Members of the Public may address the Operations Cluster on any agenda item by submitting a written request prior to the meeting. Two (2) minutes are allowed for each item.

1. **Call to order** – Mark Baucum/Gevork Simdjian

2. **Public Comment**
   (2 minutes each speaker)

3. **INFORMATIONAL ITEM(S):**
   None available at this time

4. **PRESENTATION/DISCUSSION ITEMS:**
   A) Board Letter:
   APPROVE A PROPOSED SIXTY-THREE MONTH LEASE AMENDMENT FOR CONTINUED USE OF APPROXIMATELY 20,187 SQUARE FEET OF EXISTING OFFICE SPACE AND 81 ON-SITE PARKING SPACES AT 12750 CENTER COURT DRIVE, SUITE 500, CERRITOS
   CEO – Michael Navarro, Chief Program Specialist

5. **Adjournment**

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**FUTURE AGENDA TOPICS**

**CALENDAR LOOKAHEAD:**

None available at this time.
<p>| <strong>OPS CLUSTER</strong> | <strong>4/4/2019</strong> |
| <strong>AGENDA REVIEW DATE</strong> | |
| <strong>BOARD MEETING</strong> | <strong>4/16/2019</strong> |
| <strong>SUPERVISORIAL DISTRICT AFFECTED</strong> | <strong>4</strong> |
| <strong>DEPARTMENT</strong> | District Attorney, Internal Services Department and Information Systems Advisory Board |
| <strong>SUBJECT</strong> | Approve a proposed sixty-three month Lease Amendment for continued use of approximately 20,187 square feet of existing office space and 81 on-site parking spaces at 12750 Center Court Drive, Suite 500, Cerritos. |
| <strong>PROGRAM</strong> | |
| <strong>SOLE SOURCE CONTRACT</strong> | ☐ Yes ☒ No |
| <strong>If Yes, please explain why:</strong> | |
| <strong>DEADLINES/TIME CONSTRAINTS</strong> | The existing lease agreement is currently on a month to month holdover at 12750 Center Court Drive, Suite 500, Cerritos, CA and the Lessor is threatening eviction. |
| <strong>COST &amp; FUNDING</strong> | Total cost: $3,718,808 rental costs over 63 months Funding source: 100% Net County Cost |
| <strong>TERMS (if applicable):</strong> | The proposed amendment provides for automatic annual rental increases of 3 percent over the 63 months proposed term. The County will have one option to renew for an additional period of five years. |
| <strong>Explanation:</strong> | Funding for the proposed amendment is included in the Fiscal Year 2018-2019 Rent Expense budget and will be billed back to the respective departments. |
| <strong>PURPOSE OF REQUEST</strong> | Approval of the recommended actions will authorize and adequately provide the necessary office space for the respective County departments. |
| <strong>BACKGROUND (include internal/external issues that may exist)</strong> | The County of Los Angeles has leased the current location since December, 1991. The lease is currently in holdover since June 4, 2018. No holdover penalty is associated with this lease. The Information Systems Support Division of ISD provides technical support to many of the County’s Criminal Justice Agencies, including ISAB, Sheriff, Probation, Public Defender, District Attorney and others, most of which are developed and managed from the subject property location. The departments prefer to remain in their current location since relocating staff and equipment would be disruptive to the service to their customers. Remaining in the current location would avoid significant relocation and Tenant Improvements costs. The Lessor is willing to provide three months of abated rent at the initial term of the proposed amendment. The Lessor is willing to re-paint existing accessible office walls, use touch-up paint on all other interior portions of the subject premises, install new carpet tiles where current carpet is currently installed, replace kitchen flooring with VCT tiles, and upgrade two electrical outlets in the kitchen. The Lessor is providing these tenant improvements at no cost to the County as reasons to enter into the proposed amendment. |</p>
<table>
<thead>
<tr>
<th>Name, Title, Phone # &amp; Email:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michael Navarro</td>
</tr>
<tr>
<td>CEO- Real Estate Division</td>
</tr>
<tr>
<td>213-974-4364</td>
</tr>
<tr>
<td><a href="mailto:Mnavarro@ceo.lacounty.gov">Mnavarro@ceo.lacounty.gov</a></td>
</tr>
</tbody>
</table>
April 02, 2019

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 NO. 6  
DISTRICT ATTORNEY, INTERNAL SERVICES DEPARTMENT, AND  
INFORMATION SYSTEMS ADVISORY BOARD  
12750 CENTER COURT DRIVE, SUITE 500, CERRITOS  
(FOURTH DISTRICT)  
(3 VOTES)

SUBJECT

Approval of the proposed sixty-three-month Lease Amendment No.6 for continued use of approximately 20,187 square feet of existing office space and 81 on-site parking spaces for the District Attorney, Internal Services Department, and the Information Systems Advisory Board.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed amendment is exempt from the California Environmental Quality Act (CEQA), for the reasons stated in this Board letter and in the record of the project.

2. Authorize the Chief Executive Officer, or her designee, to sign the sixty-three months, gross lease amendment with CTC OFFICE 2 LP (Lessor), for 20,187 square feet of office space including 81 on-site parking spaces at 12750 Center Court Drive, Suite 500, Cerritos currently occupied by the District Attorney (DA), Internal Services Department (ISD), and the Information Systems Advisory Board (ISAB). The base rent for the first year is $521,430.21 which includes a rent abatement for three months.
3. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed lease amendment, and authorize the Chief Executive Officer and the Executive Directors of the DA, ISD, and ISAB, or their designees, to take actions necessary and appropriate to implement this lease amendment project. The proposed lease amendment will become effective upon approval by the Board.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The County of Los Angeles has leased the current location since December 1991. The lease is currently in holdover since June 4, 2018.

The Information Systems Support Division of ISD provides technical support to many of the County’s Criminal Justice Agencies, including ISAB, Sheriff, Probation, Public Defender, District Attorney and others, most of which are developed and managed from the subject property location.

The departments prefer to remain in their current location since relocating staff and equipment would disrupt the service they provide to their customers. Remaining in the current location would avoid relocation and tenant improvement costs.

The Lessor is willing to provide three months of abated rent at the initial term of the proposed amendment. The Lessor is willing to re-paint existing accessible office walls, use touch-up paint on all other interior portions of the subject premises, install new carpet tiles where current carpet is currently installed, replace kitchen flooring with vinyl composite tiles, and upgrade two electrical outlets in the kitchen. The Lessor is providing these tenant improvements at no cost to the County.

Approval of the recommended actions will find that the proposed amendment is exempt from the CEQA and will allow the DA, ISD, and ISAB to continue operations at the subject facility uninterrupted.

**Implementation of Strategic Plan Goals**

The Countywide Strategic Plan Goal of “Realize Tomorrow’s Government Today” (Goal 3) directs that our increasingly dynamic, and complex environment, challenges our collective abilities to respond to public needs and expectations. We want to be an innovative, flexible, effective, and transparent partner focused on advancing the common good. The proposed amendment is in conformance with the Asset Management Principles, as outlined in Attachment A.

**FISCAL IMPACT/FINANCING**

The proposed amendment increases the previous base rent by about 9 percent, however the County will no longer be responsible to pay for common area maintenance charges. This results in a net increase of $26,937.08 not inclusive of abated rent in the first year.

The total first year annual base rent under the proposed amendment is $521,430.21 which includes a savings of $173,810.07 due to the Lessor providing rent abatement during the initial three months of the proposed amendment term. Had the rent abatement not been negotiated, the first year annual base rent would have been $695,240.28.
The maximum annual first year’s rental costs with the three-month rent abatement is $521,430.21. Parking and Lessor’s turn-key tenant improvements are included in this cost both at no additional cost to the County.

The proposed amendment provides for automatic annual rental increases of 3 percent. Over the 63-month proposed amendment term, total base rent, with 3 percent scheduled increases, will be approximately $3,718,808, inclusive of the three month rent abatement. Attachment B provides an overview of the proposed amendment and total lease costs for the proposed new term.

This is a gross lease whereby the Lessor is responsible for all repair and maintenance costs of the facility, including janitorial costs, except for electrical consumption for the County’s three server rooms within the leased premises for which the County remains responsible.

Sufficient funding for the proposed amendment is included in the Fiscal Year (FY) 2018-19 Rent Expense budget and will be billed back to the respective departments. The respective departments have sufficient funding in their FY 2018-19 operating budget to cover the rental costs for the same period.

Rental costs are 100 percent net County costs which will be shared as follows: DA - 46 percent, ISD - 37 percent, and ISAB - 17 percent.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

In addition to the terms set forth above, the proposed amendment also contains the following provisions:

- The County will have one option to renew for an additional period of five years.

- The parties clarified how electrical charges for the three server rooms will be calculated.

The base rent for the proposed lease is $34.44 per square foot per year ($2.87 per square foot per month) which also includes operating expenses. The first year rate is reduced by way of abated rent negotiated for the first three months of the initial lease term thereby reducing the first year rate to $25.83 per square foot.

The Chief Executive Office (CEO), conducted a market survey within the project area to determine the availability of comparable office space options. Based upon a review of available industry data for closed leases in the past 18 months comparable to the subject property and sizes, CEO established that the average annual rental rate is approximately $33.60 per square foot per year ($2.80 per square foot per month) which includes operating expenses. Even though the average historical annual rental rates appear lower than the proposed annual rates for the subject property, the tenant improvement costs required to relocate to a new building with lower rates would increase the occupancy cost by as much as $18.36 per foot per year ($1.53 per square foot per month), assuming the tenant improvements are amortized. Consequently, the estimated occupancy cost to relocate to another building could range from approximately $48.00 per square foot per year ($4.00 per square foot per month) to $52.00 per square foot per year ($4.33 per square foot per month) thereby exceeding any potential savings in base rent.
Attachment C shows County-owned or leased facilities in the proximity of the service area, and there are no suitable County-owned or leased facilities available for the program.

The Department of Public Works has inspected this facility and found it suitable for the County’s occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402. County Counsel has reviewed the attached proposed amendment and approved it as to form.

The proposed amendment will continue to provide an appropriate location for these programs, which is consistent with the County’s Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012, as outlined in Attachment D.

ENVIRONMENTAL DOCUMENTATION

The proposed amendment is exempt from the CEQA. The proposed amendment, which renews existing lease space with minor tenant improvements, is within a class of projects that have been determined not to have a significant effect on the environment and which meets the criteria set forth in Section 15301 of the State CEQA Guidelines (Guidelines) and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, based on the proposed amendment records, it will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code Section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

Upon the Board's approval of the recommended actions, the Department will file a Notice of Exemption with the County Clerk in accordance with Section 21152 of the California Public Resources Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed amendment will adequately provide the necessary office space for this County requirement. The DA, ISD and ISAB concur with the proposed recommendation.
CONCLUSION

It is requested that the Executive Office, Board of Supervisors, return two certified copies of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division, at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

SACHI A. HAMAI
Chief Executive Officer

SAH:DPH:DL
JLC:MN:JT:gw

Enclosures

c: Executive Office, Board of Supervisors
   County Counsel
   Auditor-Controller
   District Attorney
   Internal Services
   Information Systems Advisory Board
<table>
<thead>
<tr>
<th>1. Occupancy</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Does lease consolidate administrative functions?</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>Does lease co-locate with other functions to better serve clients?</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>Does this lease centralize business support functions?</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>Does this lease meet the guideline of 200 sq. ft of space per person?</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>Does lease meet the 4/1000 sq. ft. parking ratio guideline?</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

| 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? | 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 | | 2 These programs are co-located. |
| D | Why was this program not co-located? | | | 1. The program clientele requires a “stand alone” facility. |
| | | | 2. No suitable County occupied properties in project area. |
| | | | 3. No County-owned facilities available for the project. |
| | | | 4. Could not get City clearance or approval. |
| | | | 5. The Program is being co-located. |
| E | Is lease a full-service lease? | X | | |
| F | Has growth projection been considered in space request? | X | | |
| G | Has the Dept. of Public Works completed seismic review/approval? | X | | 1As approved by the Board of Supervisors 11/17/98 |
| | | | 2If not, why not? |
### OVERVIEW OF THE PROPOSED LEASE COSTS

<table>
<thead>
<tr>
<th></th>
<th>Existing Lease:</th>
<th>Proposed Lease Amendment</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>12750 Center Court Drive, Suite 500, Cerritos (No. 65676)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area (Square Feet)</td>
<td>20,187</td>
<td>20,187</td>
<td>none.</td>
</tr>
<tr>
<td>Term (years)</td>
<td>5 years 6/4/13 to 6/3/18, currently on Month-to-Month holdover.</td>
<td>63 months plus one five-year option to renew</td>
<td>63 months plus one five-year option to renew</td>
</tr>
<tr>
<td>Annual Basic Rent (1)</td>
<td>$640,699.20 ($31.7382sq.ft.) + common area maintenance expenses estimated to be $33,227 per year.</td>
<td>$695,240.28 -$173,810.07 (3 months of rent abatement)</td>
<td>Base Rent savings of $119,268.99(3) for the first year. No common area maintenance expenses which saves approx. $33,227 per year.</td>
</tr>
<tr>
<td>Annual electrical charges for over standard HVAC needs.</td>
<td>$0</td>
<td>Electrical charges for HVAC in server rooms is estimated to be $5,623 per year</td>
<td>$5,623 (est).</td>
</tr>
<tr>
<td>Annual Parking Cost (N/A)</td>
<td>Included</td>
<td>Included</td>
<td>None.</td>
</tr>
<tr>
<td>Rental adjustment</td>
<td>Annual CPI adjustments capped at 3.5 percent with no minimum.</td>
<td>Scheduled annual 3 percent adjustments</td>
<td>Annual 3 percent adjustments.</td>
</tr>
</tbody>
</table>

#### Summary

<table>
<thead>
<tr>
<th></th>
<th>Base Rent</th>
<th>Rent Abatement</th>
<th>Janitorial Costs</th>
<th>Parking Costs</th>
<th>Total Lease Costs (1)</th>
<th>Low Voltage Costs</th>
<th>Total amount for space</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Year Rental Costs:</td>
<td>$695,240.28</td>
<td>-$173,810.07</td>
<td>$0</td>
<td>$0</td>
<td>$521,430.21(1)</td>
<td>$0</td>
<td>$521,430.21(1)</td>
</tr>
<tr>
<td>63 months Rental Costs:</td>
<td>$3,718,808.51(2)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$3,718,808.51(2)</td>
<td>N/A</td>
<td>$3,718,808.51(2)</td>
</tr>
</tbody>
</table>

(1) Lessor agreed to abate the rent for the initial 3 months. (See annual Basic Rent calculations above)
(2) Assumes annual rent increases based on maximum increase of three percent per annum and total rental lease costs over the term inclusive of the initial 3 months of rent abatement.
(3) The Proposed Base Rent for the first year is $521,430.21 which includes 3 months of negotiated abated rent. Rent would have been $695,240.28 had the abated rent not been successfully negotiated.
# SPACE SEARCH – 3 MILE RADIUS FROM 12750 CENTRE COURT DRIVE, SUITE 500, CERRITOS

<table>
<thead>
<tr>
<th>LACO</th>
<th>Name</th>
<th>Address</th>
<th>Gross SQFT</th>
<th>Net SQFT</th>
<th>Ownership</th>
<th>VACANT SQFT</th>
</tr>
</thead>
<tbody>
<tr>
<td>D210</td>
<td>Public Library - Alondra Library</td>
<td>11949 E Alondra Blvd Norwalk 90650</td>
<td>6,000</td>
<td>5,061</td>
<td>Permit</td>
<td>NONE</td>
</tr>
<tr>
<td>A126</td>
<td>DA - Criminal Justice Information System/ISAB</td>
<td>12750 Center Court Dr Cerritos 90703</td>
<td>20,187</td>
<td>19,044</td>
<td>Leased</td>
<td>NONE</td>
</tr>
<tr>
<td>A358</td>
<td>DPSS - Information Technology Division (ITD)</td>
<td>14714 Carmenita Rd Norwalk 90650</td>
<td>44,250</td>
<td>42,038</td>
<td>Leased</td>
<td>NONE</td>
</tr>
<tr>
<td>10245</td>
<td>DCFS - ABC School District</td>
<td>16700 Norwalk Boulevard Cerritos 90703</td>
<td>-</td>
<td>-</td>
<td>Leased</td>
<td>NONE</td>
</tr>
<tr>
<td>A402</td>
<td>PW - Inc City Office (Cerritos)</td>
<td>18125 S Bloomfield Ave Cerritos 90703</td>
<td>123,710</td>
<td>123,710</td>
<td>Gratis Use</td>
<td>NONE</td>
</tr>
<tr>
<td>A066</td>
<td>PW - Inc City Office (Artesia)</td>
<td>18747 S Clarkdale Ave Artesia 90701</td>
<td>14,810</td>
<td>14,810</td>
<td>Gratis Use</td>
<td>NONE</td>
</tr>
</tbody>
</table>
FACILITY LOCATION POLICY ANALYSIS

Proposed lease renewal: Lease Amendment agreement for the DA, ISD and ISAB – 12750 Center Court Drive, Suite 500, Cerritos, CA – 4th District.

A. Establish Service Function Category – Technical support and development for Information Technology systems for the DA which interface with other criminal justice enterprise systems managed and developed by ISD and ISAB.

B. Determination of the Service Area – The proposed lease amendment renewal agreement will allow DA, ISD, and ISAB to continue to provide support for the criminal justice enterprise systems.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: The geographical location is in a central area for the key criminal justices entities, such as Sheriff Systems (City of Norwalk), Public Defender Systems (City of Bellflower), and Superior Court Justice Systems (Downey) according to the Service Request Evaluation document.

- Need for proximity to existing County facilities: This location provides services Countywide.

- Need for proximity to Los Angeles Civic Center: N/A.

- Economic Development Potential: N/A

- Proximity to public transportation: The location is adequately served by local transit services including metro lines, bus service, and the 91 Freeway.

- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.

- Use of historic buildings: N/A
• **Availability and compatibility of existing buildings:** The DA, ISD and ISAB have been determined compatible given the types of programs it houses and it currently operates at capacity. They have been at this location since 1991.

• **Compatibility with local land use plans:** The Department of Public Works has determined that the facility is suitable for County occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

• **Estimated acquisition/construction and ongoing operational costs:** The initial annual maximum rent is $521,430.21 which includes basic rent, parking and initial 3 months of rent abatement. Rental costs are funded by net County costs.

**D. Analyze results and identify location alternatives**

Based upon the space and service needs of DA, ISD and ISAB, the immediate area was surveyed to determine the availability of comparable and more economical site alternatives.

Based upon a review of available industry data, it was established that the weighted average annual rental for the first year for similar space is $32.64 square foot per year plus three months of abated rent ($0.42) from the subject property rental rate on a gross basis for a total of $33.06 ($32.64 + $0.42). Therefore, the basic annual rent for the first year of $25.83 per square foot per year, including parking and initial 3 months of abated rent, for the proposed lease amendment, represents a rate lower than the weight average market adjusted for 3 months of abated rent for the area. Very similar comparables are not available.

**E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria**

The renewal of the subject lease amendment for DA, ISD, and ISAB will provide adequate office space for their employees and efficient space for on-site service to clients, which is consistent with the County’s Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012. The cost of comparable sites would require additional tenant improvements that would probably further increase overall costs.
AMENDMENT NO. 6 TO LEASE NO. 65676
DISTRICT ATTORNEY, INTERNAL SERVICES DEPARTMENT AND
INFORMATION SYSTEMS ADVISORY BOARD

THIS AMENDMENT NO. 6 TO LEASE NO. 65676 ("Amendment" or "Amendment No. 6") is made and entered into as of this ____ day of __________, 20____, by and between CTC OFFICE 2 LP, a Delaware limited partnership, ("Lessor"), and the COUNTY OF LOS ANGELES, a body corporate and politic ("Lessee").

RECITALS:

WHEREAS, CTC OFFICE 2 LP, a Delaware limited partnership, is the successor in interest to CERRITOS OFFICE CENTER II, LLC, a Delaware limited liability company ("COC"), and as such has assumed all obligations of COC pertaining to Lease No. 65676" (the "Lease" or "Lease No. 65676") originally entered into on December 10, 1991, whereby Original Lessor (as defined below) leased to Lessee approximately 20,187 rentable square feet of office space commonly known as Suite 500 (the "Premises") in the building located at 12750 Center Court Drive, Cerritos, CA (the "Building"), for a term of sixty-three (63) months, and;

WHEREAS, COC was the successor in interest to EOP-CERRITOS TOWNE CENTER, LLC, a Delaware limited liability company ("EOP"), and as such, assumed all obligations of EOP pertaining to Lease No. 65676, and the amendments thereto, and;

WHEREAS, EOP was the successor in interest to SPIEKER PROPERTIES, L.P., a California limited partnership ("Spieker"), and as such, assumed all obligations of Spieker pertaining to Lease No. 65676, and the amendments thereto, and;

WHEREAS, Spieker was the successor in interest to BLOOMFIELD ASSOCIATES, a California general partnership ("Original Lessor," ) and as such, assumed all obligations of Original Lessor pertaining to Lease No. 65676, and the amendments thereto, and;

WHEREAS, AMENDMENT NO. 1 to said Lease No. 65676 was made and entered into on April 8th, 1997, and the Lease was extended for a period of thirty-six (36) months subject to the conditions contained therein, and;

WHEREAS, AMENDMENT NO. 2 to said Lease No. 65676 was made and entered into on February 29, 2000, and the Lease was extended for a period of thirty-six (36) months and four days subject to the conditions therein, and;

WHEREAS, AMENDMENT NO. 3 to said Lease No. 65676 was made and entered into on April 15, 2003, and the Lease was extended for a period of sixty (60) months subject to the conditions therein, and;

WHEREAS, AMENDMENT NO. 4 to said Lease No. 65676 was made and entered into on June 4, 2008, and the Lease was extended for a period of sixty (60) months subject to the conditions therein, and;
WHEREAS, AMENDMENT NO. 5 to said Lease No. 65676 was made and entered into on May 14, 2013, and the Lease was extended for a period of sixty (60) months subject to the conditions therein, and;

WHEREAS, the Lease term ended on June 4, 2018 and Lessee has been in "Holdover" tenancy as allowed under Section 6 of the Lease, and;

WHEREAS, on September 19, 2018, Lessor served Lessee with Notice of Default ("Notice of Default") whereby Lessor alleges that a default had occurred under Section 12(A)(ii) of the Lease due to the non-payment of Rent and other charges due by Tenant thereunder in the amount of $60,258.65, and;

WHEREAS, under the Notice of Default Lessor alleged that Lessor may terminate the Lease, collect damages, including reasonable attorneys' fees incurred and terminate Lessee's right to possession of the Premises by any lawful means, and;

WHEREAS, Lessee denies having defaulted under the Lease, as alleged by Lessor under the Notice of Default, and;

WHEREAS, Lessor and Lessee without any admission of liability and for due consideration, the parties wish to resolve any claims they may have against each other and enter into the following, and;

WHEREAS, Lessor and Lessee desire to amend the Lease for the purpose of extending the term of the Lease, removing operating "Expenses," and modifying certain provisions of the Lease as set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements hereinafter contained, and are intended to be legally bound, Lessor and Lessee hereby covenant and agree to amend Lease No. 65676 as follows:

WITNESSETH:

1. Section 2, TERM, of the Lease is hereby amended by addition of the following:

   Extension of Term: The extended term of the Lease shall be for a period of sixty-three (63) months (the "Extended Term") commencing upon approval of this Amendment by the Board of Supervisors (the "Extended Term Commencement Date"), but in no event sooner than February 1, 2019, and ending sixty-three (63) months thereafter. This Amendment, including the Extended Term, shall become effective contingent upon its express approval by the Board of Supervisors of the County of Los Angeles.
2. Paragraph 2(C), **OPTION TO EXTEND TERM**, of the Lease is hereby deleted in its entirety, and replaced with the following:

Lessor hereby grants Lessee one (1) option of five (5) years ("Option") to extend the Extended Term on the same terms and conditions as set forth in this Lease (excepting this Option to Extend) but at a Basic Rent as set forth below. The Option shall be for an additional term of five (5) years commencing upon the expiration of the Extended Term ("Option Term") and shall be exercised only by written notice ("Option Notice") delivered by the United States Mail or by any courier service which can verify delivery to Lessor at least nine (9) months, but not more than twelve (12) months, prior to the expiration of the Extended Term. If Lessee does not deliver the Option Notice for the Option within the time period set forth herein, the Option shall lapse and Lessee shall have no further right to extend the Lease term. Lessee shall have no further right to extend the term beyond the Option Term.

The rental rate shall be adjusted for the Option Term, by negotiation, to a rate not to exceed ninety-five percent (95%) of the fair rental rate ("Fair Rental Rate") which Lessor could derive from the Premises if they were made available on the open market. The Fair Rental Rate of the Premises shall be determined by using the rental rate prevailing for similarly-improved office space within a 2-mile radius of the Premises and subtracting therefrom that portion of the rent covering the tenant improvement allowance, if any, for transactions consummated within the last nine (9) months immediately preceding the commencement date of the Option Term. If similarly improved office space cannot be found within a 2-mile radius of the Premises, then the search area shall be enlarged to a 5-mile radius. In determining the Fair Rental Rate, equitable adjustments to the rental values shall be made for the size and credit worthiness of the Lessee, the quality of the project, the nature of the Lessee's improvements and any other lease terms having an impact on rental value (such as a tenant's option to expand or purchase). In determining the Fair Rental Rate of the Premises, the parties shall be allowed to use leases that utilize a Base Year calculation or triple net calculation as comparable(s) to this Lease so long as appropriate adjustments are made to reflect a "gross" base rent lease. Lessor and Lessee shall have thirty (30) days after Lessor's receipt of the Option Notice in which to mutually agree upon the Fair Rental Rate. If the parties agree upon the Fair Rental Rate as hereinabove described, the parties shall enter into an amendment setting forth the new Basic Rent. However, if the parties are unable to agree upon the Fair Rental Rate, then there shall be conducted a fair rental survey by the Lessor's appraiser and Lessee's appraiser, each of which shall be designated as a Member of the Appraisal Institute of Real Estate Appraisers ("MAI"), Society of Real Estate Appraisers ("SREA") or a
Certified Property Manager ("CPM"). Lessor shall pay the costs for Lessor's appraiser and Lessee shall bear the cost of Lessee's appraisers.

If the Lessor and Lessee cannot agree on the Fair Rental Rate ninety (90) days prior to the expiration of the Extended Term, each shall mutually select a third appraiser who shall also conduct a fair rental appraisal. The third appraiser shall be designated as a MAI, SREA or a CPM. 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 Lessor and Lessee. In the event the negotiations are not completed prior to the effective date of the rent increase, Lessee shall continue to pay rent at the current rate and Lessee shall pay Lessor in a lump sum the difference between the payments made and the adjusted rent due to Lessor, if any adjustment is needed. Payment shall be made to Lessor within sixty (60) days of completion of negotiations.

Following Lessee's acceptance of the sum specified in this Paragraph 2C preceding, Lessee shall prepare an amendment to this Lease setting forth the terms of this Lease as modified by the terms of this Paragraph 2. Said amendment shall be submitted to Lessor for execution and Lessor shall have sixty (60) days following receipt thereof from Lessee in which to properly execute and deliver to Lessee said amendment, without modification. If Lessor should not execute and deliver said amendment as and when required by this Paragraph 2C, the same shall constitute a material default under this Lease.

The Option shall be exercisable by Lessee on the express conditions that at the time of the exercise of the Option and at all times prior to, and upon the date of, the commencement of the Option Term, Lessee shall not be in default under any of the provisions of this Lease.

3. Section 3, RENT, of the Lease is hereby deleted in its entirety, and replaced with the following:

A. Rent: Lessee agrees to pay as Basic Rent for the Premises the sum of Fifty-Seven Thousand Nine Hundred and Thirty-Six Dollars and 69/100 Dollars ($57,936.69) per month, i.e. $2.87 per rentable square foot per month, during the first year of the Extended Term, prior to the first day of each month. Basic Rent for any partial month shall be prorated in proportion to the number of days in such month. Notwithstanding the foregoing or any language to the contrary contained herein, Basic Rent shall be abated for the initial three months after the Extended Term Commencement Date and Basic Rent shall commence and owed on the first day of the fourth month after the Extended Term Commencement Date.
B. Rental Adjustment: On each anniversary of the Extended Term Commencement Date, Basic Rent for the Extended Term shall be increased by three percent (3%) over the Basic Rent due immediately prior to such anniversary as follows:

<table>
<thead>
<tr>
<th>Months</th>
<th>Approximate Monthly Basic Rent/Square Foot</th>
<th>Monthly Basic Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-12</td>
<td>$2.87</td>
<td>$57,936.69</td>
</tr>
<tr>
<td>13-24</td>
<td>$2.96</td>
<td>$59,674.79</td>
</tr>
<tr>
<td>25-36</td>
<td>$3.04</td>
<td>$61,465.03</td>
</tr>
<tr>
<td>37-48</td>
<td>$3.14</td>
<td>$63,308.99</td>
</tr>
<tr>
<td>49-60</td>
<td>$3.23</td>
<td>$65,208.26</td>
</tr>
<tr>
<td>61-63</td>
<td>$3.33</td>
<td>$67,164.51</td>
</tr>
</tbody>
</table>

4. Section 6, HOLDOVER, of the Lease is hereby deleted in its entirety, and replaced with the following:

If Lessee holds over beyond the end of the Extended Term or Option Term, if applicable, with the express written consent of Lessor, such tenancy shall be from month-to-month only, subject to the terms and conditions of this Lease as the same shall apply to a month-to-month tenancy, but shall not be a renewal hereof, and at the Basic Rent for the first three (3) months of holdover period at one hundred and ten percent (110%) the Basic Rent immediately preceding the holdover period, and the Basic Rent for the remainder of the holdover period after the first three (3) months of holdover period shall be at one hundred and twenty-five (125.00%) the Basic Rent immediately preceding the holdover period. Either party may during such holdover cancel this Lease by giving the other party at least thirty (30) days' prior written notice.

5. Paragraph 9, REPAIR, MAINTENANCE AND REPLACEMENT, the first sentence of Paragraph 9, shall be deleted in its entirety and replaced with the following sentence:

This Lease is a Gross Lease.

6. Paragraph 10D, EXCESS UTILITY USAGE, of the Lease is hereby deleted in its entirety, and replaced with the following:

Lessee will not without the prior written consent of Lessor expand the current use of any apparatus or device in the Premises, including without limitation telephone switchgear and servers, or for a use not initially intended for the Premises as of the date hereof, nor shall Lessee materially change the current use of the Premises, nor shall there be a change in the design in the Premises, any one of which will materially increase the amount of cooling or ventilation or electricity or water.
furnished or supplied for current use of the Premises as general office space with server rooms. Lessee shall not connect with electric current (except through existing electrical outlets in the Premises) or water pipes, any apparatus or device for the purpose of using electrical current or water, except as may be provided in Paragraph 25. Notwithstanding the foregoing or any language to the contrary contained herein, to the extent Lessee uses electricity as metered on the dedicated panel for its server room equipment and supplemental cooling only, the cost to Lessor of any such use of utility service shall be paid without markup by Lessee.

For example purposes, the use of utility service shall be calculated as follows:

**KWH FORMULA FOR DOLLAR AMOUNT USAGE**

Example formula:

January xxxx, 869 - 576 = 293 x 8 = 2,344 x $0.13 = $304.72

[i.e., Month of Reading (End of Period Reading – Beginning of period reading = Difference in kWh x Multi-Factor = Total kWh x Southern California Edison Rate that month = Dollar Amount Due]

7. Paragraph 15, **NOTICES**, of the Lease is hereby deleted in its entirety, and replaced with the following:

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. 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. Any such notice and the envelope containing the same shall be addressed to the Lessor as follows:

CTC OFFICE 2 LP, a Delaware limited partnership

c/o Cress Capital Partners, LLC

4000 MacArthur Blvd., Suite 600 East Tower

Newport Beach, CA 92660

with a copy to:

Sklar Kirsh

Attention: Andrew T. Kirsh

HOA.102412075.13
The notices and envelopes containing the same shall be addressed to the Lessee as follows:

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
Attention: Director of Real Estate
222 South Hill Street, 3rd Floor
Los Angeles, California 90012

8. Paragraph 17(D), INDEMNIFICATION BY LESSEE, of the Lease is hereby deleted in its entirety, and replaced with the following:

The Lessee shall indemnify, defend and hold harmless the Lessor, its Special Districts, elected and appointed officers, employees, and agents ("Lessor Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the Lessee’s acts and/or omissions arising from and/or relating to this Lease, except for such loss or damage arising from the sole negligence or willful misconduct of the Lessor Indemnitees.

9. Paragraph 17(E), INDEMNIFICATION BY LESSOR, of the Lease is hereby deleted in its entirety, and replaced with the following:

The Lessor shall indemnify, defend and hold harmless the Lessee, its Special Districts, elected and appointed officers, employees, and agents ("Lessee Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the Lessor’s acts and/or omissions arising from and/or relating to this Lease, except for such loss or damage arising from the sole negligence or willful misconduct of the Lessee Indemnitees.

10. Paragraph 21(E), OPERATING COSTS, of the Lease is hereby deleted in its entirety and INTENTIONALLY OMITTED.
11. Section 25, LESSEE IMPROVEMENTS, of the Lease is hereby deleted in its entirety, and replaced with the following:

A. Lessee acknowledges that it is already in possession of the Premises pursuant to Lease No. 65676, and that Lessor shall be deemed to have delivered possession of the Premises to Lessee on the Extended Term Commencement Date in an "as-is" condition with no alterations or improvements being made by Lessor except the following:

B. Tenant Improvements: Lessor shall, at Lessor's cost following the Extended Term Commencement Date, perform the work more particularly described in Exhibit A attached hereto and incorporated herein by this reference (collectively, the "Lessor Work"). The Lessor Work shall be performed using materials, procedures and specifications, as set forth in Exhibit A herein. Lessor agrees to perform the Lessor Work before 7:00 a.m. or after 6:00 p.m. on Mondays through Fridays and/or at any time on the weekends. Lessee hereby agrees to use its best efforts to cooperate with Lessor in connection with the construction of the Lessor Work. Notwithstanding the immediately preceding sentence, in connection with the performance of the Lessor Work, Lessor agrees to move, to the extent necessary, but at no liability to Lessor, Lessee's furniture and such other items as Lessor may require be moved in order to perform the Lessor Work; provided, however, Lessee shall be required to disconnect and move Lessee's computers, copiers and other personal property which Lessor or its contractor may request be moved. Notwithstanding the foregoing, Lessor shall use its commercially reasonable efforts to perform the Lessor Work in a manner so as to minimize unreasonable interference with Lessee's business at the Premises. Lessor shall endeavor to perform all Lessor work within six (6) months of the approval of this Amendment by the Board of Supervisors of the County of Los Angeles. In the event (i) Lessor should fail, neglect or refuse to complete the repair, replacement or maintenance work required by this Paragraph with respect to the Premises herein within the aforementioned six month period then within twenty (20) days after written notice has been served by Lessee, or (ii) Lessor should fail, neglect or refuse to commence the repair, replacement or maintenance work required of Lessor under this Paragraph with respect to the Premises in the event of an emergency within a time period commensurate with the extreme nature of such emergency, then in either event, Lessee may perform or cause to be performed said repair, replacement or maintenance work and shall bill Lessor therefor providing copies of paid invoices or abate rent in an equal amount, in Lessor's sole absolute discretion.

12. Paragraph 26, OPERATING COSTS, of the Lease is hereby deleted in its entirety, and replaced with the following paragraph;
26. COMMON AREA: "Common Area" means that portion of the Project other than the Building and other buildings for lease to lessees which is from time to time designated and improved for nonexclusive, common use by more than one person. The general location of the Common Area is shown on Exhibit A-1. Common Area includes parking facilities in the Project.

In avoidance of ambiguity, the purpose of the deletion of Paragraph 26 is to remove any expenses, costs, or additional rent from the original Lease, except for HVAC after-hours charges as specified in Paragraph 10(B) of the Lease and excess utility usage that is on Lessee's dedicated panel for its server rooms as specified in Paragraph 10(D) of the Lease. Lessor and Lessee have agreed to amend the Lease in order for Lessee to only be responsible for Basic Rent, HVAC after-hours charges, excess utility usage that is on Lessee's dedicated panel for its server rooms, and in order to amend the Lease so that Lessee shall not be responsible for any payment of any Building and/or Common Area expense, cost, or additional rent.

13. Paragraph 33, ADDITIONAL MISCELLANEOUS, of the Lease is hereby amended by deleting the subsection entitled "Brokers" and replacing it with the following:

Brokers: Each party represents and warrants to the other that no broker, agent or finder, negotiated or was instrumental in negotiating or consummating this Amendment. Each party further agrees to defend, indemnify and hold harmless the other party from and against any claim for commission or finder's fee by any person or entity, who claims or alleges that they were retained or engaged by the indemnifying party or at the request of such party in connection with this Amendment.

14. Paragraph 42, SUPPLEMENTAL HVAC MAINTENANCE, of the Lease is hereby deleted in its entirety and INTENTIONALLY OMITTED.

15. Original Lease in Full Force. Notwithstanding anything to the contrary herein, except as specifically amended or modified herein, each and every term, covenant, and condition of the Lease as amended hereby is ratified and shall remain in full force and effect. Lessee represents and warrants as of the date hereof that (a) no defenses or offsets exist to the enforcement of the Lease by Lessor, (b) neither Lessee nor Lessor is in default in the performance of the Lease or any provisions contained therein, (c) neither Lessee nor Lessor has committed any breach of the Lease, nor has any default occurred which, with the passage of time or the giving of notice or both, would constitute a default or a breach by Lessee or Lessor under the Lease. In the event of a conflict between the Lease and the prior amendments to the Lease and this Amendment No. 6, the terms of this Amendment shall control.

16. This Amendment No. 6 shall not be effective unless all past due amounts owed to Lessor, including but not limited to, Basic Rent, Additional Rent, Operating
Expenses, and/or other amounts totaling the sum of $60,258.65 (collectively, "Past Due Amounts") shall be paid within no later than five (5) business days after the Extended Term Commencement Date. If Lessee fails to pay in full the Past Due Amounts within such five (5) business day period, this Amendment No. 6 shall be null and void, and Lessor shall have all rights and remedies available to it in connection with a default by Lessee.
IN WITNESS WHEREOF, the Lessor has executed this Amendment or caused it to be duly executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment to be executed on its behalf by the Chairman of said Board and attested to by the Clerk thereof the day, month, and year first above written.

LESSOR:

CTC OFFICE 2 LP,
a Delaware limited partnership

By: _________________________
Name: Ryan Parkin
Its: Vice President

LESSEE:

COUNTY OF LOS ANGELES,
a body politic and corporate

SACHI A. HAMAI
Chief Executive Officer

By: _________________________
Name: David P. Howard
Its: Assistant Chief Executive Officer

ATTEST:

DEAN C. LOGAN
Recorder/County Clerk
of the County of Los Angeles

By: _________________________
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: _________________________
Deputy
EXHIBIT A

LESSOR WORK

Lessor, at Lessor's sole cost and expense, shall perform the following Lessor Work in the Premises, utilizing Lessee's current standard grade, quality, make, style, design and color materials, as applicable:

Paint:

A. Re-paint all existing accessible office walls and painted surfaces within the Premises and touch-up paint all other interior portions of the Premises to the extent needed, using paint to the Lessee's specifications.

Carpet:

A. Install new carpet tiles throughout, where carpet is currently installed to the Lessee's specifications as listed in Exhibit A-1.

B. Lessor will carpet floor in server room. Lessee has one year after the effective date of this Amendment to remove servers from server room in order for Lessor to upgrade and replace with carpet tiles, or this will be excluded from the Work Letter. In addition, Lessor will use best efforts to obtain similar carpet design patterns should the existing design become unavailable. Lessee is to store carpet in the Premises.

C. Lessor will perform the furniture lift for carpet replacement, including moving any furniture, fixtures, and/or equipment (provided, however, Lessee shall be responsible for shutting off and moving all electrical equipment), and other property which Lessor or its contractor may require be moved to perform the work, provided however, that upon prior notice from Lessor or its contractor, Lessee shall arrange for all appropriate telephone, communication and computer wires or cables to be disconnected in advance of the moving of such equipment. Lessor and Lessee hereby agree to cooperate with the other party and exercise reasonable, good faith efforts to coordinate the timing and planning of the Tenant Improvement work.

Bathrooms:

A. Deep clean men's and women's bathrooms to include new building standard auto soap dispensers & paper towel holders to be closer to sink.

Kitchen:

A. Kitchen floor to be replaced with VCT product.

B. Clean kitchen/lunch room to include replacing and upgrading two electrical (GFI) outlets in the kitchen/lunch room counter area.
Conference Room:
A. Repair conference room partitions.

HVAC:
A. Lessor to supply HVAC schematic plans with a clear description of zone controls.

Window Blinds:
A. Blinds need to be repaired, unless found by Lessor to be in such condition that replacement is necessary on a case by case basis and in accordance with the attached floor plan.

Lobby:
A. Stone in the common area lobby to be deep cleaned or use heavy scrubbing by a janitor or contractor.

Tenant Improvement to be done in a class A workman like manner by a licensed contractor and to the mutual satisfaction of Lessor and Lessee. Tenant Improvements to be completed within six months of the Board of Supervisors approval of this agreement with the exception of Item (B) under carpet.
None. Check for pulley operation.

None. Check for pulley operation.
EXHIBIT A-1

Carpet shall be shaw contact group OR APPROVED EQUAL, 22 oz/sq. min. carpet tiles; glue-down installation. Color selection by County of Los Angeles.