective and timely delivery of customer-oriented and efficient public services through prudent fiscal policies and practices that help ensure maintenance of critical, high priority public services despite cyclical economic conditions, and enhance economic and social outcomes through client-centered, integrated, cost-effective supportive services, and strengthen partnerships with community-based organizations and other governmental agencies to maximize effectiveness, fund sustainability and building capacity. The proposed lease supports these goals by providing a central facility to support multi-agency collaborative adoptions and child protection services.

## FISCAL IMPACT/FINANCING

The initial annual base rent will not exceed $978,397, plus the maximum amortized cost of the additional Tenant Improvement (TI) allowances and change order expenses in the amount of $587,074, for a maximum annual lease cost of $1,565,471.

The monthly base rent will be subject to annual adjustment based upon the Consumer Price Index (CPI) with a maximum increase of 4 percent and no reduction. The lease is full-service gross whereby the Landlord will be responsible for all operating costs associated with the County of Los Angeles (County) occupancy. The lease provides 218 surface parking spaces included in the base rent.

| **Proposed Lease** | **801 Corporate Center Drive, Pomona** |
|---|---|
| Area (Square Feet) | 49,414 |
| Term (years) | Ten-years |
| Annual Base Rent | $ 978,397 ($19.80/sq. ft.) |
| Base TI Allowance | $1,482,420 ($30/sq. ft. included in the base rent) |
| Additional TI Allowance | $2,223,630 ($45/sq. ft.) |
| Change Order Allowance | $ 247,070 ($5/sq. ft.) |
| Maximum Annual Lease Cost | $1,565,471 ($31.68/sq. ft.) |
| Cancellation | After 84 months of the lease term upon 270 days prior written notice. |
| Parking (included in base rent) | 218 surface parking spaces included in the base rent. |
| Options to Renew | Two five-year options |
| Rental adjustment | Annual CPI capped at 4 percent |

Sufficient funding for the proposed lease is included in the 2010-11 Rent Expense budget and will be charged back to DCFS. DCFS has sufficient funding in its 2010-11 operating budget to cover the projected lease costs which are approximately 70 percent funded by State and federal funds and 30 percent net County cost.

## FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease will provide DCFS the use of 49,414 rentable square feet of office space and 218 surface parking spaces included in the base rent. The lease includes the following provisions:

- A full-service gross lease basis whereby the Landlord is responsible for all operational and maintenance costs associated with the premises.

- The lease will be effective upon adoption by the Board of Supervisors. The lease term and rent will commence upon substantial completion and County's acceptance of TIs provided by the Landlord.

- The annual base rent of $978,397 will be subject to annual adjustment based upon the CPI capped at 4 percent with no reduction.

- The Landlord will provide a non-reimbursable base TI allowance of $1,482,420, or $30 per square foot, included in the base rental rate for improvement of the premises.

- A reimbursable additional TI allowance of $2,223,630, or $45 per square foot, and $247,070, or $5 per square feet, change order allowance, each of which may be paid in a lump sum or amortized over five years, at the County's discretion, at an annual interest rate of 7 percent.

- The County will have the right to cancel the lease at or any time after 84 months of the lease term upon 270 days prior written notice.

- The County will have two five-year options to renew the lease at 95 percent of fair rental value.

The Chief Executive Office (CEO) Real Estate Division staff surveyed the immediate area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Attachment B shows all County owned and leased facilities within a five-mile radius of the downtown Pomona. Based upon the survey, staff has established that the annual rental range for similar space is between $18.00 and $21.60 per square foot on a full-service gross basis. Therefore, the proposed annual rental rate of $19.80 is within market rates for this area.

A childcare facility is not feasible at this location. The Department of Public Works inspected the facility for seismic safety and Americans with Disabilities Act accessibility and has found it suitable for County occupancy.

Lease notification letters have been sent to the City of Pomona pursuant to Government Code Sections 25351 and 65402. The proposed lease was submitted for review to your Board's appointed Real Estate Management Commission on April 6, 2011. After careful review, the Commission approved the lease.

## ENVIRONMENTAL DOCUMENTATION

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

## IMPACT ON CURRENT SERVICES (OR PROJECTS)

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

**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.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:WLD
CEM:MM:hd

Attachments

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

801CorporateCenter.bl

Attachment A

# DEPARTMENT OF CHILDREN AND FAMILY SERVICES
# 801 CORPORATE CENTER DRIVE, POMONA

## 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] **181/sq. ft.** | X | | |
| 2. | **Capital** | | | | |
| | A | Is it a substantial net County cost (NCC) program? **30% NCC** | | X | |
| | B | Is this a long term County program? | X | | |
| | C | If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy? | | X | |
| | D | If no, are there any suitable County-owned facilities available? | | X | |
| | E | If yes, why is lease being recommended over occupancy in County-owned space? | | | X |
| | F | Is Building Description Report attached as Attachment B? | X | | |
| | G | Was build-to-suit or capital project considered? **The proposed space is the only space available central to the service area. It is immediately available to meet the termination notice of the existing Landlord, and it is offered at a competitive market rental rate. A build-to-suit or capital project is not under consideration at this time as it is not feasible due to cost and time constraints.** | | X | |
| 3. | **Portfolio Management** | | | | |
| | A | Did department utilize CEO Space Request Evaluation (SRE)? | X | | |
| | B | Was the space need justified? | X | | |
| | C | If a renewal lease, was co-location with other County departments considered? | | | X |
| | D | Why was this program not co-located? | | | |
| | | 1. ___ The program clientele requires a "stand alone" facility. | | | |
| | | 2. _X_ No suitable County occupied properties in project area. | | | |
| | | 3. ___ No County-owned facilities available for the project. | | | |
| | | 4. ___ Could not get City clearance or approval. | | | |
| | | 5. ___ The Program is being co-located. | | | |
| | E | Is lease a full service lease?[2] | 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

# DEPARTMENT OF CHILDREN AND FAMILY SERVICES
# 801 CORPORATE CENTER DRIVE, POMONA

Five-mile radius search from downtown Pomona

| LACO | FACILITY NAME | ADDRESS | SQUARE GROSS | FEET NET | OWNERSHIP | SQUARE FEET AVAILABLE |
|---|---|---|---|---|---|---|
| | | | | | | |
| A359 | DPSS-POMONA GAIN PROGRAM REGION III SUBOFFICE | 2255 N GAREY AVE, POMONA 91768 | 19500 | 18525 | LEASED | NONE |
| 6312 | PUBLIC LIBRARY-CLAREMONT LIBRARY | 208 N HARVARD AVE, CLAREMONT 91711 | 22921 | 17447 | OWNED | NONE |
| Y479 | PUBLIC LIBRARY-WALNUT LIBRARY | 21155 LA PUENTE RD, WALNUT 91789 | 12731 | 8612 | OWNED | NONE |
| D602 | DPSS-POMONA WS DISTRICT OFFICE | 2040 W HOLT AVE, POMONA 91768 | 54265 | 39418 | OWNED | NONE |
| A036 | PROBATION-POMONA VALLEY AREA OFFICE | 1660 W MISSION BLVD, POMONA 91766 | 21680 | 17618 | LEASED | NONE |
| A376 | DCFS-POMONA WASHINGTON MUTUAL BUILDING | 100 W 2ND ST, POMONA 91766 | 37315 | 35449 | LEASED | NONE |
| 3819 | POMONA COURTHOUSE - NORTH | 350 W MISSION BLVD, POMONA 91766 | 44102 | 34477 | FINANCED | NONE |
| 5309 | POMONA COURTHOUSE - SOUTH | 400 CIVIC CENTER PLZ, POMONA 91766 | 170721 | 116679 | OWNED | NONE |
| 5307 | PH-POMONA PUBLIC HEALTH CENTER | 750 S PARK AVE, POMONA 91766 | 15980 | 14960 | FINANCED | NONE |
| A052 | DPSS-POMONA IN HOME SUPPORTIVE SRVC | 360 E MISSION BLVD, POMONA 91766 | 17616 | 16735 | LEASED | NONE |

State of California – The Natural Resources Agency
DEPARTMENT OF FISH AND GAME
Environmental Review and Permitting
1416 Ninth Street, Suite 1260
Sacramento, CA 95814
www.dfg.ca.gov

*ARNOLD SCHWARZENEGGER, Governor*
*JOHN MCCAMMAN, Director*

# CEQA Filing Fee No Effect Determination Form

**Applicant Name:** County of Los Angeles **Date Submitted:** October 29, 2010
**Applicant Address:** Chief Executive Office, 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012

**Project Name:** Ten-Year Lease

**CEQA Lead Agency:** County of Los Angeles
**CEQA Document Type: (ND, MND, EIR)** Negative Declaration
**SCH Number and/or local agency ID number:** N/A

**Project Location:** 801 Corporate Center Drive, Pomona

**Brief Project Description:** This project involves leasing the subject facility for 10 years to provide housing for the Department of Children and Family Services, Adoptions and Child Protection Services program. It is anticipated that an average of 239 employees will be occupying the premises with the maximum employee occupancy anticipated to be 239 per day. In addition to the employees, it is anticipated that an average of 55 members of the public per day will be visiting the facility for adoptions and child protection services. Improvement of the existing premises will occur for this project including interior tenant improvements and furnishings.

**Determination:** Based on a review of the Project as proposed, the Department of Fish and Game has determined that for purposes of the assessment of CEQA filing fees [F&G Code 711.4(c)] the project has no potential effect on fish, wildlife and habitat and the project as described does not require payment of a CEQA filing fee. This determination does not in any way imply that the project is exempt from CEQA and does not determine the significance of any potential project effects evaluated pursuant to CEQA.

Please retain this original determination for your records; you are required to file a copy of this determination with the County Clerk after your project is approved and at the time of filing of the CEQA lead agency's Notice of Determination (NOD). If you do not file a copy of this determination with the County Clerk at the time of filing of the NOD, the appropriate CEQA filing fee will be due and payable.

Without a valid No Effect Determination Form or proof of fee payment, the project will not be operative, vested, or final and any local permits issued for the project will be invalid, pursuant to Fish and Game Code Section 711.4(c)(3).

DFG Approval By: Leslee Newton-Reed Date: 11-10-2010

Title: Environmental Scientist

CALIFORNIA DEPT. OF FISH AND GAME
SOUTH COAST REGION
4949 VIEWRIDGE AVENUE
SAN DIEGO, CA 92123-1662

*Conserving California's Wildlife Since 1870*

ORIGINAL FILED
NOV 01 2010
LOS ANGELES, COUNTY CLERK

**DATE POSTED – November 1, 2010**

## NOTICE OF PREPARATION OF NEGATIVE DECLARATION

This notice is provided as required by the California Environmental quality Act and California Administrative Code Title 14 Division 6, Section 15072 (a) (2) B.

A Negative Declaration has been prepared for this site based on an Initial Study which consists of completion and signing of an Environmental Information Form showing background information as follows:

1. Name of Proponent - County of Los Angeles
   Chief Executive Office

2. Address/Phone No. - 222 South Hill Street, 3rd Floor
   Los Angeles, California 90012

| Agent | Telephone |
|---|---|
| Manuel Martinez | (213) 974-4162 |

3. Date Information Form Submitted – November 1, 2010

4. Agency Requiring Information Form - Los Angeles County
   Chief Executive Office
   Real Estate Division

5. Name of Proposal, if Applicable -

6. Address of Facility Involved – 801 Corporate Center Drive
   Pomona, California 91768

Interested parties may obtain a copy of the Negative Declaration and the completed Environmental Information Form/Initial Study by contacting the Real Property Agent indicated under 2 above and referring to the proposal by name or to the facility by address.

Si necesita informacion en espanol, por favor de comunicarse con Carlos Marquez, para asistencia en obtener una traduccion al numero (213) 974-4163.

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

**TEN-YEAR LEASE**

**NEGATIVE DECLARATION**

I. Location and Description of the Project

The proposed project provides the County of Los Angeles leased facilities at 801 Corporate Center Drive, Pomona, California, which will be used by the Department of Children and Family Services to provide administrative and regional Adoptions and Child Protection Services. The facility, located in the First Supervisorial District approximately 27 miles from the Los Angeles Civic Center, includes 109,728 square feet of office space. The tenant department will occupy 43,959 square feet of office space and utilize 176 off-street parking spaces for staff and 10 reserved parking spaces available for visitors. The County does not presently occupy any office space in the facility.

II. Finding of No Significant Effect

Based on the attached initial study, it has been determined that the project will not have a significant effect on the environment.

III. Mitigation Measures

None required.

# NEGATIVE DECLARATION

| | |
|---|---|
| Department Name: | Department of Children and Family Services<br>Adoptions and Child Protection Services |
| Project: | Administrative and public service office space |

Pursuant to Section 15072, California Environmental Quality Act and California Administrative Code Title 14, Division 6

1. Description of Project

   The leasing of office space in an existing commercial building to be used by the County of Los Angeles, Department of Children and Family Services Adoptions and Child Protection Services.

2. a. Location of Project (plot plan attached)

   801 Corporate Center Drive
   Pomona, California 91768

   b. Name of Project Proponent

   County of Los Angeles
   Chief Executive Office
   222 South Hill Street, 3rd Floor
   Los Angeles, CA 90012

3. Finding for Negative Declaration

   It has been determined that this project will not have a significant effect on the environment based on information shown in the attached Environmental Information Form dated October 28, 2010 which constitutes the Initial Study of this project.

4. Initial Study

   An Initial Study leading to this Negative Declaration has been prepared by the Chief Executive Office and is attached hereto.

5. Mitigation Measures Included in Project
   None required.

| Date | Real Property Agent | Telephone |
|---|---|---|
| October 28, 2010 | Manuel Martinez | (213) 974-4162 |

# INITIAL STUDY

## I. Location and Description of Project

These proposed leased premises are located at 801 Corporate Center Drive, Pomona, California in the First Supervisorial District approximately 27 miles east of the Los Angeles Civic Center located at the southern junction of the 10, 57, and 71 freeways. (See attached map)

The building to be used is owned by Realty Associates fund VII, LP, and is intended for use as office space. Located at the site are 176 off-street parking spaces for the Department of Children and Family Services and 10 reserved off-street parking spaces available for visitors with ample additional parking located within the on-site parking lot and surrounding area.

This project involves leasing the subject facility for 10 years to provide housing for the Department of Children and Family Services, Adoptions and Child Protection Services program. It is anticipated that an average of 239 employees will be occupying the premises with the maximum employee occupancy anticipated to be 239 per day. In addition to the employees, it is anticipated that an average of 55 members of the public per day will be visiting the facility for adoptions and child protection services. Improvement of the existing premises will occur for this project including interior tenant improvements and furnishings.

## II. Compatibility with General Plan

This project site is currently designated as commercial in the City of Pomona General Plan and zoned LCA17000. The proposed project would be consistent with these designations.

## III. Environmental Setting

The project site is located in an area of commercial facilities. The site includes approximately 109,728 square feet of developed property. The site is bordered by the 71 freeway and Ridgeway Street on the east, the 10 freeway on the north, the 57 freeway on the west, and South Campus drive on the south.

## IV. Identification of Environmental Effects

A. The impact of the proposed project on existing land forms will be negligible as no reshaping of the soil nor excavation nor foundations, utility lines, sewer lines or water lines is anticipated.

B. The project will not conflict with adopted environmental plans and goals of the City of Pomona.

C. The project will not have a substantial demonstrable negative aesthetic effect on the site. The existing facility will be continued to be maintained as part of the lease arrangement.

D. No rare or endangered species of animal or plant or the habitat of the species will be affected by the project. Nor will it interfere substantially with the movement of any resident fish or wildlife species or migratory fish or wildlife species.

E. The project will not breach published national, state or local standards relating to solid waste or litter control.

F. Development will not substantially degrade water quality, contaminate water supply, substantially degrade or deplete ground water resources, or interfere substantially with ground water recharge.

G. There are no known archeological sites existing at the project site.

H. The proposed project will not induce substantial growth or concentration of population.

I. The project will not cause a substantial increase to existing traffic. Nor will it affect the carrying capacity of the present street system. This is a government use of private property for legal services purposes. The County's use is in conformance with uses approved by the City of Pomona.

J. The project will not displace any persons from the site.

K. The project will not substantially increase the ambient noise levels to adjoining areas. Noise generated by the proposed County use does not exceed that previously experienced in the area when occupied by private tenants.

L. The proposed developed project will not cause flooding, erosion or siltation.

M. The project will not expose people or structures to major geologic hazards.

N. The project will not expand a sewer trunk line. All necessary utilities are available currently to the facility.

O. No significant increased energy consumption is anticipated by the County's use of the premises as compared to previous uses.

P. The project will not disrupt or divide the physical arrangement of established community; nor will it conflict with established recreational, educational, religious or scientific uses of the area.

Q. No public health or safety hazard or potential public health or safety hazard will be created by this project.

R. The project will not violate any ambient air quality standard, contribute substantially to an existing or projected air quality violation, or expose sensitive receptors to substantial pollutant concentrations.

## V. Discussions of Ways to Mitigate Significant Effects

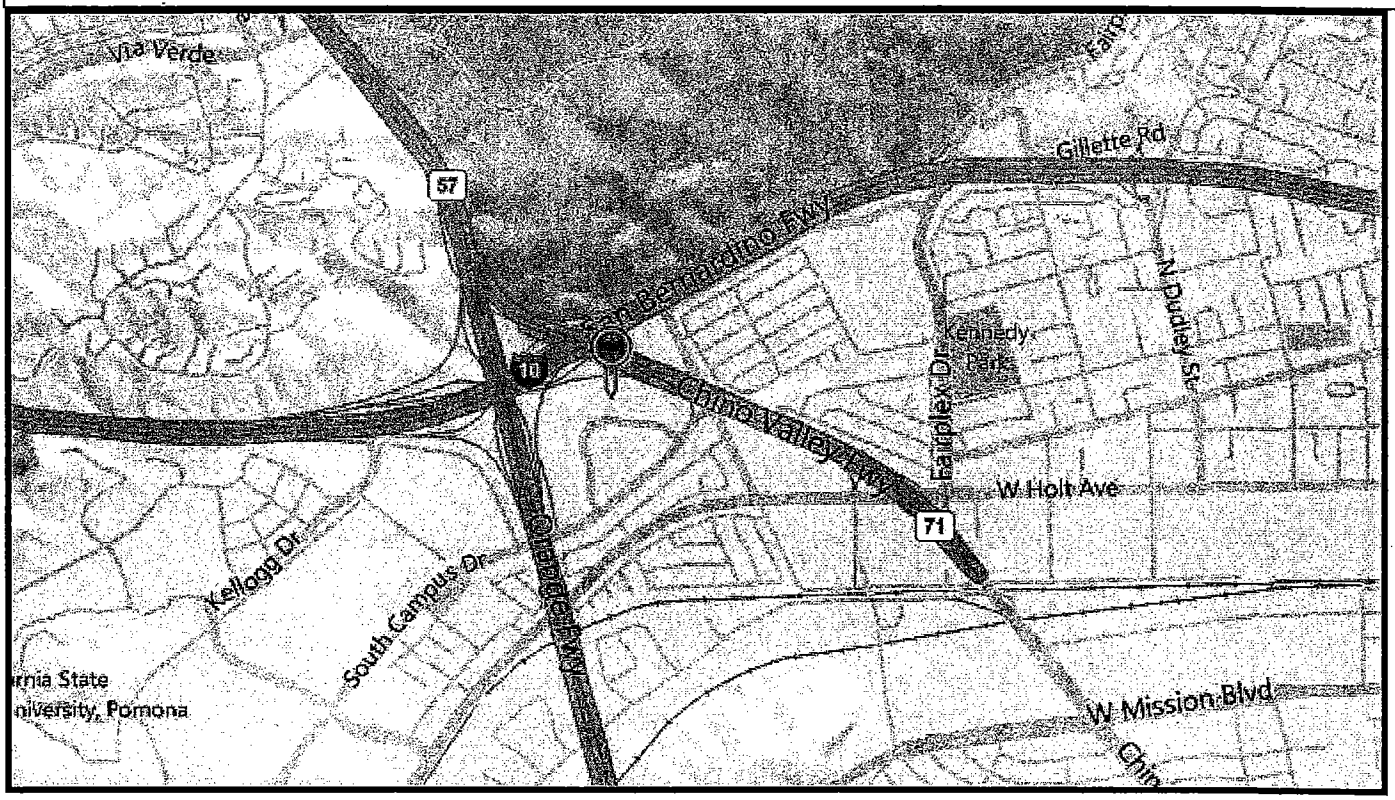
The proposed project is not expected to create any significant effects on the environment. To mitigate any effects upon the surrounding community the following measures will be implemented:

A. None Required.

## VI. Initial Study Preparation

This study was prepared by Manuel Martinez of the Los Angeles County Chief Executive Office, Real Estate Division. This study was completed on October 28, 2010.

Print this page in a more readable format: Click **Print** next to the lower-left corner of the map.



# COUNTY OF LOS ANGELES

# CHIEF EXECUTIVE OFFICE

# LEASE AND AGREEMENT

**DEPARTMENT: CHILDREN AND FAMILY SERVICES**

**as Tenant**

**LANDLORD: REALTY ASSOCIATES FUND VII**

**a Delaware Limited Partnership**

**801 CORPORATE CENTER DRIVE**

77519

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

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AGREEMENT

THIS LEASE is entered into as of the 31st day of May, 2011 between REALTY ASSOCIATES FUND VII, L.P., a Delaware limited partnership ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION

1.1. Terms

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

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| a. Landlord's Address For Notice: | 1301 Dove St. #860<br>Newport Beach, CA 92660<br>Attention: Asset Manager<br>801 Corporate Center<br><br>With a copy to:<br><br>28 State Street, 10th Floor<br>Boston, MA 02109<br>Attention: Asset Manager<br>801 Corporate Center<br><br>With a copy to :<br><br>Davis Partners LLC<br>3191 Temple Avenue,<br>Suite 185<br>Pomona, California 91768<br>Attention: Property Manager<br>801 Corporate Center |
| b. Tenant's Address For Notice: | Board of Supervisors<br>Kenneth Hahn Hall of Administration,<br>Room 383<br>500 West Temple Street<br>Los Angeles, California 90012<br><br>With a copy to: |

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| | Chief Executive Office<br>Real Estate Division<br>222 South Hill Street, 3rd Floor<br>Los Angeles, California 90012<br>Attention: Director of Real Estate<br>Fax Number: (213) 217- 4971 |
| c. Premises: | Approximately 49,414 rentable square feet in the building more particularly described as Suites 100 and 201 (defined below) as shown on Exhibit A attached hereto. |
| d. Building: | The building is located at 801 Corporate Center Drive, Pomona, California which is located upon the real property described more particularly in Exhibit B attached hereto (the "Property"); |
| e. Term: | Ten years commencing upon Substantial Completion and Tenant's Acceptance of the Premises as defined in Section 4 (the "Commencement Date") and terminating at midnight on or before the day before the 10th anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Terms (defined in Subsection 4.5) for which an option has been validly exercised. |
| f. Projected Commencement Date: | December 31, 2011 |
| g. Commencement Date: | Upon Substantial Completion and Tenant's Acceptance of the Premises as defined in Section 4 (the "Commencement Date") |
| h. Irrevocable Offer Expiration Date: | April 1, 2011 |



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| i. Basic Rent: | $81,533.10 per month (which is based upon a rental rate of $1.65 per rentable square foot (adjustable only as provided in Section 2.2 and Section 5 hereof.) |
| j. Early Termination Notice Date: | At or any time after the last day of the 75th full calendar month of the Lease term as provided in Section 4.4 hereof. |
| k. Rentable Square Feet in the Premises: | 49,414 |
| l. Use: | General office use or for any other lawful purposes not incompatible with other uses in the Building. |
| m. Initial Departmental Use: | General office use by the Department of Children an Family Services |
| n. Parking Spaces: | 198 unreserved parking spaces and 20 reserved parking spaces located off-site as defined in Section 20 and depicted in Exhibit F |
| o. Normal Working Hours: | 7:00 a.m. to 6:00 p.m., Monday through Friday and 9:00 a.m. to1:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California. |
| p. Asbestos Report: | A report dated February 2005 prepared by ENSR International, a licensed California Asbestos contractor. |
| 1.2. Defined Terms Relating to Landlord's Work Letter | |
| a. Base Tenant Improvement Allowance: | $1,482,420 (which is based upon $30 per rentable square foot) |
| b. Additional Tenant Improvement Allowance: | $2,223,630 (which is based upon $45 per rentable square foot) |



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| c. | Maximum Change Order Allowance: | $247,070 (which is based upon $5 per rentable square foot) |
| d. | Additional Tenant Improvement and Change Order Amortization Rate: | 7% per annum |
| e. | Basic Rent Reduction: | Not applicable |
| 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: | Tina Minook |
| h. | Landlord's Address for Work letter Notice: | 1301 Dove St. #860<br>Newport Beach, CA 92660<br><br>With a copy to:<br><br>28 State Street, 10th Floor<br>Boston, MA 02109 |
| i. | Tenant's Address for Work Letter Notice | Board of Supervisors<br>Kenneth Hahn Hall of Administration, Room 383<br>500 West Temple Street<br>Los Angeles, California 90012<br><br>With a copy to:<br><br>Chief Executive Office<br>Real Estate Division<br>222 South Hill Street, 3rd Floor<br>Los Angeles, California 90012<br>Attention : Director of Real Estate<br>Fax Number: (213) 217-4971 |
| 1.3. | Exhibits to Lease:<br><br>(executed concurrently with this Lease and made a part hereof by this reference): | Exhibit A - Floor Plan of Premises<br>Exhibit B - Legal Description of Property<br>Exhibit C - Commencement Date Memorandum and Confirmation of Lease Terms<br>Exhibit D - HVAC Standards<br>Exhibit E - Cleaning and Maintenance |



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| | Exhibit F - Off-Site Reserved Parking |
| 1.4. Landlord's Work Letter:<br><br>(executed concurrently with this Lease and made a part hereof by this reference): | Landlord's Work Letter<br>Addendum A: Base Building Improvements<br>Addendum B: Tenant Improvements |
| 1.5. Supplemental Lease Documents:<br><br>(delivered to Landlord and made a part hereof by this reference): | Document I: Subordination, Non-disturbance, and Attornment Agreement<br>Document II: Tenant Estoppel Certificate<br>Document III: Community Business Enterprises Form<br>Document IV: Memorandum of Lease<br>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. Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no adjustment made to either the square footage or the Basic Rent in the event the measured square footage exceeds the amount represented by Landlord. Should Landlord and Tenant not agree with respect to the results of the measurement conducted pursuant to this Subsection 2.2 Landlord shall appoint an independent firm or person who is experienced in making such measurements whose determination with respect to which measurement is



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



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4.2. Termination Right

If the Commencement Date has not occurred within 90 days from the Projected Commencement Date, subject to Tenant Delays or force Majeure Delays as provided in Landlord's Work Letter, 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.

4.4. Early Termination

Tenant shall have the right to terminate this Lease at any time after the Early Termination Notice Date, as defined in Section 1, by giving Landlord not less than 270 days prior written notice executed by the Chief Executive Officer of Tenant. In the event of such termination, Tenant shall pay Landlord a termination fee in an amount equal to the cost of the unamortized Additional Tenant Improvement Allowance, including Change Orders (as defined in the Landlord's Work Letter attached hereto), if any, not yet paid by Tenant pursuant to Sections 6.2., 6.3, and 8 of the Landlord's Work Letter, and any unamortized leasing commissions. Said termination fee shall be paid within 60 days after such termination. Tenant shall have the right to terminate this Lease at or any time after 36 months of each of the Extension Terms as defined in Section 4.5, by giving Landlord not less than 120 days prior written notice executed by the Chief Executive Officer of Tenant.

4.5 Options to Extend

(a.) Terms of Options. Provided that no material Default has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have two (2) options to renew this Lease for additional periods of sixty (60) months each (respectively, the "First Extension Term" and the "Second Extension Term", and collectively, the "Extension Term(s)").

(b.) Exercise of Option. If it elects to do so, Tenant shall exercise its options to extend this Lease by



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(i) giving Landlord written notice of its intention to exercise (its "Notice of Intent") by letter from Tenant's Chief Executive Office (CEO) no earlier than three hundred sixty five (365) days and no later than one hundred eighty (180) days prior to the end of the initial Term, or the First Extension Term, as applicable, and

(ii) if the applicable Notice of Intent is not so given and received, Tenant's right to extend the term of the Lease pursuant to this section shall expire, Tenant shall no longer have the right to give a Notice of Intent and this section shall be of no further force or effect, unless waived by Landlord.

(c.) Terms and Conditions of the Extension Terms. Extension Terms shall be on all the terms and conditions of this Lease, except that (i) Basic Rent during the Extension Terms shall be equal to 95% of Market Rental Value for the Premises as of the commencement of the applicable Extension Term ("Adjusted Market Rental Value") to be determined as set forth below, (ii) Landlord shall have no additional obligation for free rent, leasehold improvements, or for any other tenant inducements for the Extension Terms and (iii) Landlord shall have no obligation to provide the Reserved Spaces to Tenant during either of the Extension Terms.

(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 Basic Rent during the applicable Extension Term. Basic Rent during the Extension Term(s) shall be the Adjusted Market Rental Value of the Premises calculated as of the date Tenant gives its Notice of Intent with respect to its first and second options to extend, respectively.

(e.) Market Rental Value. The term "Market Rental Value" shall be the rental rate that Comparable Premises in the City of Pomona in which the Premises is located would command for the same term as the Extension Term on the open market at the time Tenant provides its Notice of Intent, as determined jointly by Landlord and Tenant. For purposes hereof, the term "Comparable Premises" shall mean premises in a building similar in size and location to the Building, excluding any improvements installed by Tenant in the Building. In determining the Market Rental Value, appropriate consideration shall be given to Tenant's creditworthiness; 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 and for a comparable period of time; the annual rental rates per square foot; the standard of measurement by which the rentable square footage is measured; the ratio of rentable square feet to usable square feet; the type of escalation clause (e.g., whether increases in additional rent are determined on a net or gross basis, and if gross, whether such increases are determined according to a base year or a base dollar amount expense stop); the extent of Tenant's liability under the Lease; parking rights and obligations; signage rights; abatement provisions reflecting free rent and/or no rent during the period of construction or subsequent to the commencement date as to the space in question;



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brokerage commissions, if any, which would be payable by Landlord in similar transactions; length of the Lease term; size and location of the building being leased; and other general applicable conditions of tenancy for such comparable transactions.

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

5. RENT

The first full calendar month's rent shall be due and payable within 30 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 month(s) of the Term up to and including June, and annually thereafter in June for the ensuing 12 months.



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

(b) CPI Formula. The Index means the Consumer Price Index for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means 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 Index published for the month the Lease commenced (the "Base 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.

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

$$\frac{\text{New Index}}{\text{Base Index}} \times \$81{,}533.10 \text{ (Basic Rent)}$$

+Amount needed to amortize Tenant's Additional Tenant Improvement Allowance, if any+ Amount needed to amortize change order costs, if any
= Monthly Basic Rent

(d) Limitations on CPI Adjustment. In no event shall the monthly Basic Rent adjustment based upon the CPI Formula result in an annual increase greater than four percent (4%) 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.

(e) Adjustments. Tenant shall continue to pay the Basic Rent at the rate previously in effect until the increase in the Basic Rent is determined. Within thirty (30) days following the date on which the increase is determined, Tenant shall make such payment to Landlord as will bring the increased Basic Rent current, commencing with the effective date of such increase to the date of such determination. Thereafter, the Base Rent shall be paid at the increased rate.



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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.

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 60days written notice from Landlord or 60 days written notice from the Chief Executive 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 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 un-tenantable 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



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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.

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 un-tenantable. 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.



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## 10. REPAIRS AND MAINTENANCE

### 10.1. Landlord Representations

Landlord represents to Tenant that:

a. The Premises, the Building and all Common Areas (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, good working order and condition;

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

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



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in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to:

i. the floor covering;
ii. interior partitions;
iii. doors;
iv. the interior side of demising walls; 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 days after the giving of such notice, then Tenant may proceed to take the required action(provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten



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percent (10%) per annum. If not reimbursed by Landlord within ten 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.

### 11.2. After-Hours HVAC

Landlord also shall provide HVAC services during hours other than Normal Working Hours ("After Hours HVAC") subject to the following terms and conditions:

(1) Landlord shall provide the After Hours HVAC in the event Tenant gives Landlord advance notice of its need for such service no later than 4:00 p.m. on Monday through Friday (except holidays referred to above) that Tenant requires the services, and no later than 5:00 p.m. on the last business day preceding the weekend or holiday that Tenant requires the service. In addition and notwithstanding the foregoing, Tenant may contact the Building manager or on-site Building engineer at any reasonable time to order After Hours HVAC, and Landlord shall, to the extent reasonably practicable, provide After Hours HVAC service as requested by Tenant, even if Tenant failed to give notice within the time periods specified above.

(2) Landlord will provide the After Hours HVAC at the "Actual Cost" defined as the actual costs incurred by Landlord in providing any particular service (including Landlord's reasonable estimate of related administrative cost for the cost of such service (to the extent not duplicative of costs included in Operating Costs) applicable depreciation related to the increased utilization of equipment used in providing the service and the cost of electricity) and when appropriate under this Lease, shall be applicable to After Hours HVAC and any other utility or service normally provided by Landlord to other tenants. There shall be no start-up charges and/or minimum usage for After Hours HVAC service. The foregoing direct charges shall be payable by Tenant as Additional Rent. The rate for After



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Hours HVAC currently is forty-five dollars ($45) per hour which Landlord and Tenant acknowledge is appropriate in accordance with the foregoing (the "After Hours HVAC Charge"), and Landlord shall be entitled to increase such charge from time to time, upon at least thirty (30) days prior written notice to Tenant, but only to reflect increases in the cost of labor, water and water treatment in connection therewith.

11.3. 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. Tenant shall not use electricity or other Building utilities or services in excess of those used by a typical office building tenant using its premises for ordinary office. Tenant shall not install in the Premises office equipment, lighting fixtures or similar items which will generate above average heat, noise or vibration at the Premises or which will adversely affect the temperature maintained by the HVAC system. If in any calendar month Tenant is using electricity in excess of ten watts per rentable square feet in the Premises multiplied by the number of Normal Working Hours in any month ("Maximum Monthly Electrical Consumption"), Tenant shall pay to Landlord within sixty (60) days of receipt of an invoice from Landlord for the actual cost of its electrical usage in excess of the Maximum Monthly Electrical Consumption. Tenant shall have the right to audit these costs for a period of twelve (12) months from the date of first invoice. In the event the audit shows that Tenant has been overcharged for its electrical usage in excess of the Maximum Monthly Electrical Consumption, Tenant shall provide Landlord with a copy of the audit summary and Landlord shall immediately credit Tenant the amount of any over-payment made by Tenant.

11.4. 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.



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11.5. Water

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

11.6. 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.

11.7. 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 Premises or prevents Tenant from gaining access to the Premises, Basic Rent shall be prorated based upon the percentage of the Premises rendered un-tenantable 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



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are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

13.2. Termination

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

13.3. No Effect On Indemnity

Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

14. LANDLORD DEFAULT

14.1. Remedies

In addition to the provisions for Landlord's default provided by Sections 9.4, 10.4, 18.2, 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 30 days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10.4); provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such 30 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 ten (10%) 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; 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 not assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises without first obtaining Landlord's prior consent, which shall not be unreasonably withheld; provided, however, no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease.

16. ALTERATIONS AND ADDITIONS

16.1. Landlord Consent

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

a. Complies with all Laws;
b. Is not visible from the exterior of the Premises or Building;
c. Will not materially affect the systems or structure of the Building; and
d. Does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building.



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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.

## 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, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

17.2. Total Taking

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

17.3. Partial Taking

If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within 30 days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than 30 days 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. It Tenant does not so notify Landlord



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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

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, contractors, licensees, agents, employees, guests, or 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



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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 the greater of (A) 5% of the property value or (B) $10,000.00.

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:



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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

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.

20. PARKING

20.1. Tenant's Rights

Tenant shall have the right to use twenty (20) exclusive off-site reserved parking stalls (the "Reserved Spaces") during Normal Working Hours and



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one hundred ninety-eight (198) unreserved parking stalls as 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. In no event shall Tenant use at any time more than one hundred ninety-eight (198) parking spaces in the Property's parking area. If necessary, Landlord will relocate the Reserved Spaces to a surface parking lot or to a parking structure within five hundred (500) feet of the Building, at Landlord's sole cost and expense; provided, however, in no event shall Landlord be obligated to pay more than $20.00 per month per Reserved Space to provide the Reserved Spaces to Tenant. If for any reason Landlord is unable to provide the Reserved Spaces to Tenant, for each Reserved Space Landlord is unable to provide to Tenant, Tenant's Basic Rent shall be reduced by $20.00 per month (the "Reserved Parking Rent Reduction"). For example, if Landlord is unable to provide any Reserved Spaces to Tenant, during the time Landlord is unable to provide any Reserved Spaces to Tenant, Tenant's Basic Rent would be reduced by $400.00 per month. Notwithstanding anything to the contrary contained in Section 20.2 below, Landlord's sole liability to Tenant due to its failure to provide Reserved Spaces shall be to provide to Tenant the Reserved Parking Rent Reduction, and Landlord shall not be in default under the Lease and Tenant shall not have the right to terminate the Lease due to Landlord's failure to provide the Reserved Spaces to Tenant.

20.2. Remedies

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

a. terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective 30 days thereafter; provided, however, that no such termination shall be effective unless Landlord has received a written notice of default from Tenant stating that it has failed to provide the required parking spaces and Landlord thereafter



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fails to provide Tenant with the required parking spaces within the cure period for defaults set forth in section 14.1; or

b. Deduct from the Basic Rent thereafter accruing hereunder an amount each month equal to the Basic Rent times the percentage of Parking Spaces not so provided times 1.5 but such deduction from Basic Rent shall be not less than ten percent (10%), nor more than one hundred percent (100%).

## 21. ENVIRONMENTAL MATTERS

### 21.1. Hazardous Materials

Tenant shall not cause nor permit, nor allow any of Tenant's employees agents, customers, visitors, invitees, licensees, 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



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

22. ESTOPPEL CERTIFICATES

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

23. TENANT IMPROVEMENTS

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

24. LIENS

Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or 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.



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## 25. SUBORDINATION AND MORTGAGES

### 25.1. Subordination And Non-Disturbance

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

### 25.2. Existing Deeds of Trust

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

### 25.3. Request for Notice

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

### 25.4. Notice of Default

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

## 26. SURRENDER OF POSSESSION

Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property place or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).



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## 27. SIGNAGE

Tenant shall be permitted to install inside the Premises and on the Building monument, but not on the exterior of the Building, reasonably appropriate signs that conform with any and all applicable laws and ordinances.

## 28. QUIET ENJOYMENT

So long as Tenant is not in default hereunder, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

## 29. GENERAL

### 29.1. Headings

Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

### 29.2. Successors and Assigns

All 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. For example, and notwithstanding anything to the contrary contained in this Lease, Landlord may assign this Lease to a purchaser of the Building without the consent of Tenant, provided that Landlord shall provide advance written notice to Tenant of any such assignment.

### 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.



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29.4. Entire Agreement

This Lease (and the Landlord's Work Letter and Supplemental Lease Documents) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

29.5. Severability

Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

29.6. Notices

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

29.7. Governing Law and Forum

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

29.8. Waivers

No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.



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29.9. Time of Essence

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

29.10. Consent

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



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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 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 may result in the Landlord's submission being eliminated from consideration.



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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. Notwithstanding anything to the contrary contained in this Section, this Section shall not apply to the assignment by Landlord of this Lease to a purchaser of the Building.

b. Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof , is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

c. Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with 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 and 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



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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. Notwithstanding the foregoing, Landlord may provide this Lease and other information Landlord receives from the County to its employees, agents, accountants, brokers, property managers, legal counsel, investors, partners, purchasers and lenders without the prior consent of County.

g. The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns whether so expressed or not.

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.



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

LANDLORD:

The Realty Associates Fund VII, L.P.,
a Delaware limited partnership

By: Realty Associates Fund VII, LLC
its General Partner

By: Realty Associates Advisors LLC, its Manager

By: Realty Associates Advisors Trust,
its Manager

By: _____
Officer

TENANT:

COUNTY OF LOS ANGELES
a body politic and corporate

By: _____
Michael D. Antonovich
Mayor, Board of Supervisors

ATTEST:

Sachi A. Hamai
Executive Officer-Clerk
of the 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

77519

APPROVED AS TO FORM:
Andrea Sheridan Ordin
County Counsel

By: _____
Amy M. Caves
Senior Deputy

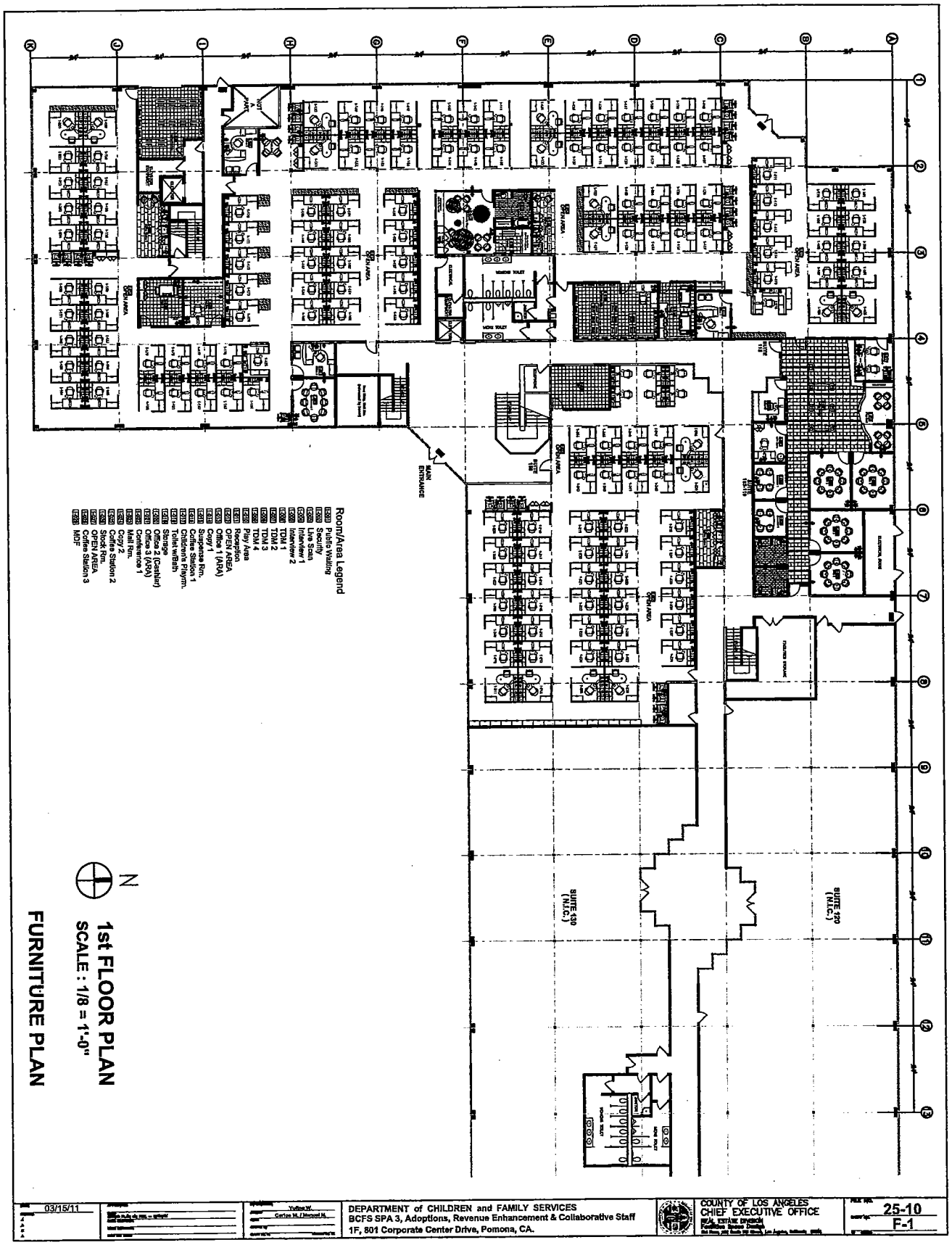
ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

17 MAY 31 2011

SACHI A. HAMAI
EXECUTIVE OFFICER

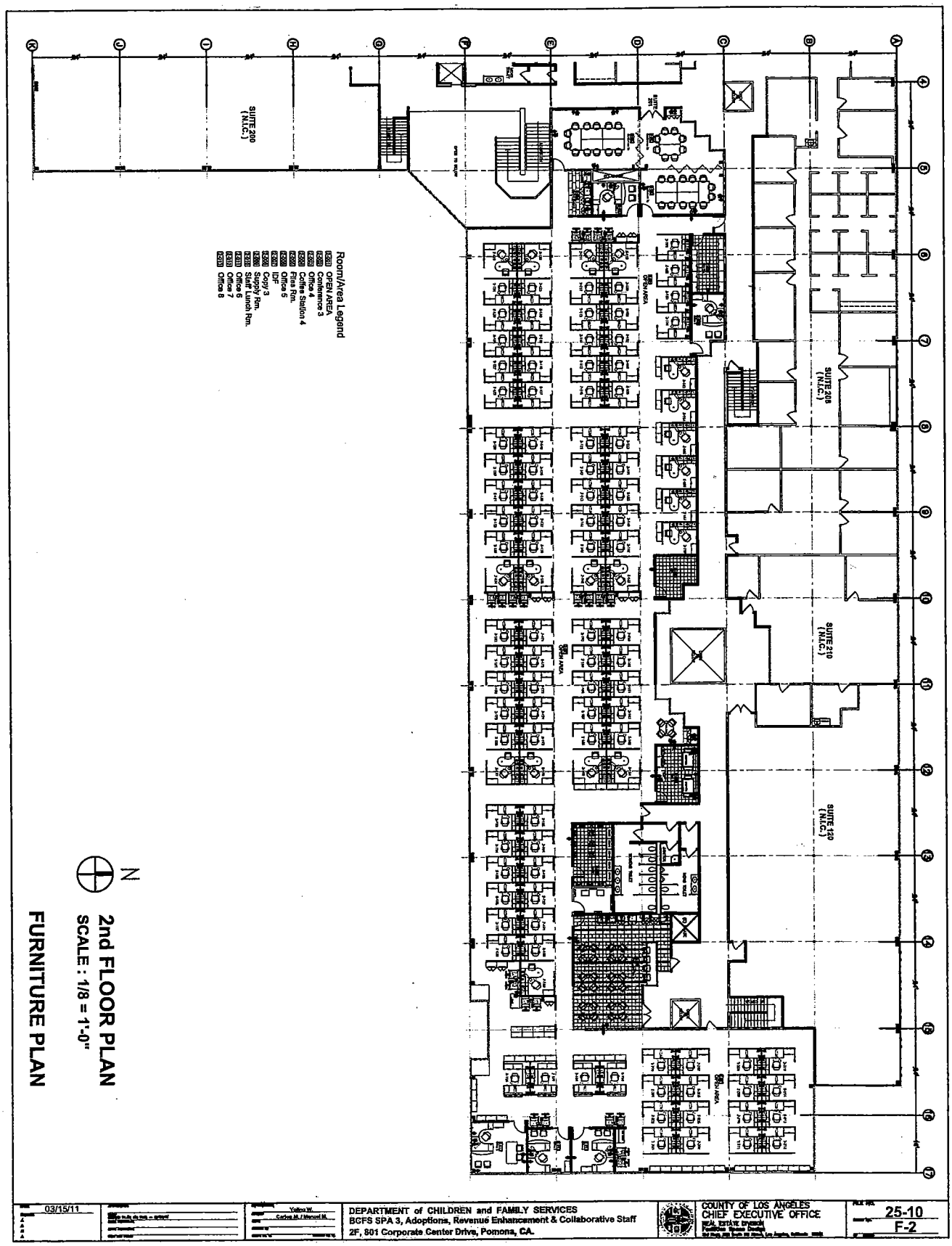
# EXHIBIT A

## FLOOR PLAN OF PREMISES



# EXHIBIT A

## FLOOR PLAN OF PREMISES



# EXHIBIT B

## LEGAL DESCRIPTION OF PREMISES

**A PARCEL OF LAND LOCATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, WITH A SITUS ADDRESS OF 801 CORPORATE CENTER DR, POMONA, CA 91768-2628 CURRENTLY OWNED BY REALTY ASSOCIATES FUND VII HAVING A TAX ASSESSOR NUMBER OF 8707-001-041 AND BEING THE SAME PROPERTY MORE FULLY DESCRIBED AS TR=43359 POR OF LOTS 4 AND 5 AND DESCRIBED IN DOCUMENT NUMBER 817011 DATED 04/04/2005 AND RECORDED 04/08/2005.**

# EXHIBIT C

## COMMENCEMENT DATE MEMORANDUM AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain lease ("Lease") dated _____, 2011, between County of Los Angeles, a body politic and corporate ("Tenant"), and Realty Associates Fund VII, a Delaware limited partnership ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 801 Corporate Center Drive, Pomona ("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 49,414 rentable square feet of space; and

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

1) Basic Rent per month is $81,533.10

2) The Base Index Month is _____.

3) The Base Index is _____.

4) The New Index Month is _____.

IN WITNESS WHEREOF, this memorandum is executed this _____ day of _____, 2011.

| Tenant: | Landlord: |
|---|---|
| COUNTY OF LOS ANGELES<br>a body politic and corporate<br><br>By: _____<br>Name: William L. Dawson<br>Its: Director of Real Estate | The Realty Associates Fund VII, L.P.,<br>a Delaware limited partnership<br><br>By: Realty Associates Fund VII, LLC<br>its General Partner<br><br>By: Realty Associates Advisors LLC, its Manager<br><br>By: Realty Associates Advisors Trust,<br>its Manager<br><br>By: _____<br>Officer |

# EXHIBIT D

## HEATING, VENTILATION AND AIR CONTITIONING

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Normal Working Hours established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one 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.

# EXHIBIT E
## CLEANING AND MAINTENANE SCHEDULE

1. DAILY (Monday through Friday)
   A. Carpets vacuumed.
   B. Composition floors dust-mopped.
   C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
   D. Waste baskets, other trash receptacles emptied.
   E. Chairs and waste baskets returned to proper position.
   F. Fingerprints removed from glass doors and partitions.
   G. Drinking fountains cleaned, sanitized and polished.
   H. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
   I. Bulb and tube replacements, as required.
   J. 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. Day porter service during normal business hours as provided herein.

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 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.
   E. Pest control inspection, and remediation as needed

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, as reasonably necessary.

C. All walls treated with vinyl covering washed and stains removed, as reasonably necessary.

6. ANNUALLY
   A. Furniture systems and any other fabric or upholstered surfaces including chairs, couches, walls, etc., spot cleaned.
   B. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process.
   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 a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning:

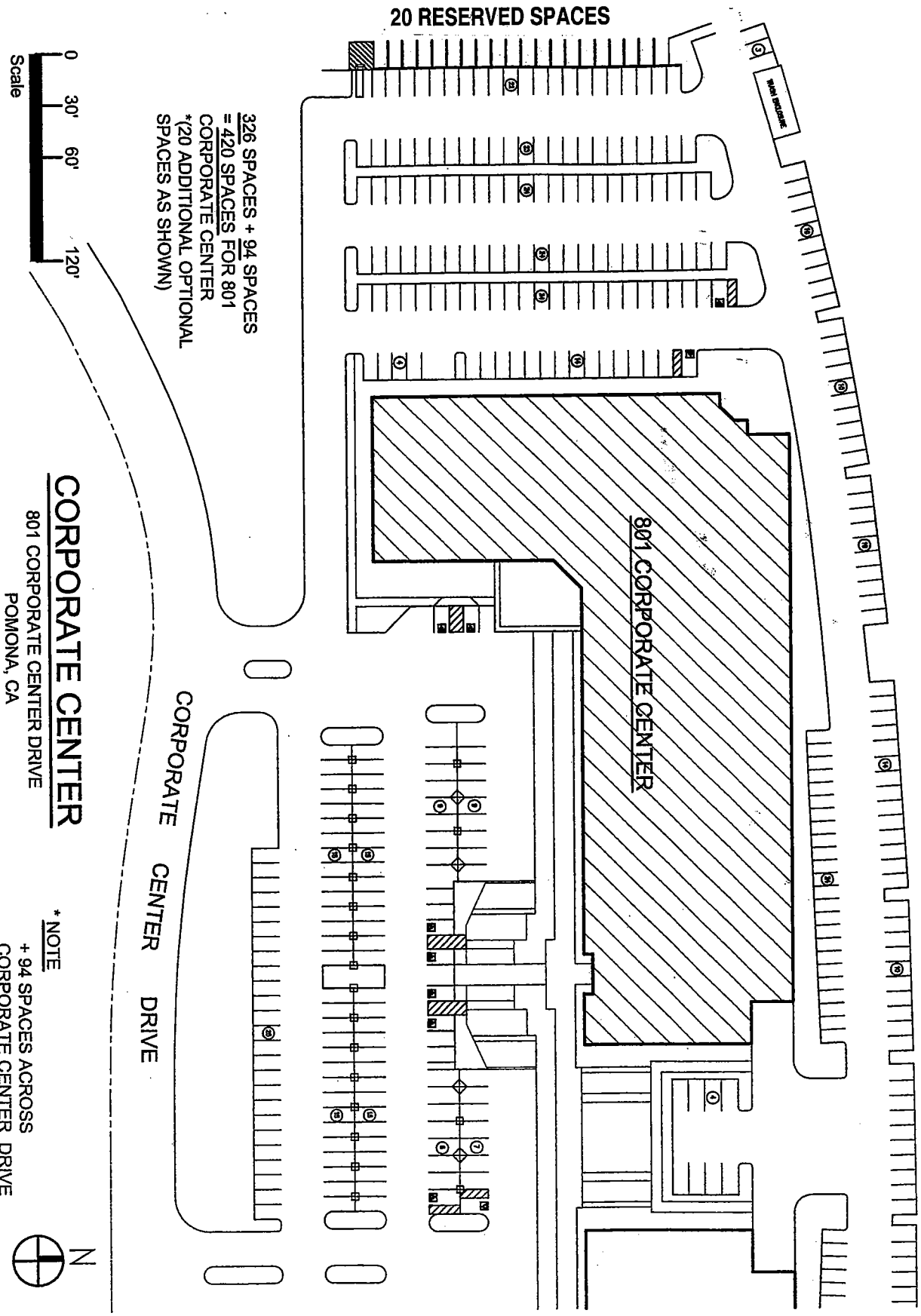
      i. heavy traffic areas as needed bi-monthly [six (6) times per year];
      ii. moderate traffic areas cleaned once every six (6) months [two (2) times per year]; and
      iii. clean light traffic areas a minimum of once per year.

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

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.

EXHIBIT F

OFF-SITE RESERVED PARKING



# LANDLORD'S WORK LETTER

For

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AND AGREEMENT

DEPARTMENT: CHILDREN AND FAMILY SERVICES
as Tenant

LANDLORD: REALTY ASSOCIATES FUND VII

a Delaware Limited Partnership

801 CORPORATE CENTER DRIVE

POMONA

# LANDLORD'S WORK LETTER

This Work Letter supplements the Lease (the "Lease") dated _____, 2011, executed concurrently herewith, by and between REALTY ASSOCIATES FUND VII, L.P., a Delaware limited partnership, 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 | $1,482,420 (which is based upon $30 per rentable square foot) |
| b. Additional Tenant Improvement Allowance | $2,223,630 (which is based upon $45 per rentable square foot) |
| c. Maximum Change Order Allowance | $247,070 (which is based upon $5 per rentable square foot) |
| d. Additional Tenant Improvement and Change Order Amortization Rate: | 7% per annum |
| *e. Intentionally left blank* | |
| 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 | Tina Minookor an assigned staff person of the Landlord. |
| h. Landlord's Address for Work Letter Notice | 1301 Dove St. #860<br>Newport Beach, CA 92660<br>Attention: Asset Manager<br>801 Corporate Center<br><br>With a copy to:<br><br>28 State Street, 10th Floor<br>Boston, MA 02109<br>Attention: Asset Manager<br>801 Corporate Center<br><br>With a copy to: |

| | |
|---|---|
| | Davis Partners LLC<br>3191 Temple Avenue,<br>Suite 185<br>Pomona, California 91768<br>Attention: Property Manager<br>801 Corporate Center |
| i. Tenant's Address for Work Letter Notice | Board of Supervisors<br>Kenneth Hahn Hall of Administration<br>Room 383<br>500 West Temple Street<br>Los Angeles, California 90012<br>With a copy to:<br><br>Chief Executive Office<br>Real Estate Division<br>222 South Hill Street, 3rd Floor<br>Los Angeles, California 90012<br>Attention: Director of Real Estate<br>Fax Number: (213) 217-4971 |
| j. Addenda | Addendum A: Base Building Improvements<br>Addendum B: 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, (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 (vi) 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 the live loads of Tenant, not to exceed fifty (50) pounds per square foot and a partition load of twenty (20) pounds per square foot.

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. Within seven (7) business days after receipt by Tenant of some or all of the Working Drawings, Tenant (i) shall give its approval with respect thereto, or (ii) shall notify Landlord of its disapproval and the grounds for such disapproval and the revisions or modifications necessary in order for Tenant to give its approval. Tenant's failure to disapprove such Working Drawings within such seven (7) business day period shall be deemed Tenant's approval of the Working Drawings so submitted. Tenant shall only have the right to disapprove the Working Drawings if they are materially inconsistent with the Space Plan and Specifications. For purposes of this provision, "materially inconsistent" shall mean the Working Drawings describe improvements that differ in scope and character from the improvements described in the Space Plan and Specifications. If Tenant disapproves the Working Drawings and such disapproval is permitted as provided above, Landlord shall make any necessary revisions based on Tenant's disapproval and resubmit the Working Drawings as revised by Landlord to Tenant for approval pursuant to this Section.

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. Within seven (7) business days after receipt by Tenant of the some or all of the Engineering Drawings, Tenant (i) shall give its approval with respect thereto, or (ii) shall notify Landlord of its disapproval and the grounds for such disapproval and the revisions or modifications necessary in order for Tenant to give its approval. Tenant's failure to disapprove such Engineering Drawings within such seven (7) business day period shall be deemed Tenant's approval of the Engineering Drawings so submitted. Tenant shall only have the right to disapprove the Engineering Drawings if they are materially inconsistent with the Space Plan and Specifications. For purposes of this provision, "materially inconsistent" shall mean the Engineering Drawings describe improvements that differ in scope and character from the improvements described in the Space Plan and

specifications. If Tenant disapproves the Engineering Drawings and such disapproval is permitted as provided above, Landlord shall make any necessary revisions based on Tenant's disapproval and resubmit the Engineering Drawings as revised by Landlord to Tenant for approval pursuant to this Section.

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. Within 15 business days after receipt by Tenant of the construction schedule,

Tenant (i) shall give its approval with respect thereto, or (ii) shall notify Landlord of its disapproval and the grounds for such disapproval and the revisions or modifications necessary in order for Tenant to give its approval. Tenant's failure to disapprove the construction schedule within such 15 business day period shall be deemed Tenant's approval of the construction schedule. 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 five (5) business days after the Plan Submission Date, Landlord shall submit to Tenant a preliminary budget (the "Preliminary Construction Budget") in a format similar to Addendum C attached hereto. Such budget shall be revised into final form within ten (10) days of the date the Contractor is selected and will be referred to herein as the "Final Construction Budget". Tenant shall have five (5) business 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) business 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

The Base Tenant Improvement Allowance, the Additional Tenant Improvement Allowance and the Maximum Change Order Allowance are hereinafter collectively referred to as the "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 ("Tenant Improvements") and shall

be paid for from the Tenant Improvement Allowance. 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 Base Tenant Improvement Allowance, the Additional Tenant Improvement Allowance and costs of Change Orders, as defined below ("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. It is anticipated that the Tenant Improvement Costs will exceed the Tenant Improvement Allowance so that Tenant may authorize Landlord to pay the overage in an amount not exceeding the Additional Tenant Improvement Allowance. The amount of the Additional Tenant Improvement Allowance shall be paid to Landlord as provided herein.

6.3. Method of Payment

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

(i) in a lump sum when the Tenant Improvements are Substantially Complete, or
(ii) in amortized equal monthly payments over the initial five years of the term of the Lease at the Tenant Improvement Amortization Rate.

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

## 7. CONSTRUCTION OF TENANT IMPROVEMENTS

7.1. Tenant Improvements

Tenant Improvements to be constructed by Landlord are generally described on Addendum B hereto and shall comply with the final plans and specifications.

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. The cost of the as built plans shall be paid for from the Tenant Improvement Allowance.

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



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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 initial five years 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:

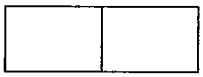
(i) the specific cost of the requested change,
(ii) the cumulative net total cost of all Change Orders previously approved, and
(iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved.

Each Change Order must be signed and dated by the Chief Executive Officer, or his designee.

9. FURNITURE SYSTEM

9.1. Tenant shall deliver to Landlord within ten (10) days after execution hereof, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, Landlord and /or Landlord's architect, shall prepare a modular furniture specifications bid package for submission to no less than three (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 final bid package within seven (7) business days. Tenant's failure to disapprove in writing the bid package within such seven (7) business day period shall be deemed Tenant's approval of the bid package. If Tenant disapproves the bid package, Tenant's disapproval shall state the grounds for such disapproval and the revisions or modifications necessary in order for Tenant to give its approval. Landlord shall provide at its cost the modular furniture set forth in the Modular Specifications and shall not be responsible for the cost of such modular furniture in excess of the Additional Tenant Improvement Allowance. Tenant shall reimburse the Landlord in a lump sum or in





accordance with a financed transaction entered into between Landlord and the furniture vendor acceptable to the Tenant, including, but not limited to, a lease purchase agreement, provided the outstanding balance can be no more than One Dollar ($1) at the end of a term not to exceed sixty (60) months. The cost of the modular furniture shall be paid for from the Tenant Improvement Allowance.

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 lender (Creditor"). In the event the Tenant elects to enter into a lease-purchase financing of the furniture and 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.

10. TENANT IMPROVEMENT COSTS ADJUSTMENT AND RIGHT TO AUDIT

Within five (5) business days of the issuance of a Certificate of Occupancy, or a final sign-off by the City of Pomona, whichever occurs first, Landlord shall provide to Tenant a statement showing in reasonable detail all Tenant Improvement Costs and the total amount payable hereunder by Tenant to Landlord. Upon approval of the statement by Tenant, payments by either party pursuant to the Lease and this Landlord's Work Letter shall be adjusted as appropriate, based upon such statement. Tenant shall have the right to audit these costs for a period of twelve (12) months from the date of acceptance by Tenant of the Premises. In the event the audit shows that Tenant is entitled to a reduction in payments to the Landlord under this Landlord's Work Letter and the audit is performed by an independent third party approved by Landlord and Tenant, 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 cost shall not include any costs incurred for asbestos abatement, fire sprinkler system, or conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere. All work for required asbestos abatement, fire sprinkler system, or air conditioning system conversion shall be performed at the sole cost and expense of Landlord.

12. TELEPHONE/COMPUTER ROOM AND EQUIPMENT

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

13. DELAY

13.1. Tenant Delays and Force Majeure Delays

Except as set forth 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. 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, or acts or omissions of Tenant, Tenant's agents, employees and contractors that delays the completion of the Tenant Improvements 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, governmental delays in the issuance of permits (not caused by Landlord or its agents) or other 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 such additional cost incurred by Landlord due to such effort does not exceed $1,000 on a cumulative basis, unless Tenant agrees to pay to such excess).

c. Concurrent Delays
Tenant Delays and Force Majeure Delays shall be recognized hereunder only to the extent the same are not concurrent with any other Tenant Delay or Force Majeure Delay which is effective hereunder. For example, if there are ten (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 Tenant Improvements within a reasonable time, taking all factors into consideration, or if Tenant Improvements have not been completed within ninety (90) 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 any financing charges for capital and a reasonable amount for its administrative costs, and including interest at the rate of six percent (6%) ("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 one (1) passenger elevator 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<br>a body politic and corporate | The Realty Associates Fund VII, L.P.,<br>a Delaware limited partnership |
| | By: Realty Associates Fund VII, LLC<br>its General Partner |
| By _____<br>Name William L. Dawson<br>Title Director of Real Estate Division<br>Date Signed 5-3-11 | By: Realty Associates Advisors LLC, its Manager |
| | By: Realty Associates Advisors Trust, its Manager |
| | By: _____<br>Officer |

# ADDENDUM A

To Landlord's Work Letter

## BASE BUILDING IMPROVEMENTS

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

a. the Building shell and exterior, including perimeter window frames, mullions and glazing in good condition;

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

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

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

e. public stairways;

f. passenger and freight elevators;

g. parking facilities;

h. ground floor lobby;

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

j. exterior plazas and landscaping;

k. loading dock and/or area;

l. drinking fountains at the core;

m. electrical/telephone closet with not less than seven (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 one and two, 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 and one (1) 480/277 volt panels connected to the Building power system;

p. mechanical equipment room with ducted mechanical exhaust system;

q. concrete floors with trowelled finish, level to specified tolerances and designed to support a minimum live load of 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;

v. primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution;

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

x. gypsum board on the service core walls, columns and sills in the Premises.

# ADDENDUM B

To Landlord's Work Letter

## TENANT IMPROVEMENTS

Tenant improvements shall include:

a. Tenant ceilings and lighting;

b. Floor finish in the Premises (except elevator lobbies and public corridors on multi-tenant floors and toilet rooms);

c. Interior finishes of any kind within the Premises (except elevator lobbies and public corridors on multi-tenant floors and core area toilet rooms);

d. Interior partitions, doors and hardware within the Premises;

e. Terminal boxes and reheat coils or other HVAC or air distribution devices to or within the Premises;

f. 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

k. Fiber optic access.