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

SACHI A. HAMAI
Interim Chief Executive Officer

"To Enrich Lives Through Effective And Caring Service"

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Second District

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Fifth District

August 11, 2015

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

24 August 11, 2015

PATRICK OGAWA
ACTING 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:

LEASE AMENDMENT
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
28490 AND 28470 AVENUE STANFORD, SANTA CLARITA
(FIFTH DISTRICT)
(3 VOTES)

SUBJECT

A lease amendment to consolidate and extend the lease term for 37,120 square feet of office space and 149 on-site parking spaces for the Department of Children and Family Services at 28490/28470 Avenue Stanford.

IT IS RECOMMENDED THAT THE BOARD:

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

2. Approve and instruct the Mayor to sign the lease amendment with AG-POP Valencia, LLC (Lessor). The amendment will be effective upon Board of Supervisors approval and will provide the Department of Children and Family Services 37,120 square feet of office space and 149 on-site parking spaces. The maximum annual total lease cost is $982,884. The lease costs are 91 percent funded by federal and State revenue and 9 percent net County cost.

3. Authorize the Interim Chief Executive Officer and the Directors of Children and Family Services and Internal Services to implement the project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Department of Children and Family Services (DCFS) operates 19 regional offices to provide support to children and families with the primary goal of maintaining the family unit, or alternatively, family reunification. DCFS, Service Planning Area (SPA) 2, Santa Clarita, provides a comprehensive full-service direct child protection system dedicated to the safety of children through the Emergency Response, Continuing Services, and Permanent Placement units.

Since 2002, DCFS Region VIII Family and Child Welfare and the Start Taking Action Responsibly Today programs, with a combined staff of 236, have been housed in approximately 32,743 square feet of office space located at 28490 Avenue Stanford, Santa Clarita. In 2010, DCFS expanded its office space to 36,087 with an additional 3,344 square feet for 33 additional staff located at 28470 Avenue Stanford.

The proposed lease amendment will consolidate DCFS staff into one building via relocation from 28470 to 28490 Avenue Stanford; from 3,344 square feet into 4,377 square feet for a net expansion of 1,033 square feet. The lessor, at its sole cost, will provide all tenant improvements, and the term will commence upon substantial completion of said improvements.

The office space will provide DCFS a total of 37,120 square feet of office space within the same building. It will also provide continuation of the prevailing rental rate and an extension of the lease term to December 31, 2019. DCFS programs are most effective when located in the same geographic area as its consumers, providers, and stakeholders.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability (Goal 1) directs that we maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services; and the Goal of Community Support and Responsiveness (Goal 2) directs that we enrich lives of Los Angeles County residents by providing enhanced services, and effectively planning and responding to economic, social, and environmental challenges. The proposed amendment supports these goals with a facility to support DCFS programs and services. The proposed amendment is in conformance with the Asset Management Principles as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease amendment will provide the consolidation of DCFS services, an additional 1,033 square feet of office space and 4 additional on-site surface parking spaces included in the base rent. The initial annual total lease cost of $982,884, consists of the base rent of $926,515, plus $56,369, the estimated cost of electricity, which amounts to approximately $4,259,164 over the term. Sufficient funding for the proposed lease is included in the Fiscal Year (FY) 2015-16 Rent Expense Budget and will be charged back to DCFS. DCFS has sufficient funding in its FY 2015-16 operating budget to cover the projected lease costs, which are 91 percent federal and State funded and 9 percent net County cost. Attachment B is an overview of the lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease amendment will provide DCFS with 37,120 square feet of office space and 149 on-site parking spaces included in the base rent. The amendment includes the following provisions:

- A 31-month extension of the lease term to December 31, 2019.

- A Lessee right to cancel the lease at or any time after December 31, 2017 upon 180 days prior written notice.

- Continuation of the prevailing rental rate that will remain fixed for the term without annual adjustment.

- Pursuant to the original lease, the Lessor will continue to be responsible for all operating costs associated with the County's occupancy except the cost of electricity.

- The Lessor, at its sole cost, will provide all tenant improvements including low voltage wiring and access controls at no additional cost to the County.

- The rent will commence upon substantial completion of the tenant improvements.

County Counsel has reviewed the attached amendment and has approved it as to form.

The CEO Real Estate Division staff surveyed the immediate area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Based upon the survey, staff has established that the annual rental range for similar space is between $25.80 and $33.60 per square foot on a full-service gross basis, including parking. Therefore, the proposed annual rental rate including parking, plus the estimated cost of electricity paid by the Lessee, is $26.48, which is in the lower range of the full-service gross market rates for this area. Attachment C shows all County-owned and leased facilities within a five-mile radius of the subject facility and there are no suitable County-owned or leased facilities available for the program.

The proposed lease amendment for the existing DCFS facility will provide a central location consistent with the County's Facility Location Policy adopted by the Board of Supervisors on July 24, 2012 as outlined in Attachment D.

The Department of Public Works inspected the facility and has found it suitable for County occupancy and the Lessor has ensured path of travel requirements have been or will be met. Additionally, a childcare facility is not feasible for the department at the proposed leased premises.

ENVIRONMENTAL DOCUMENTATION

The CEO concluded that this project is exempt from the California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

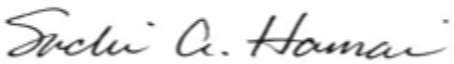
IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CEO that the proposed lease amendment will allow DCFS to continue to provide uninterrupted programs and services from the subject facility. DCFS concurs with this recommendation.

CONCLUSION

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

Respectfully submitted,



SACHI A. HAMAI

Interim Chief Executive Officer

SAH:TT:CMM
TS:MM:gw

Enclosures

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

ATTACHMENT A

DEPARTMENT OF CHILDREN AND FAMILY SERVICES
28490 AVENUE STANFORD

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 space includes public service and administrative space.**	X		
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline?[2]	X		
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?[2]	X		
2.	**Capital**				
	A	Is it a substantial net County cost (NCC) program? **91% State and Federal subvention.**		X	
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment C?	X		
	G	Was build-to-suit or capital project considered?[2] **Insufficient funds and the time needed to locate and improve an alternate facility, even if one were available.**		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] **Pursuant to the original lease, the Lessee remains responsible for the electricity.**		X	
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		

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

[2]If not, why not?

FISCAL IMPACT/FINANCING
OVERVIEW OF PROPOSED LEASE

28490 AVENUE STANFORD	EXISTING LEASE	PROPOSED AMENDMENT	CHANGE
Area (square feet)	36,087	37,120	+ 1,033
Term	60 months (5/21/12-5/20/17)	44 months (8/11/15-12/31/19)	+ 31 months
Annual Base Rent (per square foot) (other costs)	$900,732 ($24.96/sq. ft.) (electricity)	$926,515 ($24.96/sq. ft.) (electricity)	+$25,783 None None
Maximum Annual Lease Cost (per square foot)	$955,532 ($26.48/sq. ft.)	$982,884 ($26.48sq. ft.)	+ $25,783 None
Cancellation	Any time after 30 months upon 180 days prior written notice	Any time after 12/31/2017, upon 180 days prior written notice	- two months
Parking (included in rent)	145 on-site parking spaces	149 on-site parking spaces	+ 4 spaces
Option to Renew	One five-year option	None	- One five-year option
Annual Base Rental Adjustment	None	None	None

- The Lessor, at its sole cost, will provide all tenant improvements including low voltage at no additional cost to the County.

ATTACHMENT C

DEPARTMENT OF CHILDREN AND FAMILY SERVICES
28490 AVENUE STANFORD

Five-mile radius search from 28490 Avenue Stanford, Santa Clarita

Address	Bldg Use	Ownership	Gross SQFT	Net SQFT	Available SQFT
27971 SLOAN CANYON RD, CASTAIC 91384	LIBRARY	LEASED	6,985	6,636	NONE
27955 SLOAN CANYON RD, CASTAIC 91384	LIBRARY	LEASED	14,000	13,300	NONE
28490 AVENUE STANFORD, SANTA CLARITA 91355	OFFICE	LEASED	36,087	34,282	NONE
29310 THE OLD RD, CASTAIC 91384	OFFICE	OWNED	25,726	16,719	NONE
25950 THE OLD ROAD, STEVENSON RANCH 91381	LIBRARY	LEASED	12,000	11,400	NONE
26340 CITRUS ST, VALENCIA 91355	OFFICE	LEASED	9,500	9,025	NONE
23757 W VALENCIA BLVD, SANTA CLARITA 91355	OFFICE	OWNED	22,768	20,055	NONE
23747 W VALENCIA BLVD, SANTA CLARITA 91355	COURT	OWNED	32,950	20,624	NONE
26415 CARL BOYER DR, SANTA CLARITA 91350	OFFICE	LEASED	5,594	5,314	NONE
27233 CAMP PLENTY RD, SANTA CLARITA 91351	OFFICE	LEASED	8,400	5,610	NONE
18601 SOLEDAD CANYON RD, SANTA CLARITA 91351	LIBRARY	LEASED	17,000	15,300	NONE

ATTACHMENT D

FACILITY LOCATION POLICY ANALYSIS

Proposed Lease: A lease amendment for the Department of Children and Family Services (DCFS) – 28490 Avenue Stanford, Santa Clarita – 5th District – Option to cancel after 31 months.

A. Establish Service Function Category – Regional and local service function

Determination of the Service Area – Since 2002, the Department of Children and Family Services (DCFS) Region VIII Family and Child Welfare and the Start Taking Action Responsibly Today programs, with a combined staff of 236, have been housed in approximately 32,743 square feet of office space located at 28490 Avenue Stanford, Santa Clarita. In 2010, DCFS expanded its office space at 28470 Avenue Stanford to 36,087 with an additional 3,344 square feet for 33 additional staff.

The proposed lease amendment will relocate DCFS staff from 28470 to 28490 Avenue Stanford; from 3,344 square feet into 4,377 square feet for a net expansion of 1,033 square feet. The lessor, at its sole cost, will provide all tenant improvements and the term will commence upon substantial completion of said improvements.

The office space will provide DCFS a total of 37,120 square feet of office space within the same building. It will also provide continuation of the prevailing rental rate, an extension of the lease term to December 31, 2019 and consolidated DCFS programs and services in a facility central to the service area.

B. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: DCFS programs are most effective when located in the same geographic area as its consumers, providers, and stakeholders.
- Need for proximity to existing County facilities: N/A
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: The surrounding area is in the process of improving existing facilities and new development.
- Proximity to public transportation: The location at the southeast junction of the 5 freeway and Newhall Ranch Road is adequately served by transit services and is immediately adjacent to the 5 freeway.
- Availability of affordable housing for County employees: The surrounding area provides affordable rental opportunities.

- Use of historic buildings: N/A

- Availability and compatibility of existing buildings: There are no existing County buildings available to meet the Department's service needs.

- Compatibility with local land use plans: The Department of Public Works inspected the facility and found it suitable for County occupancy.

- Estimated acquisition/construction and ongoing operational costs:
  The maximum annual total lease cost of $982,884, consists of the rent of $926,515, plus $56,369, the estimated cost of electricity. Pursuant to the underlying lease, the Lessor will remain responsible for all operating costs associated with the County's occupancy except the cost of electricity.

  Sufficient funding for the proposed lease is included in the Fiscal Year (FY) 2015-16 Rent Expense budget and will be billed back to the department. DCFS has sufficient funding in its FY 2015-16 operating budget to cover the projected lease costs which are 91 percent funded by federal and State revenue and nine percent net County cost.

C. **Analyze results and identify location alternatives -** The CEO, Real Estate Division staff surveyed the immediate area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Based upon the survey, staff has established that the annual rental range for similar space is between $25.80 and $33.60 per square foot on a full-service gross basis, including parking. Therefore, the proposed annual rental rate including parking, plus the estimated cost of electricity paid by the Lessee, is $26.48, which is in the lower range of the full-service gross market rates for this area.

D. **Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria -** DCFS is unable to pursue alternate space to consolidate operations within the same building. Given the foregoing, the Lessor will provide all tenant improvements at its sole cost. The consolidated and expanded DCFS facility will continue to provide a location consistent with the County's Facility Location Policy adopted by the Board of Supervisors on July 24, 2012.

AMENDMENT NO. 3 TO LEASE NO. 73639
28490 AVENUE STANFORD, SANTA CLARITA

THIS AMENDMENT NO. 3 to LEASE and AGREEMENT NO. 73639 ("Amendment No. 3") is made, entered and dated as of this 11th day of August, 2015, by and between AG-POP Valencia, LLC, a Delaware limited liability company ("Lessor"), and the COUNTY OF LOS ANGELES, a body corporate and politic ("Lessee").

RECITALS:

WHEREAS, a Lease by and between ICW VALENCIA HOLDINGS, L.P., as Lessor, and the County of Los Angeles, as Lessee, was executed September 4, 2001 (the "Lease"), pursuant to which Lessor leased to Lessee those certain Premises located at 28490 Avenue Stanford, Santa Clarita, California, consisting of approximately 32,743 rentable square feet of office space and 223 surface parking spaces, (the "Premises"), and;

WHEREAS, ICW VALENCIA HOLDINGS, LLC, was the lawful successor-in-interest to ICW VALENCIA HOLDINGS, L.P., and;

WHEREAS, Amendment No. 1 amended the terms of the Lease to, among other matters, increase the size of the Premises, prepared the Premises for the County's use and reduced the number of parking spaces, and;

WHEREAS, Amendment No. 2, amended the terms of the Lease to, among other matters, extend the Lease for an additional five (5) years effective May 22, 2012, and;

WHEREAS, AG-POP Valencia, LLC, is the lawful successor-in-interest to ICW VALENCIA HOLDINGS, LLC, and retains all rights and responsibilities granted as a result thereof, and;

WHEREAS, AG-POP Valencia, LLC, acknowledges that the terms of this Amendment No. 3 to Lease No. 73639 will not become effective until such time that said Amendment is adopted by the Board of Supervisors of the County of Los Angeles ("Board of Supervisors"), and;

WHEREAS, Lessor and Lessee desire to, among other matters, amend the terms of the Lease to extend the term of the Lease, increase the size of the Premises, prepare the Premises for the County's use and increase the number of parking spaces, and;

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and the rents, covenants and agreements herein contained, Lessor and Lessee hereby covenant and agree as follows:

1. **DESCRIPTION OF PREMISES**: Paragraph 1, DESCRIPTION OF PREMISES, is hereby amended such that the size of the Premises is increased to 37,120 rentable square feet with the reduction of 3,344 rentable square feet located at 28470 Avenue Stanford,

73639 Supplement No. 1

Suite 130 (the "Reduction Space") and the addition of 4,377 rentable square feet located at 28490 Avenue Stanford, Suite 100, as set forth on the floor plan attached hereto as Exhibit A (the "Expansion Premises"), 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.

2. **TERM:** Paragraph 2.A., ORIGINAL TERM, is hereby amended such that upon adoption of this Amendment No. 3, by the Board of Supervisors, (the "Commencement Date"), unless cancelled or otherwise terminated in accordance with the provisions of this Lease, the term of this Lease shall end December 31, 2019.

The effective date to reduce the Reduction Space from the Premises shall be concurrent with the Expansion Commencement Date as defined herein below (the "Reduction Commencement Date"). The effective date of Lessee's leasing of the Expansion Premises shall be the earlier of (i) the date business commences in the Expansion Premises or (ii) the date of Substantial Completion of the improvements as set forth in the Final Plans as defined herein and approved by the City of jurisdiction for the Expansion Premises by Lessor (or the date Substantial Completion would have occurred but for any Lessee Delays) (the "Expansion Commencement Date").

Effective upon the Reduction Commencement Date, the Existing Premises shall be deemed decreased to exclude the Reduction Space and Lessee shall be released from its obligations under the Lease (as it pertains to the Reduction Space only). If Lessee fails to vacate and surrender and deliver exclusive possession of the Reduction Space to Lessor on or before the Expansion Commencement Date, then the holdover provisions of the Lease shall apply. Lessee represents and warrants to Lessor that (a) no other person, firm or entity has any right, title or interest in the Reduction Space; and (b) Lessee has the full right, legal power and actual authority to enter into this Amendment No. 3 and to terminate the Lease as to the Reduction Space without the consent of any person, firm or entity. Lessee further represents and warrants to Lessor that as of the date hereof there are no, and as of the Reduction Commencement Date there shall not be any mechanics' liens or other liens encumbering all or any portion of the Reduction Space by virtue of any act or omission on the part of Lessee, its predecessors, contractors, agents, employees, successors, sublessees or assigns.

3. **RENT:** Paragraph 3, RENT, is hereby deleted and the following is substituted therefor:

> Lessee hereby agrees to pay as rent during the term the sum of $77,209.60 per month, i.e., $2.08 per rentable square foot per month, payable in advance by Auditor's General Warrant. The first full calendar month's rent shall be due and payable within 30 days of the Commencement Date. A monthly installment in the same amount shall be due and payable without demand on or before the first day of each calendar month succeeding the Commencement Date during the Term, except that Rent for any fractional calendar month at the commencement or end of the Term shall be prorated on a daily basis, provided that Landlord shall file a payment voucher with the Auditor of the County of

Los Angeles (the "County") for the monthly Rent prior to the Commencement Date for the initial month(s) of the Term up to and including June, and annually thereafter in June for the ensuing 12 months.

4. CANCELLATION: Paragraph 3, CANCELLATION, is hereby deleted and the following is substituted therefor:

Lessee shall have the right to cancel this Lease Amendment No. 3, at or any time after December 31, 2017, of this extended term by giving Lessor not less than one-hundred-eighty (180) days prior written notice by Chief Executive Office letter.

5. PARKING SPACES: Paragraph 20, PARKING SPACES, is hereby amended such that the number of parking spaces is hereby increased from 145 to 149 spaces.

6. TENANT IMPROVEMENTS: Paragraph 25, TENANT IMPROVEMENTS, is hereby deleted and the following is substituted therefor:

Lessor shall complete the work described herein and any other work it deems necessary for beneficial occupancy consistent with the terms and conditions of the Lease. The Premises shall meet all applicable building codes, regulations and ordinances required for beneficial occupancy before the Tenant Improvements shall be deemed complete.

6.1. Construction of the Building.

a. Any work that Lessor must undertake to cause the Premises to comply with the access requirements of the Americans with Disabilities Act (ADA) or make existing building systems, including, but not limited to, electrical service and HVAC equipment, fully operational, and any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease, including all expenses associated with curing any "Sick Building Syndromes", (ii) fire sprinkler system installation or upgrade, (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere, (iv) utility costs incurred during construction, (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease, or (v) supervision or overhead costs of Lessor, shall be at Lessor's sole cost and expense.

6.2. Selection of Architect and Engineer.

Lessor shall promptly solicit at least three (3) proposals from qualified licensed architects ("Architect") and engineers ("Engineer") familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings as defined below. The Architect and the Engineer shall be selected by Lessor subject to Lessee's consent, which consent shall not be unreasonably withheld, and which consent (or refusal to consent for reasonable reasons) shall be granted within three (3) business days after Lessor has submitted the name of the Architect and the Engineer to Lessee together with detailed proposals outlining the cost for design/engineering services; provided, however, that Lessee's failure to respond to Lessor on or before the expiration of such three (3) business day period shall be deemed Lessee's approval of such Architect and Engineer. This procedure shall be repeated until the Architect

and the Engineer is/are finally approved by Lessee and written consent has been delivered to and received by Lessor.

6.3. Selection of Contractor

The Final Plans and a proposed construction contract shall be submitted to contractors, selected by Lessor, sufficient in number so that a minimum of three (3) bids are received. Each approved contractor shall be requested to submit a sealed fixed price contract bid price (on such contract form as Lessor shall designate) to construct the Tenant Improvements designated on the Final Plans. Lessor and Lessee shall jointly open and review the bids and 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 Lessor consistent with the terms of the bid to construct the Tenant Improvements.

6.4. Preparation of Plans and Specifications and Construction Schedule:

a. Preparation of Space Plan:

Attached hereto as Exhibit A is 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, and other rooms in the Premises (the "Final Space Plan"), which Final Space Plan also includes modular furniture plans and specifications. Such Final Space Plan is hereby deemed approved by Lessor and Lessee.

b. Preparation and Approval of Working Drawings.

Within ten (10) days of the date the Space Plan is submitted to Lessor (the "Plan Submission Date"), Lessor shall instruct the Architect to commence preparation of Working Drawings (the "Working Drawings"), which shall be compatible with the design, construction and equipment of the Building, comply with all applicable laws, be capable of physical measurement and construction, contain all such information as may be required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and contain all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Lessor shall provide Lessee the Working Drawings, or such portion as has from time to time been submitted, for review. Within five (5) business days after Lessee's receipt of the Working Drawings, Lessee shall approve or disapprove the same, which approval shall not be unreasonably withheld; provided, however, that Lessee may only disapprove the Working Drawings to the extent such Working Drawings are inconsistent with the Final Space Plan and only if Lessee delivers to Lessor, within such five (5) business day period, specific changes proposed by Lessee which are consistent with the Final Space Plan and do not constitute changes which would result in any of the circumstances described in items 4.f. (i) through (iv) below. If any such revisions are timely and properly proposed by Lessee, Lessor shall cause its architect and engineers to revise the Working Drawings to incorporate such revisions and submit the same for Lessee's approval in accordance with the foregoing provisions,

and the parties shall follow the foregoing procedures for approving the Working Drawings until the same are finally approved by Lessor and Lessee. Lessor 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.

c. Preparation and Approval of Engineering Drawings.

Lessor 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 Lessee's review. Within five (5) business days after Lessee's receipt of the Engineering Drawings, Lessee shall approve or disapprove the same, which approval shall not be unreasonably withheld; provided, however, that Lessee may only disapprove the Engineering Drawings to the extent such Engineering Drawings are inconsistent with the Space Plan and the Working Drawings and only if Lessee delivers to Lessor, within such five (5) business day period, specific changes proposed by Lessee which are consistent with the Space Plan and the Working Drawings and do not constitute changes which would result in any of the circumstances described in items 4.f. (i) through (iv) below. If any such revisions are timely and properly proposed by Lessee, Lessor shall cause its architect and engineers to revise the Engineering Drawings to incorporate such revisions and submit the same for Lessee's approval in accordance with the foregoing provisions, and the parties shall follow the foregoing procedures for approving the Engineering Drawings until the same are finally approved by Lessor and Lessee.

d. Integration of Working Drawings and Engineering Drawings into Final Plans.

After Lessee has approved the Engineering Drawings, Lessor shall cause the Architect to integrate the approved Working Drawings with the approved Engineering Drawings (collectively "Final Plans") and deliver five (5) sets of the Final Plans to Lessee. 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. Within five (5) business days after Lessee's receipt of the Final Plans, Lessee shall approve or disapprove the same, which approval shall not be unreasonably withheld; provided, however, that Lessee may only disapprove the Final Plans to the extent such Final Plans are inconsistent with the Space Plan, the Working Drawings and the Engineering Drawings and only if Lessee delivers to Lessor, within such five (5) business day period, specific changes proposed by Lessee which are consistent with the Space Plan, Working Drawings and Engineering Drawings and do not constitute changes which would result in any of the circumstances described in items 4.f. (i) through (iv) hereinbelow. If any such revisions are

timely and properly proposed by Lessee, Lessor shall cause its architect and engineers to revise the Final Plans to incorporate such revisions and submit the same for Lessee's approval in accordance with the foregoing provisions, and the parties shall follow the foregoing procedures for approving the Final Plans until the same are finally approved by Lessor and Lessee.

e. Approval of Plans by Lessee.

Approval by Lessee shall not be deemed to be a representation by Lessee as to the adequacy or correctness of the design of the Tenant Improvements.

f. Notwithstanding anything above to the contrary, Lessee shall make no changes, change orders or modifications to any plans submitted to Lessee if such change or modification would: (i) delay the Projected Commencement Date; (ii) increase the costs of the design, permitting and construction of the Tenant Improvements above the costs of the design, permitting and construction of those tenant improvements depicted in the Final Space Plan; (iii) be of a quality lower than the quality of the standard tenant improvement items for the Building; and/or (iv) require any changes to the base, shell and core or structural improvements or systems of the Building.

g. Schedule.

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

7. CONSTRUCTION OF TENANT IMPROVEMENTS

a. Tenant Improvements

Tenant Improvements to be constructed by Lessor as described by the Final Plans and Specifications and all other work shall be performed by Lessor at its own cost and expense.

b. Bids

Unless waived by Lessee in writing, any major contractors, subcontractors and materials providers providing labor and/or materials for the Tenant Improvements shall be selected only after three (3) bids have been solicited from responsible and qualified persons. Lessor shall submit three (3) sealed fixed price bids for the construction of the Tenant Improvements to Lessee for its review prior to the award of the Construction Contract. The bids shall be jointly opened and reviewed. The bids shall include an itemized list of all materials and

labor and shall include all additional costs, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Three (3) bids for the purchase and installation of the office furniture system, prepared by the furniture dealer, shall be included in the construction estimates, if applicable.

c. Permits

Lessor 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.

d. Commencement of Construction

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

7.1 Construction

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

a. Notice of Nonresponsibility

Lessor and the Contractor shall cooperate with Lessee in posting a notice or notices of non-responsibility by Lessee.

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 Lessee, shall be provided by Lessor at Lessor's expense in accordance with Lessee's Space Plan (including the specifications therein). Lessor shall consult with Lessee with respect to all such decorating services and decisions.

c. Clean-Up and Substandard Work

Lessor will be responsible for all clean-up with respect to the Tenant Improvements, whether in the Premises themselves or in other areas utilized by Lessor or its contractors, and agrees to reimburse Lessee for any and all actual expenses incurred by Lessee by reason of substandard work performed by Lessor's contractor or contractors (as reasonably determined by Lessee (and reasonably approved by Lessor) according to the usual standards of work in the Building) or as a result of inadequate clean-up.

d. Compliance with Laws

Construction of the Tenant Improvements shall comply with all applicable laws and regulations and shall be subject to the general inspection of Lessee. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy.

e. Conformed Plans

Within sixty (60) days after Substantial Completion of the Tenant Improvements and receipt from the Contractor of all field changes, Lessor shall submit to Lessee 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. FURNITURE SYSTEM

Based on the modular specifications described in the Final Space Plan, Lessor and/or Lessor's architect shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors. Prior to submission for bids, Lessor shall review the bid package with Lessee and Lessee shall have the right to approve or disapprove the bid package. Lessor shall provide at its cost the modular furniture set forth in the modular specifications.

9. 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 Lessor.

10. COMPUTER ROOM AND EQUIPMENT

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

11. DELAY

a. Lessee 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 Lessee be charged with any delay whatsoever as a result of delay in the construction of Tenant

Improvements. Subject to the provisions of Section 11.b below, the Projected Commencement Date of December 31, 2015, shall be accelerated one (1) day for each day that: Lessee 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 "Lessee Delay(s)"). The Projected Commencement Date shall be extended by one (1) day for every day that Substantial Completion of the Tenant Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage, governmental action, inaction or delays or other similar causes beyond the reasonable control of Lessor (referred to herein as "Force Majeure Delay(s)").

b. Limitations

(i) Notice

No Force Majeure Delay shall be deemed to have occurred unless Lessor has provided written notice, within forty eight (48) hours of the event giving rise to such claim, in compliance with the Lease, to Lessee 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 Force Majeure Delay, then a Force Majeure Delay, as applicable, shall be deemed to have occurred only commencing as of the date Lessee received such notice from Lessor.

(ii) (Mitigation)

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.

12. LESSEE REMEDIES

If Lessor fails to obtain the building permit to construct the Tenant Improvements within a reasonable time, taking all factors into consideration, or if Tenant Improvements have not been completed within one hundred eighty (180) days from the Projected Commencement Date, Lessee may, at its option:

a. Cancel this Third Amendment (but not the prior existing Lease) upon thirty (30) days written notice to Lessor; or

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

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

(ii) Rent shall be reduced by Lessee's total expense in constructing the Tenant Improvements, including any financing charges for capital and a reasonable amount for its administrative costs, and including interest at the rate of six percent (6%) ("Lessee's Total Expense"). The rent reduction schedule shall be as mutually agreed to between the parties or, if no such agreement is made, Lessee's Total Expense shall be fully amortized in equal monthly amounts over five (5) years and deducted from the rent payable hereunder.

Any default by Lessor under the terms of this Amendment shall constitute a default under the Lease and shall entitle Lessee to exercise all remedies set forth in the Lease.

13. REPRESENTATIVES

a. Lessee Representative

Lessee has designated Manuel Martinez, as its Representative with respect to the matters set forth in this Amendment, who, until further notice to Lessor, shall have the full authority and responsibility to act on behalf of Lessee as required in this Amendment and whose address, for purposes of any notices to be given regarding matters pertaining to this Amendment only, is Lessee's Address for Notice

b. Lessor Representative

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

14. ELEVATOR USAGE DURING MOVE-IN

During Lessee's move into the Expansion Space, Lessor shall make the freight elevators reasonably available to Lessee.

15. CONSTRUCTION MEETINGS

During the course of construction, meetings shall be held between the Contractor, Lessor and Lessee at least once per week, unless Lessee directs otherwise, at a time and place which is mutually convenient. An initial construction meeting shall be held within five (5) days of the date the Contractor is selected.

16. DELIVERY

Delivery of all plans and drawings referred to in this Amendment shall be by commercial messenger service or personal hand delivery, unless otherwise agreed by Lessor and Lessee.

17. CONTINGENCY

Lessor and Lessee acknowledge that the Expansion Premises is, as of the date hereof, leased by another tenant of the Building. As such, Lessor and Lessee acknowledge and agree that this Amendment No. 3 is conditioned upon the execution of a lease amendment between Lessor and such existing tenant terminating its existing lease of the Expansion Premises and such existing tenant's surrender, vacation and delivery of the Expansion Premises when and as required by Lessor (collectively, the "Contingency"), which amendment shall be on terms and conditions acceptable to Lessor in its discretion. In the event the Contingency is not satisfied by August 30, 2015, then Lessor shall have the right to terminate this Amendment No. 3.

Wherever a conflict exists between the terms of this Amendment No. 3 and the original Lease, the terms and conditions of Amendment No. 3 shall prevail. All other terms and conditions of the original Lease remain unchanged and are hereby reaffirmed in full force and effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Landlord has executed this Amendment No. 3 to Lease No. 73639, or caused it to be duly executed, and the County of Los Angeles has caused this Amendment to be executed by the Board of Supervisors and attested by the Clerk thereof the day, month, and year first above written.

LESSOR:

AG-POP VALENCIA, L.L.C.,

a Delaware limited liability company

By: Parallel Capital Partners, Inc.,
a California corporation
Its: Authorized Agent

By: _____

Name: Jim Ingebritsen

Its: President

73639

ATTEST:

Patrick Ogawa
Acting Executive Officer-Clerk
of the Board of Supervisors

By: Lachelle Smitherman
Deputy

LESSEE:

COUNTY OF LOS ANGELES
a body politic and corporate

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

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

PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By: Lachelle Smitherman
Deputy

APPROVED AS TO FORM:

Mary C. Wickham

Interim County Counsel

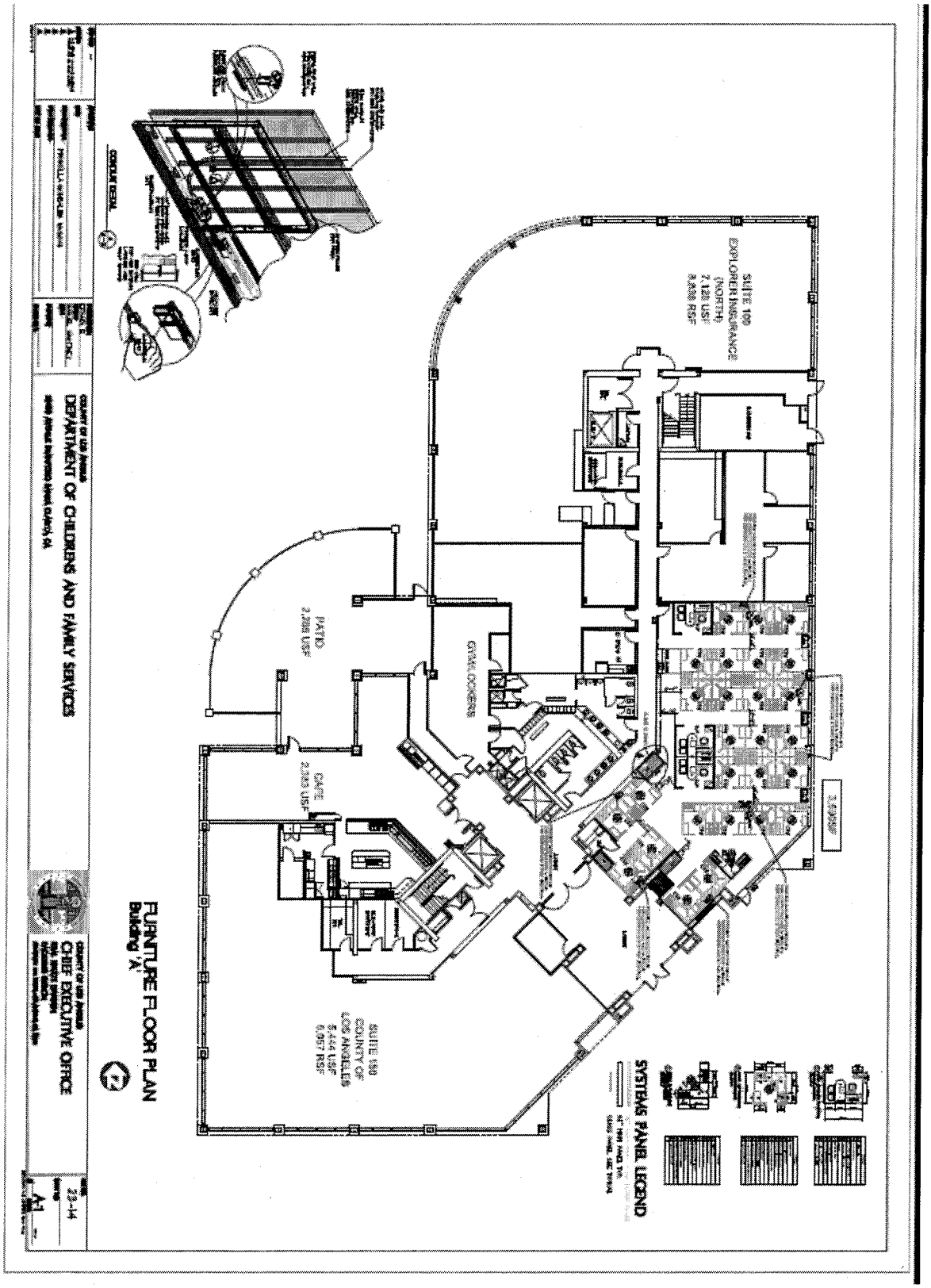
By: _____
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

24 AUG 11 2015

Patrick Ogawa
PATRICK OGAWA
ACTING EXECUTIVE OFFICER

FINAL SPACE PLAN



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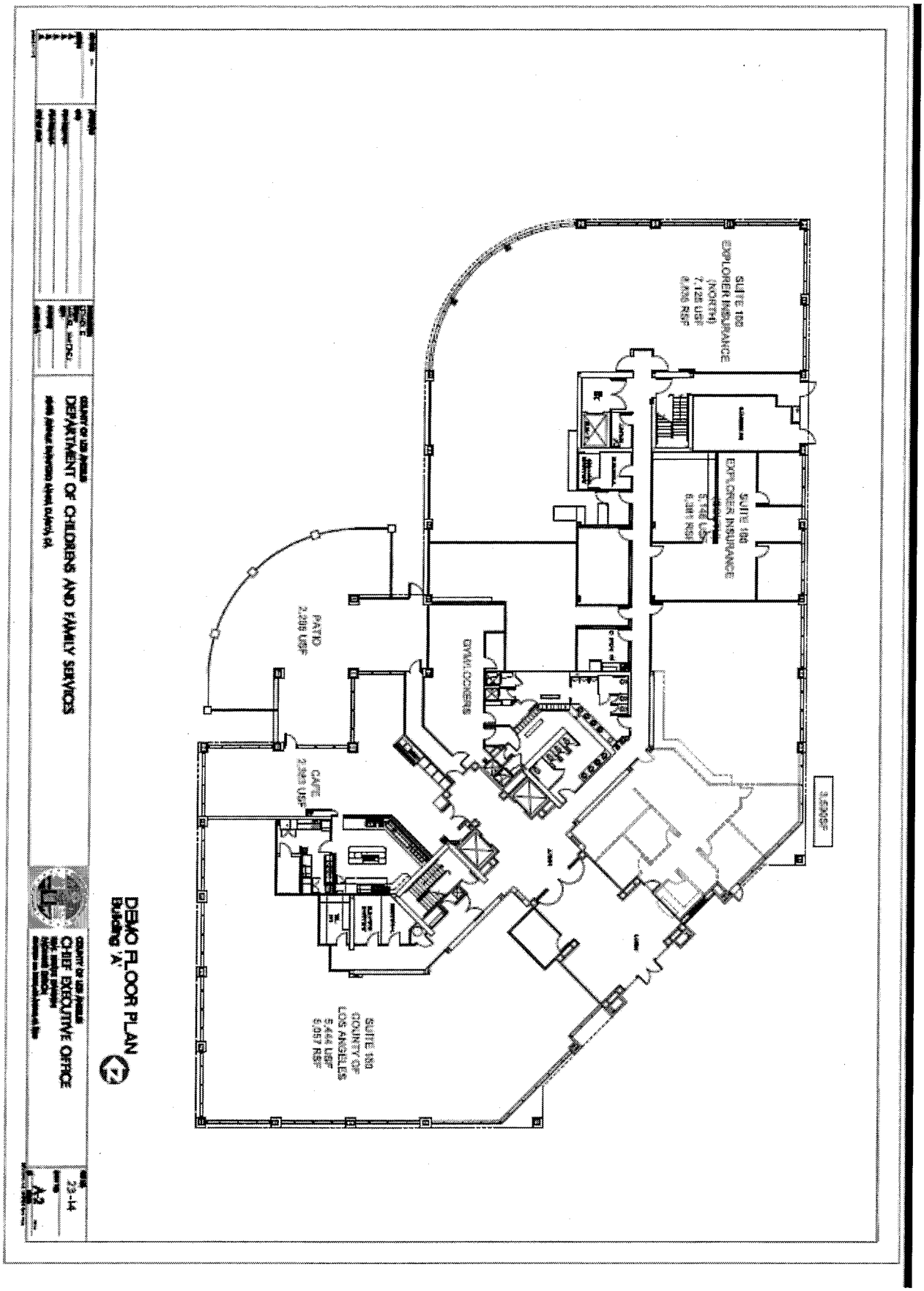

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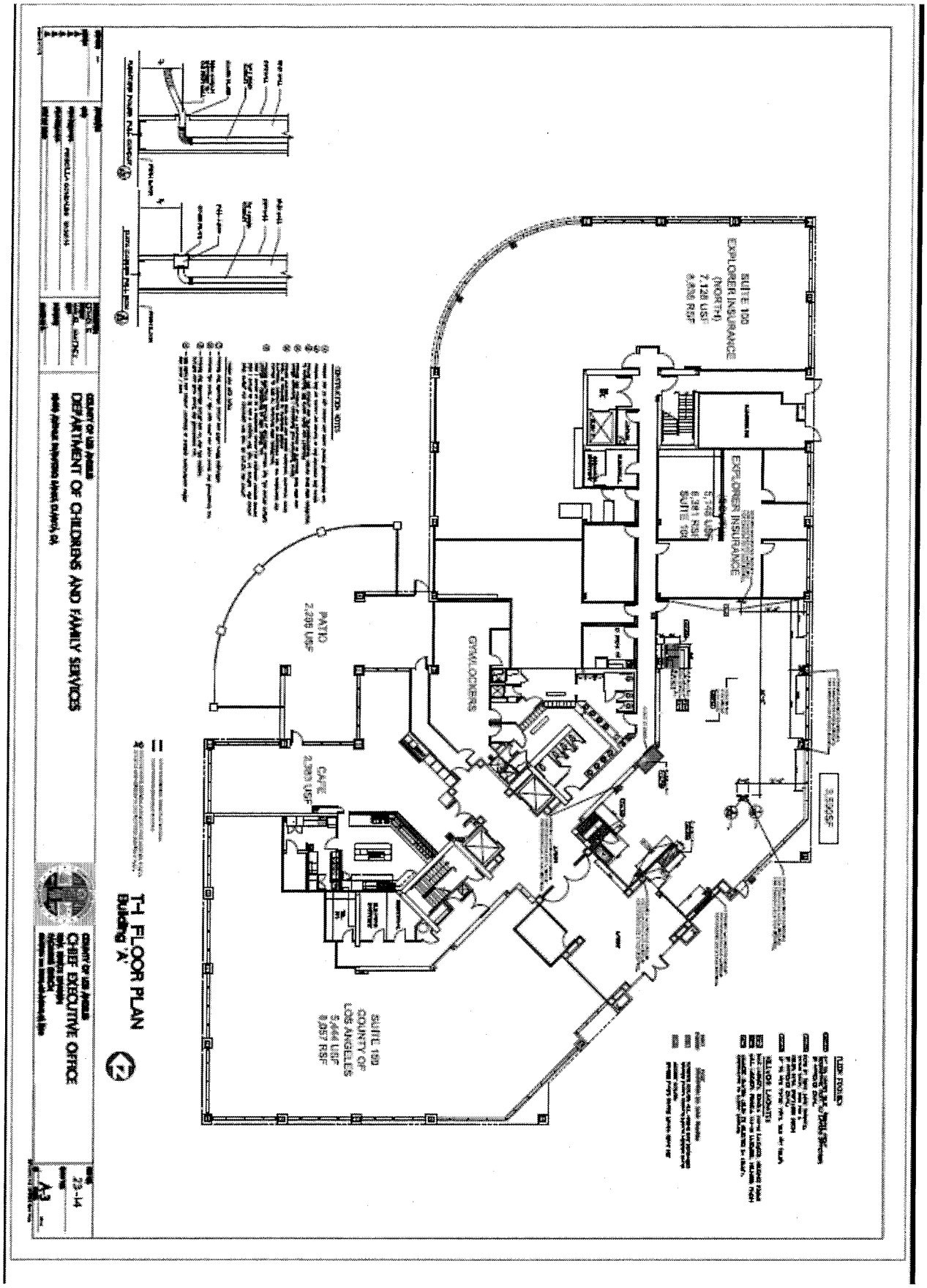

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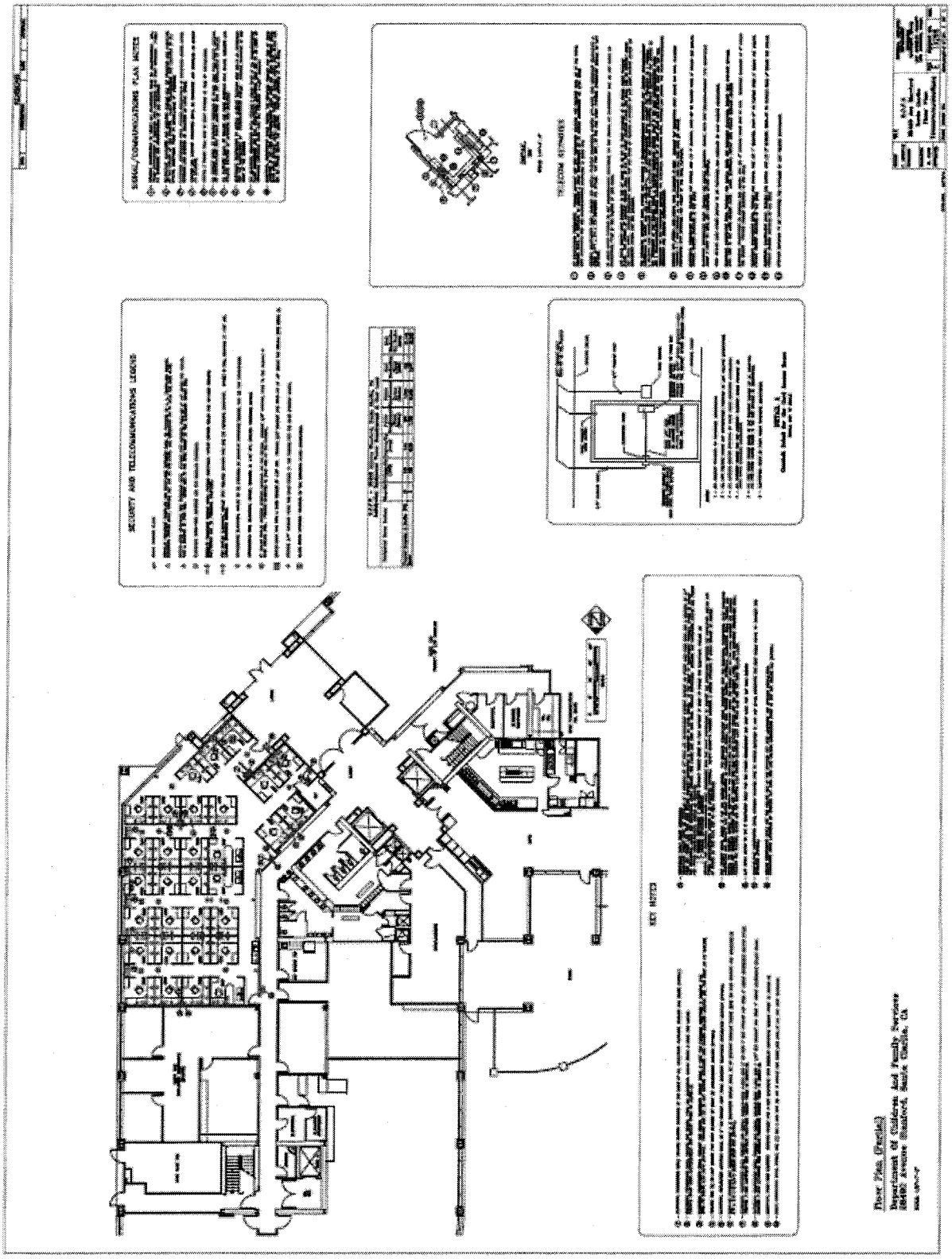

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