County of Los Angeles
CHIEF EXECUTIVE OFFICE
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
http://ceo.lacounty.gov

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
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First District

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Third District

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MICHAEL D. ANTONOVICH
Fifth District

May 29, 2012

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:

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES
20 May 29, 2012
Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

AMENDMENT NO. 1, LEASE NO. 73638
CHILD SUPPORT SERVICES DEPARTMENT
AND DEPARTMENT OF PUBLIC HEALTH
20221 SOUTH HAMILTON, TORRANCE
(FOURTH DISTRICT) (3 VOTES)

SUBJECT

The recommendation is a lease amendment to extend the term to five years effective June 1, 2012, for the Departments of Child Support Services and Public Health located at 20221 South Hamilton, Torrance.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the lease amendment is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, on November 17, 1987, and Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).

2. Approve and instruct Chairman to sign a five-year lease amendment to extend the term for five years with Hamilton Venture LLP, located at 20221 South Hamilton, Torrance, at an annual first year rent not to exceed $1,507,572. The costs for Child Support Services are fully subvened. The cost for Public Health's clinic space is 100 percent net County cost and the Environmental Health program is revenue offset.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The lease amendment is to extend the lease term for five years. Lease No. 73638 terminates on May 31, 2012. Child Support Services Department (CSSD) occupies 48,676 square feet of office space, which houses 186 staff for CSSD's Division V that services the South Bay and Torrance areas. The Department of Public Health (DPH) will continue to occupy approximately 11,316 square feet of clinic/office space which services clients in the Torrance area. Additionally, DPH's Environmental Health section has temporarily backfilled 6,833 square feet of the CSSD space. The Environmental Health program relocated from 6063 Bristol Parkway, after the Landlord/buyer terminated the lease when it moved into the property. CSSD and DPH have consented to a five-year term with cancellation rights only after the fourth year of the lease. In exchange, CSSD and DPH will receive a lower base rent, receive new carpet and paint throughout the premises, and day porter service, all at the landlord's sole expense.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we maximize the effectiveness of the County of Los Angeles (County) operations to support the timely delivery of customer-oriented and efficient public services. In this case, the County is supporting this goal by providing an office that will co-locate, streamline, and improve support services and at the same time supporting the goal of fiscal sustainability through savings from rent and workplace improvements. This proposed lease amendment complies with the Strategic Asset Management Principles, as shown in Attachment A.

FISCAL IMPACT/FINANCING

The annual first year rent for this amendment will not to exceed $1,507,572.

20221 HAMILTON	EXISTING LEASE NO. 73638	LEASE AMENDMENT	CHANGE
Area square feet (sf)	66,825 square feet (sf) office space	66,825 sf (Premises No.1 48,676 sf office space, Premises No. 2 11,316 sf clinic and office space, additional backfill 6,833 sf)	None
Term	6/01/2002 - 5/31/2012	6/01/2012 - 5/31/2017	New 5-year term
Annual Base Rent	$1,660,819	$1,507,572	-$153,247
Parking	238 spaces	238 spaces	None
Cancellation	None	Cancellation after 48th Month	Cancellation after 48th Month
Option to Renew	Two 5-year options	5-year option exercised	One 5-year option remains
Rental Adjustment	Operating expense rent subject to an adjustment of 4 percent annually	Base rent subject to 2 percent annual adjustment Operating expense rent subject to an adjustment of 2 ½ percent to a maximum of 5 percent annually	Base rent subject to 2 percent annual adjustment Operating expense rent subject to an adjustment of 2 ½ percent to a maximum of 5 percent annually

Sufficient funding for the proposed lease amendment is included in the 2012-13 Rent Expense Budgets and will be billed back to CSSD and DPH. CSSD and DPH have sufficient funds in their 2012-13 operating budgets to cover the projected lease costs. CSSD expenditures are fully offset by subvention funding (66 percent Federal and 34 percent State) and DPH Clinic space is 100 percent net County Cost except for the Environmental Health program, which is revenue offset.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed amendment provides for approximately 66,825 rentable square feet of office/clinic space, located at 20221 Hamilton Avenue, Torrance. The lease amendment also contains the following provisions:

- The amendment commences upon Board approval and ends five years thereafter.
- The Lessor is providing tenant improvements including carpeting and painting of the Premises at its sole cost.
- Base rent subject to a 2 percent annual adjustment and Operating Expense rent subject to an adjustment of 2 ½ percent to a maximum of 5 percent annually.
- The County has the right to cancel any time after the 48th month.

The Chief Executive Office (CEO) Real Estate staff surveyed the County for alternative sites as requested by CSSD and DHS. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Additionally, CEO Real Estate staff surveyed the County areas that best could service this need of the department to determine the market rate of comparable sites. Based upon said survey, Staff has established that the base rental range including parking for similar property is between $24.00 and $27.00 per square foot per year full service. Thus, the base annual rent of $22.56 per square foot for the base lease cost is below the market range. Attachment B shows County-owned and leased facilities within the search area for these programs and none are available to house these programs.

The cost of renovating and building-out office space at a new location is not feasible at this time. Should a more cost effective facility or housing approach become available in the near future, the early termination right negotiated in the lease affords the County flexibility to pursue future opportunities that may become available.

The Department of Public Works previously inspected this facility and its recommendation concluded the facility met the requirements for County occupancy.

An Americans with Disabilities Act (ADA) assessment has identified several access barriers at this facility. The landlord and DPH are willing to incur the costs associated with removing the ADA barriers and will make corrections that meet ADA accessibility recommendations.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CEO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA pursuant to Class 1, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease renewal will provide the necessary office space for this County requirement. CSSD and DPH concur with the proposed lease renewal.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division, 222 South Hill Street, Los Angeles, CA 90012.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:CMM
CEM:TS:ns

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Child Support Services
Public Health

Attachment A

DEPARTMENT OF CHILDREN AND FAMILY SERVICES
20221 SOUTH HAMILTON AVENUE, TORRANCE
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] **Lease represents approximately 198 square feet per person.**	X		
2.	**Capital**				
	A	Is it a substantial net County cost (NCC) program? **CSSD space is 100 percent state and federal subvention funded and DPH clinic space is 100 percent NCC and the Environmental Health program is revenue offset.**	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?		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?			X
		1. ___ The program clientele requires a "stand alone" facility.			
		2. ___ No suitable County occupied properties in project area.			
		3. ___ No County-owned facilities available for the project.			
		4. ___ Could not get City clearance or approval.			
		5. _X_ 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'S OF CHILD SUPPOPRT SERVICES AND PUBLIC HEALTH
20221 S HAMILTION AVENUE, TORRANCE
WITHIN 5 MILES OF EXISTING FACILITY

Laco	Facility Name	Address	Ownership	Gross SQFT	Net SQFT	SQFT Available
A475	DMH-SOUTH BAY FSP	14623 HAWTHORNE BLVD, LAWNDALE 90260	LEASED	3,937	3,740	NONE
A551	DPSS-WFP&I & SOUTH REG IV IHSS/ADULT SERVICES	12000 HAWTHORNE BLVD, HAWTHORNE 90250	LEASED	132,996	106,397	NONE
A557	DPSS-ADULT PROTECTIVE SER/CHILD CARE CT	4300 W 120TH ST, HAWTHORNE 90250	LEASED	7,500	6,750	NONE
C112	DCSS-ASIAN SERVICE CENTER	14112 S KINGSLEY DR, GARDENA 90249	LEASED	16,180	11,420	NONE
0069	PW ROAD-DIV #232 MAINTENANCE YARD OFFICE	4055 W MARINE AVE, LAWNDALE 90260	OWNED	800	720	NONE
4704	PUBLIC LIBRARY-HAWTHORNE LIBRARY	12700 S GREVILLEA AVE, HAWTHORNE 90250	OWNED	16,949	16,174	NONE
5161	PUBLIC LIBRARY-GARDENA MAYME DEAR LIBRARY	1731 W GARDENA BLVD, GARDENA 90247	OWNED	14,122	11,534	NONE
5605	PUBLIC LIBRARY - LAWNDALE PUBLIC LIBRARY(NEW)	14615 BURIN AVE, LAWNDALE 90260	OWNED	17,360	16,492	NONE
6721	PUBLIC LIBRARY-MASAO W SATOW LIBRARY	14433 S CRENSHAW BLVD, GARDENA 90249	OWNED	6,639	5,884	NONE
A451	DMH-GARDENA WELLNESS CENTER	1300 W 155TH ST SUITE 103, GARDENA 90247	LEASED	2,160	2,052	NONE
A552	DCSS-WILLOWBROOK ONE-STOP CAREER CENTER	12700 AVALON BLVD, LOS ANGELES 90061	LEASED	24,706	23,471	NONE
A561	DHS-DOLLARHIDE HEALTH CENTER (P/PP SITE)	1108 N OLEANDER AVE, COMPTON 90222	LEASED	4,685	2,537	NONE
A644	MENTAL HEALTH-FSP ASOC	546 W COMPTON BLVD, COMPTON 90220	LEASED	4,207	3,997	NONE
0370	COMPTON/WOODLEY AIRPORT-ADMIN BUILDING-8	901 W ALONDRA BLVD, COMPTON 90220	OWNED	2,880	2,592	NONE
1694	ATHENS-FIELD OFFICE/COMFORT STATION	12603 S BROADWAY, LOS ANGELES 90061	OWNED	655	264	NONE
3037	MONA-DIRECTOR'S BUILDING/ COMFORT STATION	2291 E 121ST ST, COMPTON 90222	OWNED	829	296	NONE
4403	SOUTH SERVICES AGENCY-ADMINISTRATION BUILDING	360 W EL SEGUNDO BLVD, LOS ANGELES 90061	OWNED	2,584	1,901	NONE
5982	PUBLIC LIBRARY-COMPTON LIBRARY	240 W COMPTON BLVD, COMPTON 90220	OWNED	43,842	15,830	NONE
6319	PUBLIC LIBRARY-A C BILBREW LIBRARY	150 E EL SEGUNDO BLVD, LOS ANGELES 90061	OWNED	21,843	18,287	NONE
6465	DCSS-WILLOWBROOK SENIOR CENTER	12915 S JARVIS AVE, LOS ANGELES 90061	OWNED	12,858	8,670	NONE
T517	SOUTH SERVICES AGENCY-PARK RESERVATION OFFICE	360 W EL SEGUNDO BLVD, LOS ANGELES 90061	OWNED	1,144	687	NONE
6420	COMPTON COURTHOUSE	200 W COMPTON BLVD, COMPTON 90220	STATE OF CA AND COUNTY LA (PARTIAL)	576,466	257,217	NONE
A556	DMH/DC&FS-COMPTON FAMILY SERVICES CENTER	921 E COMPTON BLVD, COMPTON 90221	LEASED	30,090	28,586	NONE
A560	DCSS-EAST RANCHO DOMINGUEZ SERVICE CENTER	4513 E COMPTON BLVD, RANCHO DOMINGUEZ 90221	LEASED	4,436	3,188	NONE
A620	PUBLIC LIBRARY-EAST RANCHO DOMINGUEZ LIBRARY	4205 E COMPTON BLVD, EAST RANCHO DOMINGUEZ 90221	LEASED	5,000	4,529	NONE
C600	DPSS-SOUTH FAMILY AP/SPECIAL DISTRICT OFFICES	17600 S SANTA FE AVE, RANCHO DOMINGUEZ 90221	LEASED	133,000	103,324	NONE
D980	PUBLIC LIBRARY-HOLLYDALE LIBRARY	12000 S GARFIELD AVE, SOUTH GATE 90280	LEASED	4,800	4,440	NONE
D390	SHERIFF NARCOTICS DETECTIVE DIV-PARAMOUNT	15312 S PARAMOUNT BLVD, PARAMOUNT 90723	OWNED	3,442	2,233	NONE
X169	DPSS-COMPTON AP DISTRICT OFFICE	211 E ALONDRA BLVD, COMPTON 90220	OWNED	48,135	38,777	NONE
Y216	PUBLIC LIBRARY-PARAMOUNT LIBRARY	16254 COLORADO AVE, PARAMOUNT 90723	OWNED	8,750	7,426	NONE
A414	DCFS-TORRANCE (SPA 8)	2325 CRENSHAW BLVD, TORRANCE 90501	LEASED	60,804	57,764	NONE
A646	MENTAL HEALTH-TIES	21081 S WESTERN AVE, TORRANCE 90501	LEASED	3,668	3,485	NONE
A655	ALT PD & PUB DEFENDER-TORRANCE BRANCH OFFICES	3655 TORRANCE BLVD, TORRANCE 90503	LEASED	11,869	8,618	NONE
0921	HS-OLD TORRANCE PUBLIC HEALTH CENTER (CLOSED)	2300 W CARSON ST, TORRANCE 90501	OWNED	11,306	6,036	6,036
5043	TORRANCE COURTHOUSE-ANNEX	3221 TORRANCE BLVD, TORRANCE 90503	STATE OF CA AND COUNTY LA (PARTIAL)	16,996	12,831	NONE
5177	TORRANCE COURTHOUSE	825 MAPLE AVE, TORRANCE 90503-5058	STATE OF CA AND COUNTY LA (PARTIAL)	155,368	93,674	NONE
T019	TORRANCE COURTHOUSE-TRAFFIC DIVISION	3221 TORRANCE BLVD, TORRANCE 90503	STATE OF CALIFORNIA	2,891	2,891	NONE
T825	TORRANCE COURT-STEPHEN E O'NEIL JURY ASSEMBLY	825 MAPLE AVE, TORRANCE 90503-5058	STATE OF CALIFORNIA	2,874	2,874	NONE
A150	DMH-WELLNESS CENTER	21732 S VERMONT AVE SUITE 210, TORRANCE 90502-2109	LEASED	1,817	1,726	NONE
2054	HARBOR-PUBLIC HEALTH PROGRAMS BLDG N-22	1000 W CARSON ST, TORRANCE 90502	OWNED	2,650	2,120	NONE
2061	HARBOR-MEDICAL RECORDS BLDG N-6	1000 W CARSON ST, TORRANCE 90502	OWNED	2,257	1,824	NONE
2063	HARBOR-REI ADMINISTRATION BUILDING N-14	1124 W CARSON ST, TORRANCE 90502	OWNED	11,802	8,829	NONE
2093	HARBOR-REI MEDICINE OFFICES E-2	1000 W CARSON ST, TORRANCE 90502	OWNED	4,007	3,611	NONE
2095	HARBOR-REI PEDIATRICS/ EMERGENCY MEDICINE E-4	1000 W CARSON ST, TORRANCE 90502	OWNED	10,051	7,219	NONE
2101	HARBOR-HOSPITAL PLANNING & ARCH/MECHANICAL F4	1000 W CARSON ST, TORRANCE 90502	OWNED	5,804	5,544	NONE
2114	HARBOR-COUNTY TRANSPORTATION OFFICE H-1	1000 W CARSON ST, TORRANCE 90502	OWNED	830	670	NONE
2127	HARBOR-WOMEN'S HEALTHCARE PROGRAMS BLDG N-35	1000 W CARSON ST, TORRANCE 90502	OWNED	1,535	1,192	NONE
2869	HARBOR-MEDICAL RECORDS OFFICE F-8	1000 W CARSON ST, TORRANCE 90502	OWNED	4,040	2,836	NONE
2870	HARBOR-REI NEUROLOGY BUILDING F-9	1000 W CARSON ST, TORRANCE 90502	OWNED	5,184	3,863	NONE
2958	DHS-CHILD HEALTH DISABILITY & PREVENTION N-34	1000 W CARSON ST, TORRANCE 90502	OWNED	1,125	874	NONE
2963	HARBOR-DHS-CHDP OFFICE COTTAGE #14	1000 W CARSON ST, TORRANCE 90502	OWNED	875	678	NONE
2964	HARBOR-NURSING (HOME HEALTH CARE) COTTAGE #16	1000 W CARSON ST, TORRANCE 90502	OWNED	875	678	NONE
2965	HARBOR-PEDIATRICS COTTAGE #18	1000 W CARSON ST, TORRANCE 90502	OWNED	875	678	NONE
4479	ANIMAL CONTROL #3-ADMINISTRATION BUILDING	216 W VICTORIA ST, CARSON 90248	OWNED	1,495	704	NONE
5861	PUBLIC LIBRARY-CARSON LIBRARY	151 E CARSON ST, CARSON 90745	OWNED	33,112	27,001	NONE
6087	PUB LIB-DR MARTIN LUTHER KING JR LIBRARY	17906 S AVALON BLVD, CARSON 90746	OWNED	5,024	4,084	NONE
T523	SHERIFF-CARSON STATION TRAILER-SSGU	21356 S AVALON BLVD, CARSON 90745	OWNED	612	551	NONE
T525	SHERIFF-CARSON STATION TRAILER-MCAD	21356 S AVALON BLVD, CARSON 90745	OWNED	672	605	NONE
T529	HARBOR-PAYROLL TRAILER L-4	1000 W CARSON ST, TORRANCE 90502	OWNED	2,160	1,423	NONE
T530	HARBOR-HUMAN RESOURCES TRAILERS L-2 & L-3	1000 W CARSON ST, TORRANCE 90502	OWNED	1,034	872	NONE
T531	HARBOR-PATIENT FINANCIAL SERVICES 3-SOUTH	1000 W CARSON ST, TORRANCE 90502	OWNED	12,240	9,936	NONE
T606	HARBOR-ENVIRONMENTAL HEALTH & SAFETY BLD N-32	1000 W CARSON ST, TORRANCE 90502	OWNED	3,600	3,144	NONE
X904	HARBOR-REI EMERGENCY MEDICINE OFFICE N-7	1000 W CARSON ST, TORRANCE 90502	OWNED	1,011	672	NONE
X907	HARBOR-NURSING PRACTICE AFFAIRS BUILDING N-18	1000 W CARSON ST, TORRANCE 90502	OWNED	2,160	1,586	NONE
Y737	HARBOR-AF PARLOW HEALTH LIBRARY	1000 W CARSON ST, TORRANCE 90502	OWNED	22,846	20,003	NONE
A020	SHERIFF-FIELD OPERATIONS REGION II	3010 E VICTORIA ST, RANCHO DOMINGUEZ 90221	LEASED	14,040	10,668	NONE
A139	DCFS-SOUTH COUNTY (SPA 8)	4060 WATSON PLAZA DR, LAKEWOOD 90712	LEASED	87,200	60,265	NONE
A959	DPSS-PARAMOUNT AP DISTRICT/GAIN PROGRAM REG V	2959 E VICTORIA ST, RANCHO DOMINGUEZ 90221	LEASED	54,000	44,280	NONE
A350	DEPT OF ANIMAL CARE AND CONTROL HEADQUARTERS	5898 CHERRY AVE, LONG BEACH 90808	OWNED	12,450	9,897	NONE
0100	PW ROAD-DIV #232 SUBYARD OFFICE	24309 WALNUT ST, LOMITA 90717	OWNED	600	540	NONE
6130	SOUTH COAST-ADMINISTRATION BUILDING	26300 CRENSHAW BLVD, PALOS VERDES ESTATES 90274	OWNED	3,003	2,133	NONE
6332	PUBLIC LIBRARY-LOMITA LIBRARY	24200 NARBONNE AVE, LOMITA 90717	OWNED	8,928	6,487	NONE
6333	LOMITA ADMINISTRATIVE CENTER	24330 NARBONNE AVE, LOMITA 90717	OWNED	27,483	21,490	NONE
5786	DHS-WILMINGTON HEALTH CENTER	1325 BROAD AVE, WILMINGTON 90744	OWNED	9,034	4,512	NONE
A343	DCFS-TRC LONG BEACH	3447 ATLANTIC AVE, LONG BEACH 90807	LEASED	328	312	NONE
A547	ASSESSOR-SOUTH DISTRICT OFFICE BUILDING	1401 E WILLOW ST, SIGNAL HILL 90755	LEASED	34,051	29,284	NONE
A389	PW-INC CITY OFFICE/AREA 1 FIRE PREVENTION OFF	701 E CARSON ST, CARSON 90745	GRATIS USE	2,439	2,439	NONE
4803	DCFS-KORNBLUM SCHOOL	3620 EL SEGUNDO BLVD, HAWTHORNE 90250	GRATIS USE	72	68	NONE
4804	DCFS-ZELA DAVIS SCHOOL	13435 S YUKON AVE, HAWTHORNE 90250	GRATIS USE	72	68	NONE

AMENDMENT NO.1 TO LEASE NO.73638
CHILD SUPPORT SERVICES DEPARTMENT
AND DEPARTMENT OF PUBLIC HEALTH
20221 SOUTH HAMILTON, TORRANCE

This Amendment No. 1 to Lease No. 73638 ("Amendment") is made and entered into effective as of this 29th day of May, 2012 by and between HAMILTON VENTURE LLP, ("Lessor"), and the COUNTY OF LOS ANGELES, a body politic and corporate, ("Lessee").

WHEREAS, Hamilton Dutch Investors LLC, as previous owner of the property located at 20221 South Hamilton, Torrance, ("Property"), and Lessee entered into a Lease Agreement No. 73638 ("Lease") dated September 4, 2001, whereby Hamilton Dutch Investors LLC leased to Lessee approximately 66,825 gross square feet of office space together with 238 parking spaces for a term beginning June 1, 2002, and ending May 31, 2012, for use by the Departments of Child Support Services and Public Heath;

WHEREAS, Lessor purchased the Property from Hamilton Dutch Investors LLC in March 2007, subject to the Lease, and Lessee is now desirous to exercise its option to further extend the term of the Lease for five (5) years, provided Lessor agrees to all terms and conditions as set forth herein;

NOW, THEREFORE, in consideration of the rents, covenants and agreements herein contained, and intended to be legally bound, Lessor and Lessee hereby covenant and agree the following amendments are effective upon the date above written:

1. TERM. Paragraph 3 (Term) is amended to provide that the term of the Lease will expire upon the latter of May 31, 2017 or five (5) years from the date the Board of Supervisors of the County of Los Angeles has approved the extension of the term of five (5) years. The Lease will not be cancelable for at least the first 48 months of the extended term.

2. RENT. Paragraph 3 (Rent) of the Lease is deleted in its entirety and in its place shall be substituted the following:

> Lessee shall continue to pay a monthly rent for the Premises in the amount of $125,631.00 per month, or $1.88 per square foot, ("Base and Operating Expense Rent" combined). Included in the five year term is the Base Rent of $75,512.25, i.e. $1.13 per square foot, per month, and the Operating Expense Rent of $50,118.75, i.e. $0.75 per square foot, per month. All rent payable under this Lease, as amended, subject to the adjustments described herein below, shall be due and payable without demand on or before the first day of each calendar month, except that Rent for any fractional calendar month at the commencement or end of the Term shall be prorated on a daily basis. Lessor shall file a Payment Voucher annually thereafter, during the month of June, with the Auditor of the County of Los Angeles (the "County").

73638 Supplement No. 1

3. RENT ADJUSTMENTS. Paragraph 27 (Rent Adjustment) of the Lease shall be deleted and the following inserted: "Base Rent will increase by two percent (2%) annually on the following dates: June 1, 2013, June 1. 2014, June 1, 2015, and June 1, 2016, of the prior year Base Rent. Operating Expense Rent will adjust in accordance with the following:

Operating Rent Expense Adjustment.

a. Annual Adjustment. For each successive twelve (12) months of the Term of this Lease ("Lease Year"), the Operating Expense Rent shall be subject to adjustment. On the first anniversary date of the first full calendar month following the Commencement Date, and every twelve (12) months thereafter, the Operating Expense Rent shall be adjusted in accordance with the CPI formula set forth in Section 13 (b). The "Base Index" shall be the index published in the month the Term commences.

b. CPI Formula. The method for computing the annual rental adjustment shall be by reference to the Consumer Price Index for all Urban Consumers for the Los Angeles-Riverside-Orange County area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100) herein referred to as the "Index".

The rental adjustment for the Operating Expense Rent shall be calculated by multiplying the original Operating Expense Rent by a fraction, the numerator being the New Index, which is the index published in the month immediately preceding the month the adjustment is to be effective, and the denominator being the Base Index.

The formula shall be as follows:

New Index
Base Index x $50,118.75= New Monthly Operating Expense Rent

If the Index is changed so that the base year of the Index differs from that used as of the Commencement Date, 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, such other governmental Index or computation with which it is replaced shall be used in order to obtain substitute index (if the original index is discontinued without a replacement), then upon demand by either party, the matter shall be submitted to arbitration for the purpose of determining an alternate method of computing the rental adjustment based upon the increase in the cost of living.

c. General Provisions. In no event shall the Operating Expense Rent adjustment based upon the CPI formula set forth in Section (b) result in an annual increase greater than five percent (5%) nor less than two and one-half percent (2.5%) of the Operating Expense Rent immediately prior to the adjustment.

4. TENANT IMPROVEMENTS. Paragraph 26 (Alteration and Preparation of Premises) of the Lease shall be deleted and in its place the following:

Alteration and Preparation of Premises. Lessor will cause, at his sole cost and expense, to be constructed at the Premises, interior and exterior improvements, to begin by July 1, 2012 and to be completed by October 30, 2012, within one hundred twenty (120) days of the commencement date as follows:

Replace carpet throughout the Premises with carpet tile, per Lessee's specification, installation includes lifting all modular furniture during installation.

Paint all interior walls, including hallways, common areas, restrooms, conference rooms, and lunch/ break rooms, and existing hollow metal door frames, per list provide by Lessee. Refinish wood entry doors on all floors as needed. Lessor not responsible to move and paint behind modular panels and or attached furniture.

Lessor shall provide certification that all HVAC systems are operable and functioning properly prior to the execution of this Amendment by the County. Lessor shall also maintain a Heating and Air Conditioning Service contract at all times which shall include but not be limited to a minimum maintenance schedule of normal filter replacement as required to maintain the system in normal working condition.

Any expenditure by the Lessor, even if it benefits the County, shall not be recovered by the Lessor, who shall solely bear the risk of loss for incurring such liabilities.

Signature page follows.

IN WITNESS WHEREOF, the Lessor has executed this Amendment or caused it to be executed, and the County of Los Angeles by order of its Board of Supervisors, has caused this Amendment to be executed on its behalf by the Chairman of said Board and attested by the Clerk thereof the day, month, and year first above written.

LESSOR
By: THOMAS SPEAR

By: _____
Authorized Agent

ATTESTED:

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

Lachelle Smitherman
Deputy

LESSEE

COUNTY OF LOS ANGELES

By _____
Zev Yaroslavsky
Chairman, Board of Supervisors

73638 Supplement No. 1

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 Lachelle Smitherman
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

20 MAY 29 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

APPROVED AS TO FORM:

JOHN F. KRATTLI
Acting County Counsel

By: _____
Deputy