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

"To Enrich Lives Through Effective And Caring Service"

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Fifth District

May 06, 2014

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

21 May 6, 2014

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, California 90012

Dear Supervisors:

SEVEN-YEAR LEASE
DEPARTMENT OF PUBLIC HEALTH
14500 ROSCOE BOULEVARD, PANORAMA CITY
(THIRD DISTRICT)
(3 VOTES)

SUBJECT

A new seven-year lease for 11,668 square feet of office space and 40 parking spaces to be occupied by the Department of Public Health.

IT IS RECOMMENDED THAT THE BOARD:

1. Consider and adopt 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 to approve the Negative Declaration, find that the project will have no adverse effect on wildlife resources, and authorize the Chief Executive Officer to complete and file a Certificate of Fee Exemption for the project.

2. Approve and instruct the Chairman to sign the seven-year lease with Roscoe Investments, LLC, (Landlord) for the occupancy by the Department of Public Health of 11,668 square feet of office space and 40 parking spaces located at 14500 Roscoe Boulevard, Panorama City, at a maximum first year cost of $392,478. Rental costs are to be fully funded via license and permit fees generated by the Department of Public Health.

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 $375,000.

4. Authorize the Chief Executive Officer, and the Directors of Public Health and Internal Services to implement the project. The lease cost will be effective upon Board approval, and the term and rent commencing upon substantial completion of the improvements by the Landlord and acceptance by the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since 1999, the Department of Public Health (DPH) has housed its Environmental Health (EH) programs at 6851 Lennox Avenue, Van Nuys. This 7,537 square foot office is now overcrowded as staffing has grown since occupancy commenced in 1999. DPH intends to divide and relocate the programs into a Mid-Valley and a West Valley office. The West Valley program has been relocated to a 6,847 square foot office at 21515 Vanowen Street, Canoga Park.

The subject facility at 14500 Roscoe Boulevard, Panorama City is intended to house the Mid-Valley programs, which consist of 50 employees. The Mid-Valley EH programs are as follows: District Services (inspections of retail food facilities, multifamily facilities, and single family residences); Food and Milk (inspection of wholesale food facilities); Housing and Institution (inspections of motels, hotels, jails, and day care centers); Vector Control; Solid Waste (permits and inspections of disposal sites, processing stations, composting facilities, landfills, waste collectors, and transformation facilities); Plan Check (reviews and approves food facility plans); Land Use (inspections of small water systems, septic tanks, pumping vehicles, private sewage systems, sewage treatment, and water reclamation plants); Swimming Pool (inspections of public pools); Cross Connection (inspections of water systems cross connections and backflow devices).

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we maximize the effectiveness of process, structure, and operations to support timely delivery of customer-oriented and efficient public services. The proposed lease supports this goal by delivering a facility that supports efficient public services. The proposed lease is in conformance with the Asset Management Principles as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease will provide DPH the use of 11,668 square feet of office space and 40 parking spaces at a maximum first year cost of $392,478 or $33.64 per square foot. The rental costs consist of three components: office rent, parking costs, and Tenant Improvement (TI) reimbursement payments. Annual office rent amounts to $280,032 or $24.00 per square foot, annual parking costs amount to $28,800 or $2.47 per square foot, and annual TI reimbursement payments may amount to $83,646 or $7.17 per square foot, if all of the TI allowances are expended and amortized over 60 months at 7.5 percent. All building operating expenses except janitorial services are included in the office rent component.

The office rent is subject to annual adjustment in accordance with changes to the Consumer Price Index (CPI), and the minimum annual adjustment will be 2 percent with a maximum annual adjustment of 5 percent. Attachment B is an overview of the lease costs of the proposed lease.

Sufficient funding for the proposed lease will be included in the Fiscal Year (FY) 2014-15 Rent Expense budget and will be charged back to DPH. DPH will budget sufficient funding in its FY 2014-15 operating budget to cover the projected lease costs, which are fully funded via license and permit fees.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease includes the following provisions:

- The seven-year lease term and rent will commence upon substantial completion and acceptance by Los Angeles County (County) of the TIs provided by the Landlord.

- A modified gross lease whereby the Landlord will be responsible for all operating costs associated with the County's occupancy of the premises, except janitorial services.

- The Landlord will provide a non-reimbursable base TI allowance of $30 per square foot, or $350,040.

- The Landlord will also provide a reimbursable additional TI allowance of $25 per square foot, or $291,700, and a change order allowance of $5 per square foot, or $58,340, both of which may be paid in a lump-sum or amortized over the initial five years at 7.5 percent interest.

- DPH will purchase furniture for the leased premises through ISD Purchasing.

- The County will have the right to cancel the lease at or any time after 60 months of the lease term upon 60 days prior written notice.

- An Option to Renew for five additional years at 90 percent of the Fair Market Rent.

- The base rent of $280,032 will be subject to annual rental adjustments with a minimum annual adjustment of 2 percent and a maximum annual adjustment of 5 percent, based on changes in the CPI.

- Parking for 40 vehicles, of which 16 vehicles will be subject to tandem parking. DPH will purchase parking validations to accommodate clients.

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 C shows all County-owned and leased facilities within a ten-mile radius of the subject facility. Based upon the survey, staff has established that the annual rental range for similar space and terms is between $22.80 and $26.40 per square foot on a full-service gross basis. Therefore, the proposed annual rental rate of $24 is in the range of market rates for this area.

The Department of Public Works inspected the facility and has found it suitable for County occupancy. Construction of the TIs will be completed in compliance with the Americans with Disabilities Act and applicable building codes. Additionally, the Landlord will ensure path of travel requirements are met.

A childcare facility is not feasible for the department at the proposed leased premises.

ENVIRONMENTAL DOCUMENTATION

The CEO has made an initial study of environmental factors and concluded that this 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 (CEQA) 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 the Board finds that a project will have no impact on wildlife resources.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease will allow the County to relocate this DPH requirement, and DPH concurs with the proposed recommendation.

CONCLUSION

It is requested that the Executive Office, 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, 4th Floor, Los Angeles, CA 90012.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:CMM
CEM:KW:gw

Enclosures

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

ATTACHMENT A

DEPARTMENT OF PUBLIC HEALTH
14500 ROSCOE BOULEVARD, PANORAMA CITY

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] **The building layout is not rectangular, which creates hallways that are larger than normal, thereby exceeding the guideline.**		X	
2.	**Capital**				
	A	Is it a substantial net County cost (NCC) program?		X	
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment C?	X		
	G	Was build-to-suit or capital project considered? **A build-to-suit or capital project is not under consideration at this time as it is not feasible due to scale, 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?			X
		1. ___ The program clientele requires a "stand alone" facility.			
		2. _X_ No suitable County occupied properties in project area.			
		3. _X_ No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. ____ The Program is being co-located.			
	E	Is lease a full service lease?[2]	X		
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		

[1]As approved by the Board of Supervisors 11/17/98

[2]If not, why not?

ATTACHMENT B

FISCAL IMPACT/FINANCING
OVERVIEW OF THE PROPOSED LEASE

Proposed Lease	**14500 Roscoe Blvd., Panorama City**
Area (Square Feet)	11,668 rentable square feet
Term (years)	Seven-years, commencing upon Board approval and County's acceptance of the TI.
Annual Base Rent	$280,032 ($24.00 per sq. ft. annually)
Annual TI Reimbursement [1]	$83,646 ($7.17 per sq. ft. annually)
Annual Parking Costs	$28,800 ($2.47 per sq. ft. annually)
Maximum Annual Lease Cost [2]	$392,478 ($33.64 per sq. ft. annually)
Base TI Allowance	$350,040 ($30 per sq. ft. included in the base rent)
Additional TI Allowance	$291,700 ($25 per sq. ft.)
Change Order Allowance	$58,340 ($5 per sq. ft.)
Cancellation	After 60 months of the lease term upon 60 days prior written notice
Parking	40 parking spaces
Parking Rate	$720 per space per year
Options to Renew	One, Five-Year Option
Rental adjustment	Annual Consumer Price Index with a minimum adjustment of two percent and a maximum adjustment of five percent.

(1) $350,040 represents the maximum amount of reimbursable TI and change order funds available for this project. If this entire amount is expended and amortized over 60 months at the proposed rate of 7.5 percent, the annual TI reimbursement amount will be $83,646.

(2) Includes annual base rent, annual parking costs and annual reimbursement of Additional TI and change order allowances.

ATTACHMENT C

DEPARTMENT OF PUBLIC HEALTH
SPACE SEARCH 3 MILE RADIUS FROM 6851 LENNOX BLVD., VAN NUYS

LACO	FACILITY NAME	ADDRESS	GROSS SQ. FT.	NET SQ. FT.	OWNERSHIP	AVAILABLE SQ. FT.
5858	Pacoima Public Health Center	13300 Van Nuys Blvd, Pacoima 91331	5404	3098	Owned	None
A502	PH-Children's Medical Service Center	12502 Van Nuys Blvd, Pacoima 91331	6664	5577	Leased	None
6247	Whiteman Airport - Admin Bldg.	12653 Osborne St, Pacoima 91331	4657	3795	Owned	None
F309	DPW-Hansen Yard	11950 Branford St, Sun Valley 91352	2236	1901	Owned	None
F311	PW Flood-Hansen Yard Office	11950 Branford St, Sun Valley 91352	1612	1450	Owned	None
A641	DPSS - GROW Office	9188 Glenoaks Blvd, Sun Valley 91352	24780	23541	Leased	None
A316	Sheriff - North Hills T.R.A.P. Unit	8353 N Sepulveda Blvd, North Hills 91343	1500	1500	Leased	None
D310	DPSS - East Valley WS District Office	14545 Lanark St, Panorama City 91402	96360	39588	Owned	None
6359	Mid Valley - San Fernando Valley Service Center	7555 Van Nuys Blvd, Van Nuys 91405	17698	10623	Financed	None
A383	PH - San Fernando District Environmental Health	6851 Lennox Ave, Van Nuys 91405	7537	7160	Leased	None
A494	Probation - Van Nuys Juvenile Services Annex	7100 Van Nuys Blvd, Van Nuys 91405	4460	4142	Leased	None
A491	Probation - Juvenile Services	14540 Haynes St, Van Nuys 91411	13500	11475	Leased	None
4705	Probation - East San Fernando Valley Area Office	14414 W Delano St, Van Nuys 91401	15825	8362	Owned	None
5273	Van Nuys County Administrative Center Bldg.	14340 W Sylvan St, Van Nuys 91401	9849	6992	Owned	None
A565	APD - Van Nuys Office	14553 Delano St, Van Nuys 91401	3878	3684	Leased	None
F631	PW Flood - Saticoy Yard Building 4 Office	13444 Saticoy St, North Hollywood 91601	2400	2280	Owned	None
X368	PH - Sun Valley Health Center	7223 N Fair Ave, Sun Valley 91352	10659	10245	JPA	None
A145	Child Support Services - Division I Headquarters	15531 Ventura Blvd, Encino 91436-3157	45775	30602	Leased	None
T400	PH - North Hollywood Public Health Center Annex	5300 Tujunga Ave, North Hollywood 91601	1347	1280	Owned	None
5873	PH - North Hollywood Public Health Center	5300 Tujunga Ave, North Hollywood 91601	7511	4286	Owned	None

DATE POSTED – January 27, 2014

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:

2014 021267

FILED
Jan 27 2014

Dean C. Logan, Registrar – Recorder/County Clerk

Electronically signed by MISTI BROOKS

THIS NOTICE WAS POSTED

ON January 27 2014

UNTIL February 26 2014

REGISTRAR – RECORDER/COUNTY CLERK

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
Kevin Webb	(213) 974-4170

3. Date Information Form Submitted – January 7, 2014

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

5. Address of Facility Involved – 14500 Roscoe Blvd.
   Panorama City, CA 91402

6. Description of Project - The leasing of existing office space in an existing Commercial building to be used by the County of Los Angeles, Department of Public Health as a District Office.

7. Finding for Negative Declaration - It has been determined that this project will not have a significant effect on the environment.

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 el agente designado, para asistencia en obtener una traduccion.

RECEIVED

MAR 03 2014

ARCHIVES & RECORDS CENTER

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE

NEGATIVE DECLARATION

I. Location and Description of the Project

The proposed project is for the County of Los Angeles to lease facilities at 14500 Roscoe Blvd., Panorama City, CA, which will be used by the Department of Public Health for administrative purposes. The facilities, located in the Third Supervisorial District approximately 19 miles from the Los Angeles Civic Center, include 10,600 square feet of office space. The County shall have use of 37 off-street parking spaces for Public Health staff and visitors. The Landlord has no expansion plans beyond the scope of this project.

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.

2014 021267
FILED
Jan 27 2014
Dean C. Logan, Registrar – Recorder/County Clerk
Electronically signed by MISTI BROOKS

NEGATIVE DECLARATION

Department Name: Public Health
Project: Environmental Health Program

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

1. Description of Project

The leasing of existing office space in an existing commercial building to be used by the County of Los Angeles, Department of Public Health as a district inspection service center.

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

14500 Roscoe Blvd.
Panorama City, CA 91402

2014 021267
FILED
Jan 27 2014
Dean C. Logan, Registrar – Recorder/County Clerk
Electronically signed by MISTI BROOKS

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 January 7, 2014 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
January 7, 2014	Kevin Webb	(213) 974-4170

COUNTY OF LOS ANGELES

CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

DEPARTMENT: Public Health, as Tenant

LANDLORD: Roscoe Investments, LLC, a California Limited Liability Company

[14500 Roscoe Blvd., Panorama City, CA]

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COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AGREEMENT

THIS LEASE is entered into as of the 6th day of May, 2014 between ROSCOE INVESTMENTS, LLC ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant" or ("County").

Landlord and Tenant agree:

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

1.1 Defined Terms Relating to the Lease:

(a) Landlord's Address for Notice:	**Elite Property Management, LLC** 3191 West Casitas Avenue, Suite 130 Los Angeles, CA 90039 (323) 300-3700 x 3764 office (323) 300-3116 fax
(b) Tenant's Address for Notice:	Board of Supervisors Kenneth Hahn Hall of Administration, Room 383 500 West Temple Street Los Angeles, California 90012 With a copy to: Chief Executive Office Real Estate Division 222 South Hill Street, 3rd Floor Los Angeles, California 90012 Attention: Director of Real Estate
(c) Premises:	Approximately 11,668 rentable square feet and 10,059 useable square feet in the Building (defined below) as shown on Exhibit A attached hereto.
(d) Building:	The building located at 14500 Roscoe Blvd., Panorama City, CA which is currently assessed by the County Assessor as APN 2210-010-039 (the "Property");
(e) Term:	Seven (7) years commencing 30 days after Tenant's Acceptance of the Premises as defined in Section 4(a) (the "Commencement Date"); and terminating at midnight on the day before

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	the Fifth anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
(f) Option to Renew:	Landlord shall provide Tenant with an Option to Renew this Lease for an additional period of five (5) years upon the terms and conditions set forth hereinafter.
(g) Irrevocable Offer Expiration Date:	May 31, 2014
(h) Base Rent:	$23,336 per month (which is based upon a rental rate of $2.00 per rentable square foot adjustable only as provided in Sections 2(b) and 5 hereof.) Additional Rent for Parking shall be $2,400 per month (which is based upon a rental rate of $60 per parking space). The total monthly rent shall be $25,736.00.
(i) Early Termination Date:	Any time after the 60th month
(j) Rentable Square Feet in the Premises:	11,668
(k) Use:	General office use or for any other lawful purposes not incompatible with other uses in the Building.
(l) Initial Departmental Use:	Public Health
(m) Parking Spaces:	40
(n) Normal Working Hours:	7:00 a.m. to 7:00 p.m., Monday through Friday and 9:00 a.m. to 2:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California.
(o) Asbestos Report:	A Phase I report dated February 2014 prepared by Ambient Environmental, Inc., a licensed California Asbestos contractor.

1.2 Defined Terms Relating to Landlord's Work Letter:

(a) Base Tenant Improvement Allowance:	$350,040 or $30 per rentable square foot
(b) Additional Tenant Improvement Allowance:	$291,700 or $25 per rentable square foot
(c) Maximum Change Order Allowance:	$58,340 or $5 per rentable square foot
(d) Additional Tenant Improvement and Change Order Amortization Rate:	7.5% per annum
(e) Tenant's Work Letter Representative:	Kevin Webb
(f) Landlord's Work Letter Representative:	Noubar Karamanoukian
(g) Landlord's Address for Work Letter Notice:	**Elite Property Management, LLC** 3191 West Casitas Avenue, Suite 130 Los Angeles, CA 90039 (323) 300-3700 x 3764 office (323) 300-3116 fax
(h) Tenant's Address for Workletter Notice:	Board of Supervisors Kenneth Hahn Hall of Administration, Room 383 500 West Temple Street Los Angeles, California 90012 With a copy to: Chief Executive Office Real Estate Division 222 South Hill Street, 3rd Floor Los Angeles, California 90012 Attention: Director of Real Estate

1.3 Exhibits to Lease:

Exhibit A–Floor Plan
Exhibit B-Commencement Date Memorandum
Exhibit C–Tenant Estoppel Certificate
Exhibit D–Subordination, Non-disturbance and Attornment Agreement
Exhibit E- Nondisturbance Agreement
Exhibit F- Request for Notice
Exhibit G-Community Business Enterprises Form

1.4 Landlord's Work Letter: (Executed concurrently with this Lease and made a part hereof by this reference):	Landlord's Work Letter Addendum A: Base Building Improvements Addendum B: Tenant Improvements Addendum C: Memorandum of Tenant Improvements Costs

2. PREMISES

(a) 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.

(b) 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 Base Rent in Section 1 accomplished by the mutual execution of a memorandum of understanding between the Landlord and the Tenant. Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no adjustment made to either the square footage or the Base Rent in the event the measured square footage exceeds the amount represented by Landlord. Should Landlord and Tenant not agree with respect to the results of the measurement conducted pursuant to this subsection (b) Landlord shall appoint an independent firm or person who is experienced in making such measurements whose determination with respect to which measurement is correct shall be final and binding upon the parties. Landlord and Tenant shall share equally in the fees of such firm.

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

4. COMMENCEMENT AND EXPIRATION DATES

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within 30 days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached as Exhibit C. The Commencement Date shall begin 30 days after Tenant's Acceptance of the Premises. The term "Tenant's Acceptance of the Premises" as used in this Lease shall mean the date upon which the Premises are Substantially Complete, Tenant has inspected the Premises and Tenant has

accepted the Premises. The term "Substantially Complete" or "Substantial Completion" as used in this Lease shall mean compliance with all of the following: (1) 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; (2) 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; (3) 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; and (4) Tenant has been provided with the number of parking privileges and spaces to which it is entitled under this Lease and (5) if Landlord is responsible for the installation of telecommunication systems, then such systems shall be completely operational.

(b) 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.

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

(d) 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 60 days prior written notice executed by the Chief Executive Officer of Tenant.

(e) Option to Renew. Provided that no material Default has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have the option to renew this Lease for an additional period of five (5) years under the same terms and conditions except that the rental rate shall be adjusted by negotiation not to exceed ninety percent (90%) of the fair market value which Landlord could derive from the demised Premises if they were made available on the open market ("Fair Rental Rate"). The Fair Rental Rate of the demised Premises shall be determined by using the rental rate prevailing for similarly-improved office space within a (3) mile radius of the demised Premises for transactions consummated within the last twelve (12) months immediately preceding the Commencement Date of the option term. If similarly-improved office space cannot be found within a three (3) mile radius of the demised Premises, then the search area shall be enlarged to a five (5) mile radius. In determining the Fair Rental Rate, equitable adjustments to the surveyed rental values shall be made for the size and credit-worthiness of Tenant, the quality of the project, the nature of the tenant's improvements and any other lease terms having an impact on rental values (such as Tenant's option to expand or purchase). The fair rental survey shall be conducted by the Landlord's appraiser and the Tenant's appraiser, each of which shall be certified and licensed by the State of California. Landlord shall bear the cost of Landlord's appraiser and Tenant shall bear the cost of Tenant's appraiser.

If Landlord and Tenant cannot agree on the Fair Rental Rate ninety (90) days prior to the expiration of the lease term, each shall mutually select a third appraiser who shall also conduct a fair rental appraisal. The third appraiser shall be required to have the same certification and licensing as the first two appraisers. The average of the two (2) appraisals nearest in value shall be the Fair Rental Rate. The cost of the third appraiser shall be borne equally by Landlord and Tenant. In the event the negotiations are not completed prior to the expiration of the Lease Term, Landlord in accordance with the notice requirements set forth in paragraph seven (7) HOLDOVER, may give notice to Tenant demanding a rental increase. Once Tenant and Landlord have completed negotiations, for the renewal option period, the landlord demanded month-to-month rental increase shall be adjusted to the actual rent negotiated for the option period within ninety (90) days upon completion of negotiations. In the event Landlord does not request a rental increase, the negotiated new option period rent shall be payable by tenant effective upon the expiration of the initial ten (10) year term herein.

Tenant, by Chief Executive Office letter, shall notify Landlord in writing not less than 180 days prior to the expiration of the lease term, of Tenant's intention to exercise its option. The actual exercise of the option shall be only by the Board of Supervisors of the County of Los Angeles.

5. RENT.

(a) Base Rent. Tenant shall pay Landlord the Base Rent stated in Section 1 during the Term hereof within 15 days after a claim therefor for each such month has been filed by Landlord with the Auditor of the County of Los Angeles (the "County") prior to the first day of each month. Base Rent for any partial month shall be prorated in proportion to the number of days in such month.

(b) Annual Rent Escalation From and after the 1st anniversary of the Commencement Date, on the first day of the first full calendar month thereafter (the "Adjustment Date") and on every anniversary of the Adjustment Date thereafter, Basic Rent shall be adjusted by applying the CPI Formula set forth below. The "Basic Index" shall be the Index published for the month the Lease commences.

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

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

$$\frac{\text{New Index}}{\text{[Base Index}} \times \$23{,}336.00 \text{ (Basic Rent)}$$

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

± Amount needed to amortize change order costs, if any

= Monthly Basic Rent

(e) Limitations on CPI Adjustment. In no event shall the monthly Basic Rent adjustment based upon the CPI Formula result in an annual increase less than 2 percent (2%) nor greater than 5 percent (5%) per year of the Basic Rent of $23,336 (i.e. not less than $466.72 greater than $1,166.80 per month, per annual adjustment). In no event shall the monthly rent be adjusted by the CPI Formula to result in a lower monthly Basic Rent than was payable during the previous year of the Lease.

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

7. HOLDOVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy which is terminable only upon 90 days written notice from Landlord or 90 days written notice from the Chief Executive Officer of Tenant at the last monthly Base Rent payable under this Lease (as such Base Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

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

9. DAMAGE OR DESTRUCTION.

(a) 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 untenantable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within ten days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. The failure

to do so shall be a material default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

(b) 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 Base Rent shall be abated from the date the Premises became untenantable. In the event that Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises.

(c) 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.

(d) Default By Landlord. If Landlord is required to repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Tenant may (a) declare a default hereunder, or (b) perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum, from the Base Rent next due as a charge against the Landlord.

10. REPAIRS AND MAINTENANCE.

(a) Landlord Representations. Landlord represents to Tenant that (i) the Premises, the Building and all Common Areas, (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including use the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirements; (iii) the Premises, Building and Common Areas are free of the presence of any Hazardous Materials (as hereinafter defined); and (iv) 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.

(b) Landlord Obligations. 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 intrabuilding network cable (ii) mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building (iii) the Common Areas; (iv) exterior windows of the Building; and (v) elevators serving the Building. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to: (1) the floor covering (if such floor covering is carpeting it shall be replaced as needed but not less often than after five years of use); (2) interior partitions; (3) doors; (4) the interior side of demising walls (which shall be repainted as needed but not less often than every five years); and (5) signage.

(c) Tenant Obligations. Without limiting Landlord's Obligations, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Tenant, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws.

(d) 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 percent (10%) per annum. If not reimbursed by Landlord within ten days, Tenant shall be entitled to deduct from Base Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

11. SERVICES AND UTILITIES.

Landlord shall be responsible for providing the following services, utilities, and utility charges to the Premises, at its sole cost and expense:

(a) Heating, Ventilation and Air Conditioning. Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours (Monday through Friday, 8:00 AM to 6:00 PM; Saturday 9:00 AM to 1:00 PM) in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings. Tenant will be responsible for after hours HVAC usage at a rate of $50/hour. Landlord shall furnish and install a submeter at Tenant's expense and Tenant is responsible for over time usage based on actual cost.

(b) Electricity. Landlord shall furnish to the Premises the amount of electric current provided for in the Working Drawings (if applicable) but in any event not less than seven watts of electric current (connected load) per square foot of Rentable Square Feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or subpanels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises.

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

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

(e) Access. Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building.

12. LANDLORD ACCESS. Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or Premises, Base Rent shall be prorated based upon the percentage of the Premises or Building rendered untenantable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

13. TENANT DEFAULT.

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

(i) The failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten days after written notice to Tenant;

(ii) 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 Tenant Default; provided, however, if more than 30 days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

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

(c) 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.

(a) Remedies. In addition to the provisions for Landlord's default provided by Sections 9(d), 10(c) 19 and 20(b), Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within five days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10(c)) ; provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such five day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (i) 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 Base Rent next falling due; (ii) to pursue the remedy of specific performance; (iii) to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due; and/or (iv) to terminate this Lease.

(b) 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.

(c) 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 Landlord shall not unreasonably withhold. No such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease.

16. ALTERATIONS AND ADDITIONS.

(a) 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: (1) complies with all Laws; (2) is not visible from the exterior of the Premises or Building; (3) will not materially affect the systems or structure of the Building; and (4) does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building. If Landlord fails to respond in writing within 30 days of such request, Landlord shall be deemed to approve the Alterations.

(b) End of Term. Any Alterations not removed by Tenant shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term.

17. CONDEMNATION.

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

(b) 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").

(c) Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within 30 days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than 30 days nor later than 90 days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within 30 days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated.

(d) Restoration. Notwithstanding the preceding paragraph, if, within 30 days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and

Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within 90 days after Landlord so notifies Tenant, this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

(e) 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.

(f) 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.

(a) 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, or arising from any breach or default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees. Nothing in this Lease shall be construed to waive, limit, or supersede any of Tenant's rights or immunities under the California Labor Code, including but not limited to a waiver pursuant to Labor Code section 3864.

(b) 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.

(a) Landlord's Insurance. During the term of this Lease, Landlord shall maintain the following insurance:

(i) Commercial property insurance which shall (1) 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 (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value. 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.

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (1) per occurrence and general aggregate amount of $5,000,000; (2) products/completed operations aggregate of $2,000,000; and (3) personal and advertising injury of $1,000,000.

(iii) 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.

(b) 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 Landlord shall be written as primary policies, not contributing with, and not in excess of coverage which Tenant may carry.

(c) 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 shall include the address of the leased premises and must document that each party has named the other as an additional insured (or its 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.

(d) Waiver of Subrogation. Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

20. PARKING.

(a) Tenant's Rights. Tenant shall have the right to the number of exclusive reserved parking stalls set forth in Section 1 without charge for the Term of this Lease. Approximately 40% of the parking stalls shall be tandem parking. 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.

(b) Remedies. Landlord acknowledges that it is a material term of this Lease that Tenant receives all of the Parking Spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual

damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the Parking Spaces required above are not available to Tenant, (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation) Tenant may (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective 30 days thereafter or (b) deduct from the Base Rent thereafter accruing hereunder an amount each month equal to the Base Rent times the percentage of Parking Spaces not so provided times 1.5 but such deduction from Base Rent shall be not less than ten percent (10%) nor more than one hundred percent (100%).

21. ENVIRONMENTAL MATTERS

(a) 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, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

(b) Landlord Indemnity. Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials other than 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 form of Exhibit "C" attached hereto and incorporated herein by this reference but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

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

24. LIENS. Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred byTenant. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien.

25. SUBORDINATION AND MORTGAGES

(a) 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 form of Exhibit "D" attached hereto and incorporated herein by this reference, 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.

(b) 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 Exhibit "E" attached hereto and incorporated herein by this reference within 30 days after the execution of this Lease.

(c) 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 Exhibit "F" attached hereto and incorporated herein by this reference.

(d) 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 (10) days within which to cure such default.

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

27. SIGNAGE. Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances. The areas available for Tenant to place signage are the interior directory of the Premises and two (2) slots contained within the Premise's monument sign.

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

(a) 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.

(b) 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.

(c) Brokers. Tenant represents and warrants 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 the Landlord harmless against any loss, cost, liability or expense incurred by the Landlord 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. Landlord has designated Lee & Associates ("Broker") as its real estate broker for the purpose of this transaction. Landlord shall pay all brokerage fees to the Broker pursuant to a separate agreement. Within ten (10) business days of receipt of the commission payment from the Landlord due to Broker as a result of the execution of this Lease, Broker will pay Tenant a commission an amount equal to one percent (1%) of the total rent based on the first sixty (60) months of the Lease Term.

(d) Entire Agreement. This Lease (and the attached Exhibits and Landlord's Work Letter) 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.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

(j) 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.

(k) Community Business Enterprises. Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Exhibit "G" attached hereto and incorporated herein by this reference.

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

31. ACKNOWLEDGMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

(a) 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.

(b) 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.

(c) Landlord Assignment.

(i) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

(ii) 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.

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

(iv) 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 (a) $500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

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

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

(vii) 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.

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

LANDLORD:

ROSCOE INVESTMENTS, LLC

By: _____
Name: Sean Hashem
Its: managing member

TENANT:

COUNTY OF LOS ANGELES

By: _____
DON KNABE
Chairman, Board of Supervisors

ATTEST:

Sachi A. Hamai
Executive Officer-Clerk
of the Board of Supervisors

By: _____
Deputy

ATTEST: SACHI A. HAMAI
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS

By _____, Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

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

ADOPTED
BOARD OF SUPERVISORS

#21 MAY 06 2014

SACHI A. HAMAI
EXECUTIVE OFFICER

78160

LA1 169130v2

EXHIBIT A

FLOOR PLAN OF PREMISES

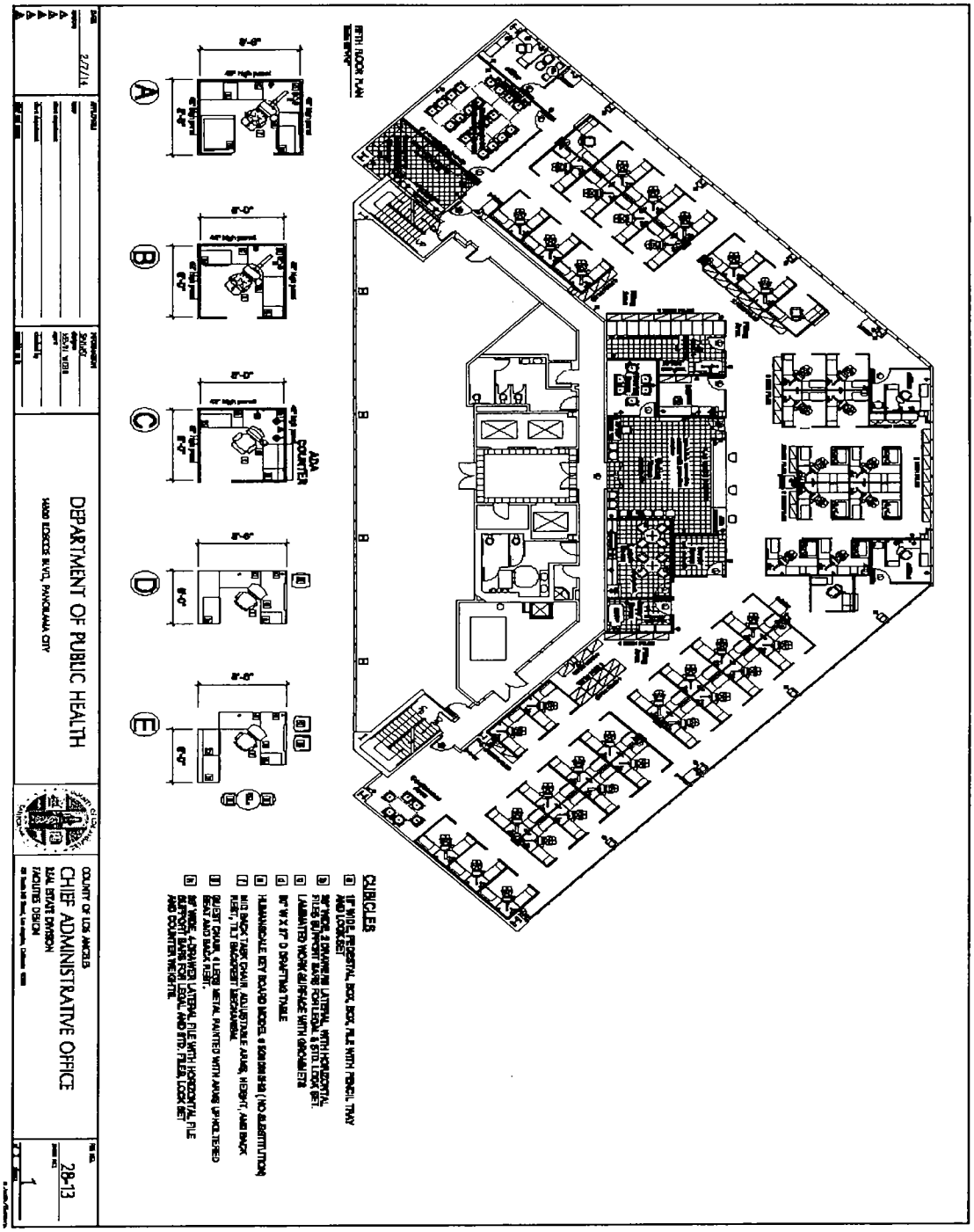

EXHIBIT B
COMMENCEMENT DATE MEMORANDUM

Reference is made to that certain lease ("Lease") dated _____, between County of Los Angeles, a body politic and corporate ("Tenant"), and Roscoe Investments, LLC, ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 14500 Roscoe Blvd, Panorama City ("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) The Lease commenced on ("Commencement Date");

(3) The Premises contain rentable square feet of space; and

(4) Base Rent Per Month is $_____

IN WITNESS WHEREOF, this Memorandum is executed this day of , 2014.

"Tenant"	"Landlord"
COUNTY OF LOS ANGELES, a body politic and corporate By: _____ Name: Its: Director of Real Estate	By: _____ Name: Sean Hashem Its: managing member

EXHIBIT C

TENANT ESTOPPEL CERTIFICATE

To: _____
_____
_____
Attn: _____

Re: Date of Certificate: _____
Lease Dated: _____
Current Landlord: _____
Located at: _____
Premises: _____
Commencement Date of Term: _____
Expiration Date: _____
Current Rent: _____

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

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

2. (a) A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda and riders of and to it) is attached to this Certificate as Exhibit A.

(b) The current Rent is set forth above.

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

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

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

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

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

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

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

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

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

COUNTY OF LOS ANGELES

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

JOHN L. KRATTLI
County Counsel

By: _____
Deputy:

EXHIBIT D

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

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

Space above for Recorder's Use

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

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

This Subordination, Non-Disturbance and Attornment Agreement ("Agreement") is entered into as of the _____ day of _____, 201__ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), _____ ("Borrower") and _____, ("Lender").

Factual Background

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

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

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

D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a Non-Disturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

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

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

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

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

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

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

To Lender: _____

_____

To Borrower: Roscoe Investments, LLC.
3191 West Casitas Avenue
Suite 130 - Los Angeles, CA 90039

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

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

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

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

By: _____

Director of Real Estate

APPROVED AS TO FORM

JOHN L. KRATTLI
County Counsel

By: _____
Deputy:

BORROWER:

By: _____
Name: _____
Title: _____

LENDER: [*Insert name of Lender*],
By: _____

EXHIBIT E
NON-DISTURBANCE AND ATTORNMENT AGREEMENT

WHEN RECORDED MAIL TO:	)
	)
County of Los Angeles	)
CHIEF EXECUTIVE OFFICE	)
Real Estate Division	)
222 South Hill Street, 3RD Floor	)
Los Angeles, California 90012	)

Space above for Recorder's Use

NONDISTURBANCE AND ATTORNMENT AGREEMENT

This Nondisturbance and Attornment Agreement ("Agreement") is entered into as of the ____ day of _____, 200__ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), and [*Insert name of Lender*], ("Lender").

Factual Background

A. *[Insert name of Landlord]*, ("Borrower") owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.

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

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

D. Tenant's rights under the Lease are subordinate to the lien of the Deed of Trust. Tenant is willing to make the substantial investment in the Premises required under the Lease, provided that Lender agrees to a nondisturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

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

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

3. Attornment. Provided that Lender complies with Section 2 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.

4. Lender Not Obligated. Provided that Lender complies with Section 2 above, Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not actually delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.

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

To Lender: _____

_____

To Borrower: Roscoe Investments, LLC.
3191 West Casitas Avenue
Suite 130 - Los Angeles, CA 90039

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

6. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State. This Agreement is the entire agreement between the Lender and Tenant and may only be modified by a written amendment executed by Lender and Tenant.

APPROVED AS TO FORM:

JOHN L. KRATTLI
County Counsel

By: _____
Deputy County Counsel

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

By: _____
Director of Real Estate

BORROWER: [Insert name of Landlord

By: _____

Name: Sean Hashem

Title: managing member

LENDER: [Insert name of Lender]

By: _____

Name: _____

Title: _____

EXHIBIT F

REQUEST FOR NOTICE

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

County of Los Angeles
CHIEF EXECUTIVE OFFICE
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

REQUEST FOR NOTICE

(UNDER SECTION 2924B CIVIL CODE)

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

Date of Recording of Deed of Trust

Instrument Number of Deed of Trust

Trustor

Trustee

Beneficiary

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

"LENDER:

_____,

a _____

By:_____
SIGNEE'S NAME

Its: SIGNEE'S TITLE

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

COUNTY OF _____ ss.

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

WITNESS my hand and official seal

Signature_____

My commission expires _____.

EXHIBIT G

COMMUNITY BUSINESS ENTERPRISE FORM

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

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

*Corporation, Partnership, etc.

MINORITY/WOMEN PARTICIPATION IN FIRM

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

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

PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

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

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

CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

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

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

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

	Initial	
Initial here if applicable		

SIGNED:

TITLE:

DATE:

LANDLORD'S WORK LETTER

For

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AND AGREEMENT

DEPARTMENT: Public Health, as Tenant

LANDLORD: Roscoe Investments, LLC

Address: 14500 Roscoe Blvd., Panorama City

LANDLORD'S WORK LETTER

This Work Letter supplements the Lease (the "Lease") dated _____, 2014, executed concurrently herewith, by and between 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	$350,040 (i.e., $30 per rentable square foot of the Premises)
(b) Additional Tenant Improvement Allowance	$291,700 (i.e., $25 per rentable square foot of the Premises)
(c) Maximum Change Order Allowance	$58,340 (i.e., $5 per rentable square foot of the Premises)
(d) Additional Tenant Improvement and Change Order Amortization Rate:	7.5% per annum
(e) Basic Rent Reduction per $1,000	N/A
(f) Tenant's Work Letter Representative	Kevin Webb or an assigned staff person of the Chief Executive Office-Real Estate Division
(g) Landlord's Work Letter Representative	Noubar Karamanoukian **Elite Property Management, LLC** NoubarK@ElitePMLLC.com
(h) Landlord's Address for Work Letter Notice	Elite Property Management, LLC 3191 West Casitas Avenue, Suite 130 Los Angeles, CA 90039
(i) Tenant's Address for Work Letter Notice	Board of Supervisors Kenneth Hahn Hall of Administration Room 383 500 West Temple Street Los Angeles, California 90012

With a copy to:

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

(j) Addenda

Addendum A: Base Building Improvement Plans
Addendum B: Tenant Improvements
Addendum C: Costs of Tenant Improvements

2. **Construction of the Building**.

2.1 Base Building Improvements. Landlord has constructed and shall construct the base Building improvements as a part of the Building as 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 Exhibit A to the Lease and Addendum B hereto. All soft costs, architecture and engineering costs associated with the Base Building Improvements shall be itemized and separated from all soft costs, architecture and engineering costs associated with the Tenant Improvements.

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, operational shall be at Landlord's sole cost and expense. Costs of upgrades to the operational HVAC and electrical systems identified in Exhibit A to the Lease and Addendum B shall be funded via the Tenant Improvement Allowances. 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 except for those set forth in Exhibit A to the Lease and Addendum B.

(c) Tenant , as part of its Tenant Improvement budget, shall be solely responsible for all costs and expenses necessary to increase permitted structural floor loading in order to accommodate Tenant's file rooms, unusual live loads and other such uses.

2.3 Base Building Plans. Landlord shall deliver 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 3 proposals from qualified licensed architect(s) ("Architect") and engineer(s) ("Engineer") familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings for Tenant Improvements 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 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 for the Tenant Improvements, as defined below in Section 5.4, shall be submitted to contractor(s), selected by Landlord and approved by Tenant, sufficient in number so that a minimum of 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, and file room (the "Space Plan", which is attached to the Lease as Exhibit A).

5.2 Preparation and Approval of Working Drawings. Within 10 business days after this Lease is executed by the County Board of Supervisors (the "Plan Submission Date"), Landlord shall instruct the Architect to commence preparation of Working Drawings for the Tenant Improvements (the "Working Drawings"), which shall be compatible with the design, construction and equipment of the Building, comply with all applicable laws, be capable of physical measurement and construction, contain all such information as may be required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and contain all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant the Working Drawings, or such portion as has from time to time been submitted, for review. Landlord shall be solely responsible for insuring that the Working Drawings fully comply with all applicable building codes and are free from errors or omissions on the part of the Architect.

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

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has approved the Engineering Drawings, Landlord shall cause the Architect to integrate the approved Working Drawings with the approved Engineering Drawings (collectively "Final Plans") and deliver 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 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 for specific completion of certain project benchmarks including, but not limited to, completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of construction contract, construction commencement, construction completion, Projected Commencement Date and other similar dates. As the construction continues, Landlord shall amend the schedule from time to time to reflect any changes to the projected dates.

6. Final Construction Budget and Payment of Tenant Construction Costs

6.1 Construction Budget. Within 3 business days after the Plan Submission Date, Landlord shall submit to Tenant a preliminary budget (the "Preliminary Budget"). Such budget shall be revised into final form within 10 business days from the date the Contractor is selected and will be referred to herein as the "Final Construction Budget". Tenant shall have 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 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 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 construct the Tenant Improvements according to Tenant's plans and specifications outlined in Lease Exhibit A and Addendum B hereto at Landlord's sole cost and expense, subject to reimbursement as set forth in Section 6.3 hereof. When considering the costs of the Tenant Improvements, the following shall be included in the determination of said costs: an amount equal to Landlord's actual costs for architects' fees, contractors' fees, engineers' fees, other professionals' fees (if any, and only as approved in advance by Tenant), plus an additional charge of 3% of construction costs for those items set forth in Addendum B, as a supervision fee for Landlord.

6.2 Additional Tenant Improvement Allowance. All improvements required by the Final Plans and modular furniture described in the Modular Specifications, as further described in Lease Exhibit A and Addendum B hereto, shall be collectively referred to herein as "Tenant

Improvements" and the cost thereof shall be first borne by Landlord and later reimbursed by Tenant in the manner provided for in section 6.3 hereof. Costs of Tenant Improvements may 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 the Maximum Change Order Allowance, as defined in Section 1 hereof ("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 Base 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 and/or cost of the Change Order, if any, used to pay for the Tenant Improvement Costs above and beyond the Base Tenant Improvement Allowance shall be paid to Landlord in amortized monthly payments over the initial 60 months of the term of the Lease at the Tenant Improvement Amortization Rate. Notwithstanding the foregoing, Tenant may at any time during the Term prepay Landlord in a lump sum for all or any portion of the Tenant Improvement Costs required to be reimbursed by Tenant, 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 described more particularly on Exhibit A to the Lease and Addendum B hereto. If any work required by the Final Plans is not described on Exhibit A to the Lease and Addendum B hereto such work shall be performed by Landlord at its own cost and expense and shall not be included in the cost of Tenant Improvements.

7.2 Bids. Unless waived by Tenant in writing, any major contractors, subcontractors and materials providers providing labor and/or materials for the Tenant Improvements shall be selected only after 3 bids have been solicited from responsible and qualified persons. Landlord shall submit 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 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 Base Building Improvements and Tenant Improvements within 15 business days after issuance of all such necessary permits. Landlord shall commence and, once commenced, shall thereafter diligently proceed to construct and complete all Base Building Improvements and 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 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. Landlord further agrees to reimburse Tenant for any and all expenses incurred by Tenant as a result of inadequate clean-up, only after providing Landlord with 10 days written notice specifying in reasonable detail what it considers inadequate clean-up and allowing Landlord 10 days to cure such remaining 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 60 days after Substantial Completion of the Tenant Improvements and receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans ("as-builts") incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such "as-built" or "record documents" shall be submitted on three and one-half inch (3½") 1.4Mb magnetic media diskettes in Auto CAD R 12.dwg (or later version) format or .DXF format, along with one complete set of mylar transparencies of drawings and one complete set of specifications.

8. **Change Orders**. Tenant and Landlord may make changes, additions, deletions or alterations in the Final Plans ("Change Order") provided both Tenant and Landlord approve such changes in writing. The amount of the Maximum Change Order Allowance set forth in Section 1 has been authorized by the Board of Supervisors of the County to be used to pay the costs of all authorized Change Orders but only the Chief Executive Officer is authorized to approve Change Orders on behalf of Tenant and then only if the aggregate amount of such approved Change Orders does not exceed the Maximum Change Order Allowance.

Upon Substantial Completion of the Tenant Improvements, Tenant shall pay for Change Orders via partial or full lump sum payment and/or via amortized monthly payments over the initial 60 months of the term of the Lease at the Tenant Improvement Amortization Rate. Landlord shall submit to the Chief Executive Officer with each requested Change Order (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Change Orders previously approved, and (iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved. Each Change Order must be signed and dated by the Chief Executive Officer.

9. **Furniture System**. Intentionally deleted

10. **Tenant Improvement Costs Adjustment and Right to Audit.** Within 20 days of the issuance of a Certificate of Occupancy, or a final sign-off by the City of Los Angeles, whichever occurs first, Landlord shall notify Tenant of the final Tenant Improvement costs, by executing a summarized breakdown of the total costs of the Tenant Improvements in the form of the attached Addendum C – Memorandum of Tenant Improvement Costs. Tenant shall have the right to audit such costs for a period of 24 months from the date of Tenant's acceptance of the Premises. In the event the audit shows that Tenant is entitled to a reduction in payments to the Landlord under this Landlord's Work Letter, Tenant shall provide Landlord with a copy of the audit summary and Landlord shall pay Tenant the amount of any over-payment made by Tenant within 30 days and future payments shall be adjusted as appropriate based upon the audit results.

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

12. **Telephone/Computer Room and Equipment.** Landlord shall complete the telephone equipment room(s) including permanent power and HVAC, in compliance with the Space Plan and specifications provided by Tenant, at least 30 days prior to the Projected Commencement Date. During this 30 day period, the Landlord shall be responsible for any telephone/data equipment delivered to the site for programming prior to the Projected Commencement Date. Landlord will provide tenant or tenant's agent with a key to the constructed Telephone/Computer Room in order to secure any equipment delivered in advance of the occupancy date.

13. **Delay**.

13.1. Tenant Delays and Force Majeure Delays. Except as set forth herein, no delay in the completion of construction of the Tenant Improvements shall be considered in the determination of the Commencement Date of the Lease and, except as set forth herein or in the Lease, under no circumstance shall Tenant be charged with any delay whatsoever as a result of delay in the construction of Tenant Improvements (excluding Tenant Delays, defined below). Subject to the provisions of Section 13.2, the Projected Commencement Date set forth in the Lease shall be extended 1 business day for each day that: (i) Tenant fails or refuses to give authorizations or approvals within the time periods required herein but only to the extent such delays delay the commencement or completion of construction of the Tenant Improvements (referred to herein as "Tenant Delay(s)"); or (ii) Substantial Completion of the Tenant Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)").

13.2. Limitations.

(a) Notice. No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless Landlord has provided written notice, within 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.

(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 10 days of Tenant Delays and 4 days of Force Majeure Delays which occur during the same 10 day period of such Tenant Delays, then the Projected Commencement Date would be extended by only 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 14 days.

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

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

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

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

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

(b). Tenant shall not have the right to terminate this Lease pursuant to Section 14.1 hereof. Notwithstanding the foregoing, all other early termination provisions of the Lease and this Work Letter shall remain valid and prevail throughout the Base Building Improvement and Tenant Improvement process and term of the Lease.

(c). 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 nine percent (7%) (collectively, "Tenant's Total Expense"). The rent reduction schedule shall be as mutually agreed to between the parties or, if no such agreement is made, Tenant's Total Expense shall be fully amortized in equal monthly amounts over five years and deducted from the rent payable hereunder and under the Lease.

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**.

(a) 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.

(b) 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) a temporary construction elevator and hoist, or (b) Tenant shall have priority usage of two (2) passenger elevators in the elevator bank that services the Premises in order to assist Tenant in the installation of Tenant's fixtures, furniture and equipment.

17. **Construction Meetings**. During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, unless Tenant directs otherwise, at a time and place which is mutually convenient. An initial construction meeting shall be held within 5 business 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.

LANDLORD:	TENANT:
ROSCOE INVESTMENTS, LLC	COUNTY OF LOS ANGELES
By: _____	By: _____
Name: Sean Hashem	DON KNABE
Its: managing member	Chairman, Board of Supervisors

ADDENDUM A To Landlord's Work Letter

BASE BUILDING IMPROVEMENTS

Landlord has constructed and shall construct, at its sole cost and expense Base Building Improvements to include the following:

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

(b) the mechanical, electrical, sprinkler, plumbing, life safety, heating, air conditioning, ventilation and structural systems within the Building;

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

(d) 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;

(e) HVAC system and duct for cooling and heating;

(f) fire sprinkler distribution, including secondary piping and sprinkler heads as required by government regulations;

(g) fire-life safety system as required by government regulations;

(h) gypsum board drywall on the service core walls, columns and sills in the Premises.

(i) electrical closet with transformer(s) providing adequate power of not less than seven (7) watts per rentable square foot;

(j) telephone closet with MPOE for phone service;

(k) mechanical equipment room with ducted mechanical exhaust system;

(l) primary fire sprinkler distribution, including secondary piping and sprinkler heads as required by government regulations;

(m) primary fire-life safety enunciation system "backbone" and panels as required by government regulations.

ADDENDUM B To Landlord's Work Letter

TENANT IMPROVEMENTS

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

(a) Tenant ceilings and lighting;

(b) Floor finishes in the Premises;

(c) Interior finishes of any kind within the Premises;

(d) Interior partitions, doors and hardware within the Premises;

(e) HVAC and electrical upgrades above and beyond the Base Building Improvements set forth in Addendum A hereof;

(f) Conduits, electrical/data outlets and other electrical components sufficient for Tenant's electrical and data specifications;

(g) After-hours HVAC system, separate from main Base Building HVAC system, for telephone/computer room;

ADDENDUM C To Landlord's Work Letter

Memorandum of Tenant Improvement Costs

This Agreement is dated this _____ day of _____, 20___, for reference purposes only, by and between Landlord, Roscoe Inv. LLC.,and Tenant, COUNTY OF LOS ANGELES.

The parties hereto have entered into a Lease dated as of _____ (the "Lease") for the leasing by Landlord to Tenant of the buildings located at _____("the Premises").

Landlord and Tenant hereby confirm the following:

A. The final total cost of the tenant improvements is ($_____).

This is comprised of:

Lease Budget		Actual Cost
$	Tenant Improvement Allowance	$_____
$	Additional Tenant Improvement Allowance	$_____
$	Change Order Allowance	$_____
$	Total	$_____

IN WITNESS WHEREOF, Lessor and Lessee have respectfully signed this Agreement.

Landlord: Roscoe Investments, LLC.

By: [signature]

Its: managing member

Tenant:

COUNTY OF LOS ANGELES

By _____