



## County of Los Angeles CHIEF EXECUTIVE OFFICE OPERATIONS CLUSTER

SACHI A. HAMAI  
Chief Executive Officer

**DATE:** March 25, 2020  
**TIME:** 2:00 p.m. – 4:00 p.m.  
**LOCATION:** Kenneth Hahn Hall of Administration, Room 830  
**TELECONFERENCE CALL-IN NUMBER: 1(415)655-0001**  
**TELECONFERENCE ID: 921652695**  
**HOST: Rick Velasquez**

To join via phone, dial 1 (415) 655-0001, then press 921652695 #, then press # when prompted for attendee number **\*\*IF DIALING IN PLEASE CALL IN AT 1:45 P.M. TO FACILITATE PARTICIPANT CHECK-IN\*\***

**DUE TO THE CLOSURE OF ALL COUNTY BUILDINGS, MEMBERS OF THE PUBLIC WILL NEED TO CALL IN TO PARTICIPATE IN THE MEETING.**

### AGENDA

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 – Rick Velasquez/Gevork Simdjian**
2. **INFORMATIONAL ITEM(S):**  
**(5 minutes)**
  - A) Board Letter:  
APPROVAL OF FOUR-YEAR LEASE FOR CONTINUED USE OF OFFICE SPACE BY LASD/ 3055 WILSHIRE BOULEVARD, LOS ANGELES  
CEO/RE/LASD – Michael Navarro, Chief Program Specialist
  - B) Board Letter:  
APPROVAL OF FIVE-YEAR LEASE FOR CONTINUED USE OF OFFICE AND PARKING SPACE BY LASD  
901 CORPORATE CENTER DRIVE, MONTEREY PARK  
CEO/RE/LASD – Michael Navarro, Chief Program Specialist

**CONTINUED ON PAGE 2**

C) Board Letter:  
APPROVAL TO PAY ADDITIONAL INTEREST ON TENANT  
IMPROVEMENT EXPENSES (LEASE NO. 71353) FOR DCFS/  
1373 CENTER COURT DRIVE, COVINA  
CEO/RE/DCFS –Bryan Bell, Chief Program Specialist

D) Board Letter:  
ORDER FOR EXPANSION OF OFFICE AND DATA SPACE FOR THE  
USE OF ISD/444 NORTH NASH STREET, EL SEGUNDO  
CEO/RE/ISD – Michael Navarro, Chief Program Specialist

3. **PRESENTATION/DISCUSSION ITEMS:**

None available.

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

5. **Adjournment**

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**FUTURE AGENDA TOPICS**

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**CALENDAR LOOKAHEAD:**

(5 minutes)

Board Letter:  
DPW – CONTRACT WITH LCPTRACKER, INC., FOR COMPLIANCE  
MONITORING OF LOCAL AND TARGETED WORKING HIRING POLICY

Board Letter:  
CEO/SI – CAL FIRE URBAN FOREST MANAGEMENT PLAN FUNDING

## BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

<b>OPS CLUSTER AGENDA REVIEW DATE</b>	3/25/2020			
<b>BOARD MEETING</b>	4/14/2020			
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	2			
<b>DEPARTMENT</b>	Sheriff			
<b>SUBJECT</b>	Approve a proposed four-year Lease for the continued use of 8,054 square feet of existing office space together with use of up to 32 on-site parking spaces at 3055 Wilshire Boulevard, Los Angeles.			
<b>PROGRAM</b>	Psychological Services Bureau			
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:			
<b>DEADLINES/ TIME CONSTRAINTS</b>	The existing lease agreement is currently on month to month holdover with no penalty since May 12, 2019.			
<b>COST &amp; FUNDING</b>	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Total cost: \$1,205,000 for rent and parking costs over initial five years</td><td style="width: 50%;">Funding source: 100% Net County Cost</td></tr> </table> <p>TERMS (if applicable): The proposed Lease provides for an annual rental increase fixed at 4 percent. The County shall have a one-time right after the 36<sup>th</sup> month following commencement to terminate the Lease upon 180-day prior written notice. The Landlord will provide a non-reimbursable base TI allowance of \$120,810 or \$15 per square foot, included in the lease.</p> <p>Explanation: There is sufficient appropriation in the Fiscal Year (FY) 2019-20 Rent Expense Budget to cover the first-year costs, which will then be billed to the Sheriff. The Sheriff has sufficient appropriation in the Sheriff's Fiscal Year (FY) 2019-20 operating budget to cover these costs for the first year. Beginning with FY 2020-21, ongoing funding for the proposed lease will be part of the budget for Sheriff. These costs are 100 percent net County cost.</p>		Total cost: \$1,205,000 for rent and parking costs over initial five years	Funding source: 100% Net County Cost
Total cost: \$1,205,000 for rent and parking costs over initial five years	Funding source: 100% Net County Cost			
<b>PURPOSE OF REQUEST</b>	Approval of the recommended actions will continue to provide the necessary space to accommodate this County requirement.			
<b>BACKGROUND (include internal/external issues that may exist)</b>	Sheriff has occupied office space at 3055 Wilshire Boulevard, Los Angeles, housing its Psychological Services Bureau (PSB) since 1999. The PSB provides various services and programs to its sworn and professional staff, their family members and significant others focusing on personal and/or job-related stress issues. The proposed lease will continue to provide the Sheriff with its current office and direct service space for its ongoing operations. The premises will accommodate 26 staff members and visitors with adequate parking.			
<b>DEPARTMENTAL AND OTHER CONTACTS</b>	Name, Title, Phone # & Email:  Michael Navarro, Chief Program Specialist 213-974-4364 mnavarro@ceo.lacounty.gov			



SACHI A. HAMAI  
Chief Executive Officer

## 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>

Board of Supervisors  
HILDA L. SOLIS  
First District

MARK RIDLEY-THOMAS  
Second District

SHEILA KUEHL  
Third District

JANICE HAHN  
Fourth District

KATHRYN BARGER  
Fifth District

April 14, 2020

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**FOUR-YEAR LEASE  
SHERIFF'S DEPARTMENT  
3055 WILSHIRE BOULEVARD, LOS ANGELES  
SECOND DISTRICT  
(3 VOTES)**

**SUBJECT**

Approval of a proposed lease to provide the Sheriff's Department with continued use of 8,054 rentable square feet of office space and up to 32 on-site parking spaces.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed lease 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 Acting Chief Executive Officer, or her designee, to execute the proposed lease with 3055 Wilshire, LLC (Landlord), for approximately 8,054 rentable square feet of office space, and 32 on-site parking spaces at 3055 Wilshire Boulevard, Los Angeles, CA to be occupied by the Sheriff's Department (Sheriff). The estimated maximum first-year base rental cost is \$231,956. The total base rental cost payable to the Landlord under the proposed lease would be approximately \$985,000 over the four-year term. The Sheriff's total lease costs payable to the Landlord would not exceed \$1,205,000 over the five-year term, which is comprised of the \$985,000 base rental cost and estimated \$220,000 parking cost. The rental costs will be 100 percent net County cost.

3. Authorize and direct the Acting Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the terms of the proposed lease and to take other actions necessary and appropriate to implement and effectuate the terms of the proposed lease, including, without limitation, exercising early termination rights, option to extend term, and the right of first offer to lease additional premises. The proposed lease will become effective upon approval by the Board.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Since 1999, the Sheriff has occupied office space at 3055 Wilshire Boulevard, Los Angeles, housing its Psychological Services Bureau (PSB). The PSB provides various services and programs to its sworn and professional staff, their family members and significant others, focusing on personal and/or job-related stress issues. This direct service function is comprised of three major components: (i) Counseling and Consulting Services; (ii) Organizational Consultant Program; and (iii) Addiction Recovery/Peer Support Program. The lease expired on May 12, 2019, and has been on a month-to-month holdover basis without any holdover fee, since that time.

The proposed lease will continue to provide the Sheriff with its current office and direct service space for its ongoing operations. The proposed premises will accommodate 26 staff members and visitors with adequate parking.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan Goal 1 - *"Make Investments That Transform Lives"* - directs that we will aggressively address society's most complicated social, health, and public safety challenges. This proposed lease supports this goal by providing the Sheriff with a facility that provides proper accommodations for office space and other necessary associated uses.

The proposed lease conforms with the Asset Management Principles outlined in Attachment A.

### **FISCAL IMPACT/FINANCING**

There is sufficient appropriation in the Fiscal Year (FY) 2019-20 Rent Expense Budget to cover the first-year costs, which will then be billed to the Sheriff. The Sheriff has sufficient appropriation in the Sheriff's FY 2019-20 operating budget to cover these costs for the first year. Beginning with FY 2020-21, ongoing funding for the proposed lease will be part of the budget for the Sheriff. These costs are 100 percent net County cost.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

In addition to the terms described herein, the proposed lease includes the following provisions:

- The Landlord will be responsible for all operating and maintenance costs associated with the facility.
- The Landlord has conducted a remeasurement of the existing premises, in accordance with industry standards, which has resulted in an increase of 299 square feet in the total amount of rentable square footage from 7,755 rentable square feet to 8,054 rentable square feet.
- The maximum first-year base rental cost is \$231,956 or \$28.80 annually per square foot, with annual rental adjustments of 4 percent per annum.
- Total parking costs are estimated to be \$54,912 per year based on the Sheriff's right to lease 16 stalls at prevailing rates (currently \$130 per stall per month) and a right to lease 16 additional stalls at 120 percent of prevailing rates (currently \$156 per stall per month).
- The Landlord will provide a non-reimbursable base tenant improvement allowance of \$120,810 or \$15 per square foot, included in the lease.
- Attachment B provides an overview of the total proposed lease costs.
- A cancellation provision allows the County to terminate the proposed lease at 36 months with six months prior written notice.
- The proposed lease contains a holdover provision, which includes an increase to base rent by an amount equal to 25 percent of the base rent at the time of lease expiration, for the first twelve months of holdover. Thereafter, the monthly base rent shall increase by 50 percent of the base rent at the time of the lease expiration. The County's holdover tenancy may be terminated upon 30 days' notice from the Landlord.
- The proposed lease gives the County a right of first offer to lease additional contiguous space on the second floor of the building. If the Landlord intends to offer such space or receives a third party offer to lease such space, the Landlord shall give the County first rights to match the proposed rental rate and lease the space, which right County must exercise within 30 days from the Landlord's notice.

- The proposed lease gives the County the option to extend the lease term for five years at fair market rental rate by providing not less than six months prior written notice.
- The proposed lease shall be effective upon approval by the Board and commence upon full execution by the parties.

The Chief Executive Office (CEO), through its broker representative, CBRE, conducted a survey within the project area to determine the availability of comparable office space options. CBRE was unable to identify any sites in the survey area that could accommodate this requirement more economically. Based upon a review of available industry data, CBRE has established that the average annual rental range for a comparable lease in this area is between \$26.40 and \$30 per square foot. The base annual rental rate of \$28.80 per square foot per year is within market range for the area.

Research has been completed to evaluate the option of utilizing co-working as an alternative location for this Sheriff's program. The Chief Executive Officer (CEO) spoke with co-working office space companies about long term leases and they have informed us that their co-working office space is not suited for long-term occupancy since it is not financially viable for long-term occupancy in comparison to the rental costs of traditional long-term office space providers.

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 the facility and found it suitable for up to four years of County occupancy. The exercise of the option will be contingent on the determination that the building remains suitable for County occupancy prior to exercising the option to extend. A notification letter to the City of Los Angeles has been sent pursuant to Government Code Section 25351. County Counsel has reviewed the attached proposed lease and has approved it as to form.

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

## **ENVIRONMENTAL DOCUMENTATION**

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 of Supervisors, and Section 15301 of the State CEQA Guidelines (Existing Facilities). The proposed lease, which involves the leasing of existing office space with minor tenant improvements within an existing building, is within a class of projects that have been determined not to have a significant effect on the environment and 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 project 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, a Notice of Exemption will be filed with the Registrar-Recorder/County Clerk in accordance with Section 21152 of the California Public Resources Code.

## **IMPACT ON CURENT SERVICES (OR PROJECTS)**

The proposed lease will adequately provide the necessary office space for this County requirement. Sheriff concurs with the proposed recommendation.



The Honorable Board of Supervisors

April 14, 2020

Page 6

**CONCLUSION**

It is requested that the Executive Office, Board of Supervisors return one certified copy of the Minute Order, and the adopted stamped Board letter to the CEO, Real Estate Division, at 320 West Temple Street, 7<sup>th</sup> Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

FESIA A. DAVENPORT  
Acting Chief Executive Officer

FAD:DPH:DL  
JLC:MAN:RL:gw

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Sheriff

**SHERIFF'S DEPARTMENT**  
**3055 WILSHIRE BOULEVARD, LOS ANGELES**  
**Asset Management Principles Compliance Form<sup>1</sup>**

<b>1.</b>	<b><u>Occupancy</u></b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
A	Does lease consolidate administrative functions?		X		
B	Does lease co-locate with other functions to better serve clients?			X	
C	Does this lease centralize business support functions?		X		
D	Does this lease meet the guideline of 200 sq. ft of space per person? <b>Larger due to counseling and clinical functions.</b>			X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline?		X		
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?		X		
<b>2.</b>	<b><u>Capital</u></b>				
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? No other County owned space available for this program.				X
F	Is Building Description Report attached as Attachment C?		X		
G	Was build-to-suit or capital project considered? <b>The County already occupies the facility and a capital project was not considered.</b>			X	
<b>3.</b>	<b><u>Portfolio Management</u></b>				
A	Did department utilize CEO Space Request Evaluation (SRE)?		X		
B	Was the space need justified?		X		
C	If a renewal lease, was co-location with other County departments considered?			X	
D	Why was this program not co-located?				
	1. ____ The program clientele requires a "stand alone" facility.				
	2. ____ No suitable County occupied properties in project area.				
	3. <u>X</u> 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? <sup>1</sup>		X		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98					
<sup>2</sup> If not, why not?					

### OVERVIEW OF THE PROPOSED LEASE COSTS

<b>4510 E. Pacific Coast Highway, Long Beach</b>	<b>Existing Lease</b>	<b>Proposed Lease</b>	<b>Change</b>
Area (Square Feet)	7,755 sq.ft.	8,054 sq.ft.	+299 sf (Per Landlord remeasurement)
Term (years)	5 years (5/13/2014 – 5/12/2019)	4 years	-1 year
Annual Base Rent <sup>(1)</sup>	\$177,637.20 (\$1.62/sf/mo or \$22.90/sf/year)	\$231,955.20 (\$2.40/sf/mo or \$28.80/sf/year)	+\$54,318
Annual TI Reimbursement	N/A	N/A	None
Parking <sup>(2)</sup>	\$2,240 (\$70/space/mo)	\$54,912 (First 16 spaces at \$130/space/mo and next 16 spaces at \$156/space/mo)	+\$51,952
Rental rate adjustment	Annual CPI increases capped at 3 percent	Annual 4 percent increase per year	+ 1 percent
Cancellation	Terminate at any time on 60 days prior written notice	County at 36 <sup>th</sup> month with 180 days' notice	90 day more notice time

- (1) The existing and proposed leases are both gross, with the landlord responsible for paying all costs associated with operational and building maintenance.
- (2) The proposed lease requires that the County pay prevailing rates (currently \$130 per parking space per month) (2/1000) and may pay for an additional 2/1000 at 120% of prevailing rates (currently \$156 per parking space per month). The amount set forth assumes all parking spaces are utilized.

## OVERVIEW OF THE PROPOSED LEASE COST

Sheriff Department  
3055 Wilshire Boulevard, Suite 200

Leased Area (sq.ft.)	8,054	
Term (months)	48	
Annual Rent Adjustment	4.00%	
Base Rent	<b>Cost Per RSF Per Month</b> \$2.40	<b>Cost Per RSF Per Year</b> \$28.80
Parking (16 parking spaces)	<b>Cost Per Space Per Stall</b> \$130	<b>Cost Per Space Per Year</b> \$1,560
Additional Parking (16 parking spaces)	\$156	\$1,872

	1st Year	2nd Year	3rd Year	4th Year	Total 4 Year Rental Costs
<b>Annual Base Rent Costs <sup>1</sup></b>	231,956	241,234	250,883	260,919	<b>985,000</b>
<b>Parking Costs <sup>2</sup></b>	54,912	54,912	54,912	54,912	<b>220,000</b>
<b>Total Annual Lease Costs</b>	<b>286,868</b>	<b>296,146</b>	<b>305,795</b>	<b>315,831</b>	<b>1,205,000</b>

<sup>1</sup> Annual base rent includes fixed 4 percent annual increases.

<sup>2</sup> The parking costs includes 16 parking spaces at the prevailing market rate (\$130 per stall per month) and an additional 16 spaces at 20% of the prevailing rate (\$156 per stall per month) for a total of 32 parking spaces. Prevailing rate may increase over the term of the lease.

\*Calculation note: All numbers are rounded up to ensure sufficient funds available to pay the specified expense.

**SHERIFF'S DEPARTMENT  
SPACE SEARCH – 3 MILE RADIUS  
3055 WILSHIRE BOULEVARD, LOS ANGELES**

LACO	Name	Address	Proprietor	Ownership Type	Property Use	Gross SqFt	Net SqFt	Vacant
A405	BOS/Arts Commission - Wilshire - Bixel Building	1055 Wilshire Blvd Ste. 800 Los Angeles 90017	Board of Supervisors	Leased	Multi Use Bldg - Office	9,906	9,410	NONE
A675	DA - Metro Court/DCFS Metro North/ERCP/Call Center	1933 S Broadway Los Angeles 90007	Children and Family Services	Leased	Multi Use Bldg - Office	148,483	141,059	NONE
A216	DPSS - Appeals & State Hearings	811 Wilshire Blvd Suite 1118 Los Angeles 90017	Public Social Services	Leased	Multi Use Bldg - Office	5,665	5,439	NONE
A118	Citizens Commission On Jail Violence	355 S Grand Ave Los Angeles 90071	Chief Executive Office (CEO)	Gratis Use	Multi Use Bldg - Office	60,984	60,984	NONE
B500	DHS - Workforce Development Program	500 S Virgil Ave Los Angeles 90020	Health Services	Permit	Multi Use Bldg - Office	8,000	7,200	NONE
A578	Auditor - Shared Services Initiative	3470 Wilshire Blvd Los Angeles 90010	Auditor-Controller	Leased	Multi Use Bldg - Office	21,500	20,425	NONE
A627	County Admin Offices - LA World Trade Center	350 S Figueroa St. Los Angeles 90071	County Counsel	Leased	Multi Use Bldg - Office	68,314	65,511	NONE
A632	Office of Inspector	312 S Hill St. Grand Central Market Los Angeles 90012	Public Defender	Leased	Multi Use Bldg - Office	9,782	9,293	NONE
Y193	Parks & Recreation - Headquarters Building	433 S Vermont Ave Los Angeles 90020	Parks and Recreation	Owned	Multi Use Bldg - Office	31,862	21,777	NONE
5456	Health Services Administration Building	313 N Figueroa St. Los Angeles 90012	Health Services	Owned	Multi Use Bldg - Office	221,359	130,143	NONE
10108	Parks and Recreation Planning and Development	510 S Vermont Ave Los Angeles 90020	Parks and Recreation	Owned	Multi Use Bldg - Office	30,788		NONE
10112	Regional Parks and Open Space District	510 S Vermont Ave Los Angeles 90020	Parks and Recreation	Owned	Multi Use Bldg - Office			NONE
5266	Metropolitan Courthouse	1945 S Hill St. Los Angeles 90007	Chief Executive Office (CEO)	CA - Superior Courts	Multi Use Bldg - Office	303,433	136,422	NONE
X317	DCSS - Le Sage Complex 4 Story Building	3175 W 6th St. Los Angeles 90020	WDACS	Owned	Multi Use Bldg - Office	52,230	40,146	NONE
A369	DCFS - Headquarters Annex	501 Shatto Pl Los Angeles 90020	Children and Family Services	Leased	Multi Use Bldg - Office	17,751	15,976	NONE
A413	Human Resources - Wilshire Square Two Building	3333 Wilshire Blvd Los Angeles 90010	Human Resources	Leased	Multi Use Bldg - Office	85,991	72,804	NONE
A425	DCFS - Headquarters Building	425 Shatto Pl Los Angeles 90020	Children and Family Services	Leased	Multi Use Bldg - Office	81,912	77,816	NONE
X550	Mental Health - Le Sage Complex Tower	550 S Vermont Ave Los Angeles 90020	Mental Health	Owned	Multi Use Bldg - Office	171,651	148,400	NONE
A360	DPSS - Metro North AP/Calworks District Office	2601 Wilshire Blvd Los Angeles 90057	Public Social Services	Leased	Multi Use Bldg - Office	62,000	60,140	NONE

L360	DPSS - Metro North/CalWORKs District	2601 Wilshire Blvd Los Angeles 90057	Public Social Services	Leased	Multi Use Bldg - Office	501,000	40	NONE
X510	Parks & Rec - Le Sage Complex 2 Story Building	510 S Vermont Ave Los Angeles 90020	Public Health	Owned	Multi Use Bldg - Office	31,540	24,835	NONE
A429	CEO - Real Estate Division/Service Integration	222 S Hill St. Los Angeles 90012	Public Defender	Leased	Multi Use Bldg - Office	34,737	30,798	NONE
A424	DPSS - Equitable Plaza Building	3435 Wilshire Blvd Los Angeles 90010	Public Social Services	Leased	Multi Use Bldg - Office	65,871	62,577	NONE
3154	Clara Shortridge Foltz Criminal Justice Center	210 W Temple St. Los Angeles 90012	Chief Executive Office (CEO)	CA - Superior Courts	Multi Use Bldg - Office	1,036,283	516,275	NONE
3155	Performing Arts Center - De Lisa Building/The Annex	301 N Grand Ave Los Angeles 90012	WDACS	Owned	Multi Use Bldg - Office	27,582	17,978	NONE
0181	Kenneth Hahn Hall of Administration	500 W Temple St. Los Angeles 90012	Board of Supervisors	Owned	Multi Use Bldg - Office	958,090	557,268	NONE
0156	Hall of Records	320 W Temple St. Los Angeles 90012	District Attorney	Owned	Multi Use Bldg - Office	438,095	260,776	NONE
A532	PH Health - Wilshire Metroplex Building	3530 Wilshire Blvd Los Angeles 90010	Public Health	Leased	Multi Use Bldg - Office	113,027	101,920	NONE
B922	DPSS - Wilshire Special District Office	2415 W 6th St. Los Angeles 90057	Public Social Services	Leased	Multi Use Bldg - Office	46,228	42,065	NONE
B695	PH - Immuniz&Envir Health/Mental Health	695 S Vermont Ave Los Angeles 90010	Public Health	Leased	Multi Use Bldg - Office	125,622	118,605	NONE

## **FACILITY LOCATION POLICY ANALYSIS**

**Proposed lease renewal:** Four-year Lease agreement for the Sheriff's Department – 3055 Wilshire Boulevard, Los Angeles – Second Supervisorial District.

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

**B. Determination of the Service Area** – The proposed lease will provide a four-year lease extension for the existing Sheriff's Department program.

### **C. Apply Location Selection Criteria to Service Area Data**

- Need for proximity to service area and population: Continuing need for existing operation in the Mid-Wilshire region in support of Psychological Services Bureau.
- Need for proximity to existing County facilities: Close to other County departments.
- Need for proximity to Greater Los Angeles: The current site provides a central location, just west of Downtown Los Angeles and is accessible to public transportation.
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit including a nearby Metro station.
- 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: There are no alternative existing County buildings available to meet the Department's needs.
- Compatibility with local land use plans: The site is currently zoned commercial, and the current use is consistent with the building's use and zoning and not in conflict with the goals and policies of the City of Los Angeles. A notification letter has been sent pursuant to Government Code Section 25351.

- Estimated acquisition/construction and ongoing operational costs: The first-year maximum costs associated with the proposed lease are \$286,868, which includes base rent of \$231,956 and estimated parking costs of \$54,912. Rental costs for the Sheriff are 100 percent net County cost.

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

Based upon the space and service needs of Sheriff, CBRE surveyed the immediate area to determine the availability of comparable and more economical site alternatives.

Based upon a review of available industry data, CBRE has established that the average annual rental range for a comparable lease in this area is between \$26.40 and \$30 per square foot. The base rental rate of \$28.80 per square foot per year for the proposed lease is within market range for the area.

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

The existing facility provides proper accommodations for the Sheriff within the indicated service area. The proposed lease conforms with the Asset Management Principles outlined in Attachment A. The existing services provided by the Sheriff within the existing facility will continue to provide an appropriate location, which is consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.



**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE**

**LEASE AGREEMENT**

**COUNTY OF LOS ANGELES – Tenant**

**for Sheriff's Department**

**3055 WILSHIRE, LLC – Landlord**

**3055 WILSHIRE BOULEVARD**

**SUITE 200**

**LOS ANGELES, CALIFORNIA 90010**

## TABLE OF CONTENTS

	Page
1. BASIC LEASE INFORMATION .....	1
1.1 Terms .....	1
1.2 Defined Terms Relating to Landlord's Work Letter .....	3
1.3 Exhibits to Lease.....	4
1.4 Landlord's Work Letter .....	4
2. PREMISES.....	5
2.1 Lease of Premises .....	5
3. COMMON AREAS.....	5
4. COMMENCEMENT AND EXPIRATION DATES .....	5
4.1 Term .....	5
4.2 Termination Rights.....	5
5. RENT .....	6
5.1 Base Rent.....	6
5.2 Base Rent Adjustments.....	6
6. USES .....	7
7. HOLDOVER .....	7
8. COMPLIANCE WITH LAW .....	7
9. DAMAGE OR DESTRUCTION .....	7
9.1 Damage .....	7
9.2 Tenant Termination Right.....	8
9.3 Damage In Last Year .....	8
9.4 Default By Landlord .....	8
10. REPAIRS AND MAINTENANCE .....	9
10.1 Landlord Representations .....	9
10.2 Landlord Obligations .....	10
10.3 Tenant Obligations.....	11
10.4 Tenant's Right to Repair .....	11
11. SERVICES AND UTILITIES .....	12
11.1 Services.....	12
11.2 Utilities .....	13
12. TAXES .....	14
13. LANDLORD ACCESS .....	14
14. TENANT DEFAULT .....	14
14.1 Default .....	14
14.2 Termination.....	15
14.3 No Effect on Indemnity.....	15
15. LANDLORD DEFAULT .....	15
15.1 Remedies .....	15
15.2 Waiver .....	16
15.3 Emergency.....	16
16. ASSIGNMENT AND SUBLETTING .....	16
16.1 Assignment and Subletting .....	16
16.2 Sale .....	16
17. ALTERATIONS AND ADDITIONS.....	17
17.1 Landlord Consent.....	17
17.2 End of Term .....	17
18. CONDEMNATION.....	17
18.1 Controlling Terms.....	17

18.2	Total Taking .....	18
18.3	Partial Taking .....	18
18.4	Restoration .....	18
18.5	Award .....	18
18.6	Waiver of Statute .....	19
19.	INDEMNIFICATION.....	19
19.1	Landlord's Indemnity .....	19
19.2	Tenant's Indemnity.....	19
20.	INSURANCE .....	19
20.1	Waiver .....	19
20.2	General Insurance Provisions – Landlord Requirements.....	20
20.3	Insurance Coverage Types And Limits.....	22
20.4	Landlord Requirements.....	23
21.	PARKING .....	23
21.1	Tenant's Rights .....	23
21.2	Remedies .....	24
22.	ENVIRONMENTAL MATTERS.....	24
22.1	Hazardous Materials .....	24
22.2	Landlord Indemnity .....	25
23.	ESTOPPEL CERTIFICATES.....	26
24.	TENANT IMPROVEMENTS .....	26
25.	LIENS.....	26
26.	SUBORDINATION AND MORTGAGES .....	26
26.1	Subordination and Non-Disturbance .....	26
26.2	Existing Deeds of Trust.....	26
26.3	Notice of Default .....	26
27.	SURRENDER OF POSSESSION.....	27
28.	SIGNAGE.....	27
29.	QUIET ENJOYMENT .....	27
30.	GENERAL .....	27
30.1	Headings .....	27
30.2	Successors and Assigns.....	28
30.3	Brokers .....	28
30.4	Entire Agreement.....	28
30.5	Severability .....	28
30.6	Notices.....	28
30.7	Governing Law and Venue.....	29
30.8	Waivers.....	29
30.9	Time of Essence .....	29
30.10	Consent .....	29
30.11	Community Business Enterprises .....	29
30.12	Memorandum of Lease .....	29
30.13	Counterparts .....	29
31.	AUTHORITY.....	30
32.	ACKNOWLEDGEMENT BY LANDLORD .....	30
32.1	Consideration of GAIN Program Participants .....	30
32.2	Solicitation of Consideration.....	30
32.3	Landlord Assignment .....	31
32.4	Smoking in County Facilities .....	32

33.	IRREVOCABLE OFFER.....	33
34.	RIGHT OF FIRST OFFER TO LEASE ADDITIONAL PREMISES .....	33
35.	OPTION TO EXTEND .....	34
35.1	Option Terms.....	34

## **EXHIBITS**

- Exhibit A – Floor Plan of the Premises
- Exhibit B – Commencement Date Memorandum and Confirmation of Lease Terms
- Exhibit C – Form of Payment Voucher
- Exhibit D – Heating, Ventilation, and Air Conditioning Standards
- Exhibit E – Cleaning and Maintenance Schedule
- Exhibit F – Subordination, Non-disturbance and Attornment Agreement
- Exhibit G – Tenant Estoppel Certificate
- Exhibit H – Community Business Enterprises Form
- Exhibit I – Memorandum of Lease Terms

## **LANDLORD'S WORK LETTER**

- Addendum A – Base Building Improvements
- Addendum B – Tenant Improvements
- Addendum C – Form of Preliminary and Final TI Cost Statement

COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ between 3055 WILSHIRE, LLC, a California limited liability company ("Landlord"), and COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant" or "County").

Landlord and Tenant agree:

**1. BASIC LEASE INFORMATION**

**1.1 Terms**

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

a. Landlord's Address for Notice:	3055 WILSHIRE, LLC 3055 Wilshire Boulevard, Suite 900 Los Angeles, CA 90010 Attn: Property Manager  With a copy to:  3470 Wilshire Boulevard, Suite 700 Los Angeles, CA 90010 Attn: Legal Department
b. Tenant's Address for Notice:	County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate  With a copy to:  County of Los Angeles Office of the County Counsel 648 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, CA 90012-2713 Attention: Property Division
c. Premises:	Approximately 8,054 rentable square feet located on the second (2nd) floor of the Building (defined below), as shown on <u>Exhibit A</u> attached hereto.

d. Building:	The building located at 3055 Wilshire Blvd., Los Angeles, CA 90010, which is currently assessed by the County Assessor as APN 5077-008-016, commonly known as 3055 Wilshire, together with any related land, improvements, parking facilities, common areas, driveways, sidewalks and landscaping (the "Building");
e. Term:	Four (4) years, commencing upon mutual execution of the Lease (the "Commencement Date"), and terminating at midnight on the day before the fourth (4th) annual anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
f. Projected Commencement Date:	[Intentionally Omitted]
g. Irrevocable Offer Expiration Date: (see Section 33)	N/A
h. Base Rent:	\$19,329.60 per month (which is based upon a rental rate of \$2.40 per rentable square foot, adjustable only as provided in Section 5 hereof). Base Rent for the first (1st) year of the Term shall be \$231,955.20
i. Early Termination	Pursuant to Section 4.2
j. Rentable Square Feet in the Premises:	8,054 square feet.
k. Initial Departmental Use:	Office, or any other lawful governmental purpose not incompatible with other uses in the Building, subject to Section 6.
l. Parking Spaces:	Subject to Section 21.1, Tenant shall have the right to purchase parking stalls at the ratio of two (2) unreserved stalls per 1,000 rentable square feet of the Premises per month (which

	<p>allocation is currently 16 parking spaces) at the Building, with a maximum of \$130 per stall per month, subject to change, and additional stalls above the permitted ratio on a month-to-month basis at one hundred percent of the Building's prevailing rates, which adjusted rates are currently \$156 per stall per month, subject to change, up to a total amount of four (4) unreserved stalls per 1,000 rentable square feet of the Premises per month (which total amount is currently 32 parking spaces).</p> <p>Tenant's parking charges, as defined above, in conjunction with their monthly rent.</p>
m. Normal Working Hours:	7:00 a.m. to 6:00 p.m. Monday through Friday and 9:00 a.m. to 1:00 p.m. Saturdays, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed), and to the extent of utilities or services provided by union members engaged at the Building, such other holidays observed by such unions.
n. Asbestos Report:	A report dated December 26, 2019 prepared by a <u>certified</u> California Asbestos contractor.
o. Seismic Report	A report dated March 11, 2020 prepared by the Department of Public Works.
p. Disabled Access Survey	A report dated January 10, 2020 prepared by a licensed California architect.

## 1.2 Defined Terms Relating to Landlord's Work Letter

a. Tenant Improvement Allowance:	\$120,810.00 (which is based upon the rate of \$15.00 per rentable square foot)
b. Tenant's TI Contribution:	N/A
c. Change Request Contingency	[Intentionally Omitted]
d. Tenant Improvement Amortization Rate and Change Request	N/A

Amortization Rate:	
e. Tenant's Work Letter Representative:	Bryan Bell
f. Landlord's Work Letter Representative:	Property Manager and/or an assigned staff member of Landlord
g. Landlord's Address for Work Letter Notice:	<p>3055 WILSHIRE, LLC  3055 Wilshire Boulevard, Suite 900  Los Angeles, CA 90010  Attn: Property Manager</p> <p>With a copy to:</p> <p>3470 Wilshire Boulevard, Suite 700  Los Angeles, CA 90010  Attn: Legal Department</p>
h. Tenant's Address for Work Letter Notice:	County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate
1.3 <u>Exhibits to Lease</u>	<p>Exhibit A - Floor Plan of Premises  Exhibit B - Commencement Date Memorandum and Confirmation of Lease Terms  Exhibit C - Form of Payment Voucher  Exhibit D - HVAC Standards  Exhibit E - Cleaning and Maintenance Schedule  Exhibit F - Subordination, Non-Disturbance and Attornment Agreement  Exhibit G - Tenant Estoppel Certificate  Exhibit H - Community Business Enterprises Form  Exhibit I - Memorandum of Lease</p>
1.4 <u>Landlord's Work Letter</u>  (Executed concurrently with this Lease and incorporated herein by this reference):	Landlord's Work Letter Addendum A: Base Building Improvements Addendum B: Tenant Improvements Addendum C: Form of Preliminary and Final TI Cost Statement



## 2. **PREMISES**

### 2.1 Lease of Premises

Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1.1 and depicted on Exhibit A attached hereto.

## 3. **COMMON AREAS**

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

## 4. **COMMENCEMENT AND EXPIRATION DATES**

### 4.1 Term

The Term of this Lease shall commence on the Commencement Date and terminate on the Termination Date. Within thirty (30) days of the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing a Commencement Date Memorandum and Confirmation of Lease Terms in the form attached hereto as Exhibit B.

### 4.2 Termination Rights

Provided Tenant is not in material default under any material term or provision contained in the Lease (e.g. Rent) beyond any applicable notice and cure period, Tenant shall have a one- m g "T m O " m L effective as of the last day of the thirty-sixth (36th) month of the Term ("Termination Date"), by giving no less than six (6) months prior written notice to Landlord o "T m N ". If Tenant timely and properly exercises the Termination Option, the Lease shall expire on the Termination Date with the same force and effect as if such date were the stated expiration date of the Lease and Landlord and Tenant shall have no further obligations under the Lease after the Termination Date except for any obligations or liabilities that explicitly survive termination as set forth in the Lease. In the event that such Termination Option is exercised, Tenant shall pay to Landlord a termination fee in an amount equivalent to the unamortized balance remaining to be reimbursed to Landlord of the Tenant Improvement Costs (as such term is W k L "T m F ". For purposes of calculating the Termination Fee, the costs described above shall be amortized over the sixty (60) months of the Term. Tenant shall pay the Termination Fee at the time of delivery of the Termination Notice to Landlord. If Tenant fails to timely deliver the Termination Notice or pay the Termination Fee, Tenant shall be considered to have elected not to exercise the Termination Option. The rights contained in this Section 4.2 shall be personal to the originally named Tenant and may be

exercised only by the originally named Tenant (and not any assignee, sublessee, T L y g y named Tenant occupies the entire Premises as of the date it exercises the Termination Option in accordance with the terms of this section.

## 5. RENT

### 5.1 Base Rent

Tenant shall pay Landlord the Base Rent stated in Section 1 during the Term hereof within fifteen (15) days after (a) the Commencement Date, and (b) the first day of each calendar month thereafter, provided that prior to the Commencement Date, Landlord must file with the Auditor of the County of Los Angeles a payment voucher for the Base Rent attributable to the initial month(s) of the Term up to and including June of the first year during the Term, and annually thereafter, on or before June 15 of each subsequent calendar year, for the Base Rent attributable to the following twelve (12) months (i.e., beginning July 1). Landlord shall submit such payment vouchers in the same form as Exhibit C attached hereto, along with a completed IRS form W-9 and evidence of insurance in compliance with Section 20.1. If Landlord fails to timely file any payment voucher as required pursuant to this Section 5.1, then Tenant shall not be required to pay Base Rent to Landlord until fifteen (15) days after Landlord files such payment voucher for the applicable period. Base Rent for any partial calendar month during the Term shall be prorated in proportion to the number of days during the Term within such calendar month.

### 5.2 Base Rent Adjustments

From and after the first (1st) anniversary of the Commencement Date, on the first day of the first full calendar month thereafter (the "Adjustment Date") and on every anniversary of the Adjustment Date thereafter, Base Rent shall be increased by four percent (4%) of the Base Rent payable in the immediately preceding month. Thus, the monthly installment of Base Rent for the Premises shall be as follows:

<i>Year of Term</i>	<i>Monthly Installment of Base Rent</i>	<i>Rate per Rentable Square Foot</i>
1	\$19,329.60	\$2.40
2	\$20,102.78	\$2.50
3	\$20,906.90	\$2.60
4	\$21,743.17	\$2.70

**6. USES**

Landlord agrees that the demised Premises, together with all appurtenances thereto, shall be used by the Tenant for the government department set forth in Section 1.1 or for any other governmental purposes or other lawful purposes that do not materially adversely interfere with other uses in the Building, during Normal Working Hours, after Normal Working Hours, and on weekends and holidays.

**7. HOLDOVER**

If Tenant remains in possession of the Premises or any part thereof after the expiration of the term of this Lease, such occupancy shall be a tenancy which is terminable only upon thirty (30) days written notice from Landlord or thirty (30) days written notice from the Chief Executive Officer of Tenant at the last monthly Base Rent payable under this Lease (as such Base Rent may be adjusted from time to time in accordance with Article 5 above), plus any other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease. All options, rights of first refusal, concessions and discounts, if any, granted under this Lease shall be deemed terminated and of no force or effect during such holdover period. In the event of Tenant holdover, the monthly installment of Base Rent shall be increased to one hundred twenty-five percent (125%) of the then existing Base Rent for the first twelve (12) months following the expiration of the Lease Term. Thereafter, the Holdover rate shall be one hundred fifty percent (150%) of the Base Rent at the time of the lease expiration.

**8. COMPLIANCE WITH LAW**

Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof regulating the use, occupancy or improvement of the Premises by Tenant ("Applicable Laws"). Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including but not limited to the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises. Tenant shall not use the Premises, or permit the Premises to be used, in any manner which: (a) violates any Applicable Law; or (b) causes or is reasonably likely to cause damage to the Building or the Premises; or (c) violates any Building rules or regulations promulgated by Landlord and applicable to all tenants in the Building.

**9. DAMAGE OR DESTRUCTION**

**9.1 Damage**

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days after the date of the damage or destruction, then Landlord shall promptly, upon written notice from Tenant to Landlord of such damage and at Landlord's expense, repair such damage, and this Lease shall

continue in full force and effect. If all or any portion of the Premises shall be made unusable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within ten (10) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises leasable again using standard working methods. The failure to do so shall be a material default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

#### 9.2 Tenant Termination Right

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days for any reason, then Tenant may terminate this Lease by giving Landlord written notice within ten (10) days after Tenant's receipt of written notice from Landlord or its agents specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became unusable. If Tenant does not elect to terminate this Lease, then Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided that insurance proceeds are available to repair the damages.

#### 9.3 Damage In Last Year

Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, then either Landlord or Tenant may terminate this Lease by giving notice to the other not more than thirty (30) days after such destruction, in which case:

- a. Landlord shall have no obligation to restore the Premises;
- b. Landlord may retain all insurance proceeds relating to such destruction, and
- c. This Lease shall terminate as of the date which is thirty (30) days after such written notice of termination.

#### 9.4 Default By Landlord

If Landlord is required to repair and restore the Premises as provided for in this Section 9, and Landlord thereafter fails to diligently prosecute said repair and restoration work to completion, then Tenant may:

- a. Declare a default hereunder, or

- b. Perform or cause to be performed the restoration work and deduct the cost thereof, plus interest thereon at ten percent (10%) per annum, from the next installment(s) of Base Rent due as a charge against Landlord.

## **10. REPAIRS AND MAINTENANCE**

### **10.1 Landlord Representations**

- a. Landlord represents to Tenant that, as of the date hereof and on the Commencement Date:
  - i. The Premises, the Building, and all Common Areas (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including but not limited to the Americans With Disabilities Act, and are in reasonably good working order and condition;
  - ii. The Building and the Premises comply with all covenants, conditions, restrictions and insurance underwriter's requirements;
  - iii. The Premises, the Building and the Common Areas are free of the presence of Hazardous Materials (as hereinafter defined), except for routine office and janitorial supplies in usual and customary quantities for offices stored, used and disposed of in accordance with all Environmental Laws; and
  - iv. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation.
- b. Landlord represents, based upon a professional inspection of the Premises and the Common Areas and the Asbestos Report (as defined in Section 1.1) that the Premises and the Common Areas contain no asbestos containing materials (other than as may be reflected in the Asbestos Report).
- c. CASp Inspection:

In accordance with California Civil Code Section 1938, Landlord hereby states that the Premises and the Common Areas"" have not undergone inspection by a Certified Access Specialist. A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the

arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

The foregoing statement is provided solely for the purpose of complying with California Civil Code Section 1938 and shall not affect the Landlord's and Tenant's respective responsibilities for compliance with any design and construction related accessibility obligations as provided under this Lease or any Work Letter.

## 10.2 Landlord Obligations

- a. The Lease will be a full-service lease whereby all responsibilities for repair, maintenance, and replacement will be the sole responsibility of Landlord. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed the following at Landlord's sole cost and expense:
  - i. the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, foundations, concrete slab and footings, roof, roof membrane, roof covering, concealed plumbing, stairways, concealed electrical systems and intra-building telephone network cables;
  - ii. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Building;
  - iii. the Common Areas;
  - iv. exterior windows of the Building; and
  - v. elevators serving the Building.
- b. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to:
  - i. the floor covering (if such floor covering is carpet tiles it shall be replaced as needed as a result of damage such as frays, tears, or holes, and like damage);
  - ii. painting interior partitions (which shall be repainted as needed);
  - iii. doors;
  - iv. plate glass;
  - v. the interior side of demising walls (which shall be repainted as needed);

- vi. interior ceiling
- vii. Building standard signage (but excluding any other Tenant signage); and
- viii. emergency exit signage and battery replacement

Landlord shall, to the best of its ability, provide any reports, maintenance records, or other documentation as may be reasonably requested from time to time.

### 10.3 Tenant Obligations

Without limiting Landlord's repair and maintenance obligations, and subject to Section 20.4 hereof, Tenant shall be responsible for (i) the cost of repairing any area of the Building damaged by Tenant or by Tenant's agents, employees, invitees or visitors, and (ii) the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall:

- a. be made and performed by contractors or mechanics approved by Landlord, which consent shall not be unreasonably withheld or delayed;
- b. be at least equal in quality, value and utility to the original work or installation; and
- c. be made and performed in accordance with all laws.

### 10.4 Tenant's Right to Repair

- a. If Tenant provides written notice (or oral notice in the event of an emergency, such as damage or destruction to or of any portion of the Building structure and/or the Building systems, and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and if Landlord fails to provide such action within a reasonable period of time given the circumstances after the giving of such notice, but in any event not later than five (5) business days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten (10) days, Tenant shall



be entitled to deduct from Base Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 15.

- b. Notwithstanding any provisions of this Lease to the contrary, Tenant, at its sole discretion, acting through the Chief Executive Office, may request that the Landlord perform, supply and administer any repairs, maintenance, building services and/or alterations that are the responsibility of the Tenant, in which case Tenant shall promptly reimburse Landlord for such cost, provided that the cost of any such repairs, maintenance, building services and/or alterations that are the responsibility of Tenant shall not exceed \$5,000. Any improvements by Landlord shall be subject to (i) the Work Letter provisions regarding selection and bidding of contractors, Landlord-Tenant coordination and audit rights, and Tenant remedies found in, but not limited to, Sections 4 through 13 of said Work Letter; and (ii) compliance with County Internal Services Department Purchasing Policy and Procedure No. A-0300, effective November 22, 2016, delivered to Landlord and incorporated by reference herein.

## **11. SERVICES AND UTILITIES**

### **11.1 Services**

- a. **Heating, Ventilation and Air Conditioning (HVAC)**

Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings and not less than the standard set forth in Exhibit D attached hereto. If Tenant needs HVAC outside of Normal Working Hours, Tenant shall provide no less than forty-eight (48) hours' prior notice to Landlord and pay as additional rent the costs of after-hour HVAC at the Building's prevailing rates without mark-up, which rates are currently \$200.00 per hour (two hour minimum), subject to change.

- b. **Electricity**

Landlord shall furnish to the Premises the amount of electric current provided for in the Work Letter (if applicable) but in any event not less than seven (7) watts of electric current (connected load) per square foot of Rentable Square Feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or sub-panels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises.

- c. **Elevators**

Landlord shall furnish freight and passenger elevator services to the Premises during Normal Working Hours. During all other hours, Landlord



shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis, and, by prior arrangement with Landlord's building manager, freight elevator service.

d. Water

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

e. Janitorial

Landlord, at its sole cost and expense, shall provide reasonable janitorial service five (5) nights per week (holidays excluded), generally consistent with that furnished in comparable office buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit E attached hereto.

f. Access

Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven (7) day per week, twenty-four (24) hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building, unless closure of the Premises is required due to maintenance, repair, safety concerns, destruction, condemnation, or other reasons necessary for the restriction of access to such area.

g. Pest Control

As needed, Landlord at its sole cost and expense shall provide interior and exterior pest control inspections and remediation frequency is to be determined by a licensed exterminator.

h. Security

Landlord, at Landlord's sole cost and expense, shall provide security services at a standard similar to other comparable buildings in Los Angeles.

11.2 Utilities

Landlord agrees to pay, at its sole cost, when due, all charges for the use of the sewer, effluent treatment (when and if imposed by any governmental authority), all water, sprinkler standby charges, electricity, gas, heating and common area power and lighting, trash removal service, fire/life safety systems, charges associated with the HVAC, and other utility rents and charges accruing or payable in connection with the Premises and the Common Areas during the Term of this Lease or any renewal, extension, or holdover thereof, whether the same are pro-rated or measured by separate meters. In the event Landlord fails or refuses to pay any or all of such charges when due, Tenant may give Landlord

ten (10) calendar days prior written notice and thereafter pay directly such charges and deduct the payments from the next installments of rent due as a charge against the Landlord.

**12. TAXES**

Landlord, at its sole cost and expense, shall pay, prior to delinquency, all real property taxes, assessments and special assessments which may be levied or assessed against the Premises or the Building during the term of this Lease or any renewal or holdover period thereof.

In the event Landlord fails or refuses to pay any or all taxes or assessments when due, Tenant may, at its sole discretion, give Landlord thirty (30) calendar days prior written notice and thereafter pay such taxes and assessments and deduct the payments from the next installments of rent due as a charge against the Landlord.

**13. LANDLORD ACCESS**

Tenant shall permit Landlord and its agents to enter the Premises during Normal Working Hours upon prior written notice (which may be in the form of an email communication) for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or the Premises, Base Rent shall be prorated based upon the percentage of the Premises or the Building rendered unusable and not used by Tenant. Notwithstanding the foregoing, Landlord shall have the right at any and all times, without prior notice, to enter the Premises in the event of an emergency.

**14. TENANT DEFAULT**

**14.1 Default**

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

- a. the failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder) as and when due, and the failure continues for a period of ten (10) days after written notice to Tenant;
- b. the failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of thirty (30) days after written notice from Landlord specifying in detail the nature of the default; provided, however, if more than thirty (30) days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure, within said 30-day period and thereafter diligently prosecutes such cure to completion.

#### 14.2 Termination

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

#### 14.3 No Effect on Indemnity

Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease. Under no circumstances shall Tenant be liable for punitive damages, lost profits, speculative, consequential or other such damages.

### 15. LANDLORD DEFAULT

#### 15.1 Remedies

In addition to the provisions for Landlord's default provided by Sections 9.4, 10.4, 19, 21.2 and 32.3, Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within thirty (30) days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10.4); provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such thirty (30) day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

- a. to remedy such default or breach and deduct the costs thereof (including but not limited to attorneys' fees) plus interest at the rate of ten percent (10%) per annum from the installments of Base Rent next falling due;
- b. to pursue the remedy of specific performance;
- c. to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due (provided that under no circumstances shall Landlord be liable for punitive damages, lost profits, speculative, consequential or other such damages); and/or
- d. to terminate this Lease.

### 15.2 Waiver

Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

### 15.3 Emergency

Notwithstanding the foregoing cure period, Tenant may cure any default where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition, or materially and adversely affect the operation of Tenant's business in the Premises.

## 16. **ASSIGNMENT AND SUBLETTING**

### 16.1 Assignment and Subletting

Tenant may not assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises without first obtaining Landlord's prior consent, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that (i) the assignee or sublessee's use shall not interfere with or violate any other tenant's use (including exclusive uses), or contractual rights; and (ii) no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease.

### 16.2 Sale

If Landlord sells or conveys the Building, then all liabilities and obligations of Landlord accruing under this Lease after the sale or conveyance shall be binding upon the new owner, and Landlord shall be released from all liability under this Lease accruing subsequent to such sale or conveyance, provided that the transferee assumes Landlord's remaining obligations hereunder in writing. Nothing in this Section 16.2 shall be deemed to release Landlord's successor in interest from responsibility for any condition (including but not limited to deferred maintenance) existing on the date of transfer.

Upon any sale or transfer of the Building, Landlord shall provide the following information to Tenant, at Tenant's Address for Notice, as a condition of Tenant's obligation to pay Base Rent to the new owner:

- a. Written evidence of the transfer of the Building (e.g., a recorded deed), or a letter from the transferor confirming that the Building was transferred to the new owner.
- b. A signed letter including the following information:

- i. Name and address of new owner or other party to whom Base Rent should be paid;
  - ii. Federal tax ID number for new owner;
  - iii. Name of contact person and contact information (including phone number) for new owner; and
  - iv. Proof of insurance.
- c. A W-9 form for new owner

## **17. ALTERATIONS AND ADDITIONS**

### **17.1 Landlord Consent**

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

- a. complies with all laws;
- b. is not visible from the exterior of the Premises or Building;
- c. will not materially affect the systems or structure of the Building;
- d. does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building; and
- e. does not require a building permit.

If Landlord fails to respond in writing within thirty (30) days of such request, Landlord shall be deemed to approve the Alterations.

### **17.2 End of Term**

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

## **18. CONDEMNATION**

### **18.1 Controlling Terms**

If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a

Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

#### 18.2 Total Taking

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

#### 18.3 Partial Taking

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

#### 18.4 Restoration

Notwithstanding the preceding paragraph, if, within thirty (30) days after the Determination Date, Landlord notifies Tenant that Landlord, at its sole cost, will add to the remaining Premises so that the Premises and the space available for parking, will be substantially the same (as reasonably determined by Tenant) after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within ninety (90) days after Landlord so notifies Tenant, then this Lease shall continue in effect. In such event, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

#### 18.5 Award

The Award (as defined below) shall be divided between Landlord and Tenant as their respective interests may appear. "Award" shall mean all compensation,

sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises.

18.6 Waiver of Statute

Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the Superior Court to terminate this Lease in the event of a partial taking of the Premises.

**19. INDEMNIFICATION**

19.1 Landlord's Indemnity

Landlord shall indemnify, defend and hold harmless Tenant from and against any and all liability, loss, injury or damage, demands, claims, actions, fees, costs and expenses (including reasonable attorney and expert witness fees) arising from or connected with any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Landlord, its officers, employees, agents, contractors, licensees, guests, or visitors, or arising from any breach or default under this Lease by Landlord. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the sole negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

19.2 Tenant's Indemnity

Tenant shall indemnify, defend and hold harmless Landlord, from and against any and all liability, loss, injury or damage, demands, claims, actions, fees, costs and expenses (including reasonable attorney and expert witness fees) arising from or connected with any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Tenant, its officers, employees, agents, contractors, licensees, guests, or visitors, or arising from any breach of default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the sole negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, or invitees.

**20. INSURANCE:** During the term of this Lease, the following insurance requirements will be in effect:

20.1 Waiver

Both the Tenant and the Landlord each agree to release the other and waive their rights of recovery against the other for damage to their respective property arising from perils insured in the Causes-of-Loss Special Form (ISO form CP 10 30).

## 20.2 General Insurance Provisions – Landlord Requirements

Without limiting the Landlord's indemnification of Tenant and during the term of this Lease, and until all of its obligations pursuant to this Lease have been met, Landlord shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Lease. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Landlord pursuant to this Lease. The Tenant in no way warrants that the Required Insurance is sufficient to protect the Landlord for liabilities which may arise from or relate to this Lease.

### a. Evidence of Coverage and Notice to Tenant

Certificate(s) of insurance coverage (Certificate) satisfactory to Tenant, and a copy of an Additional Insured endorsement confirming that Tenant and Tenant's Agents (defined below) are named as Additional Insureds under the Landlord's Commercial General Liability policy, shall be delivered to Tenant at the address shown below and provided prior to the Commencement Date of this Lease.

Renewal Certificates shall be provided to Tenant not less than 10 days prior to Landlord's policy expiration dates. The Tenant reserves the right to obtain complete, certified copies of any required Landlord insurance policies should litigation arise.

Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Landlord identified in the Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding twenty-five thousand (\$25,000.00) dollars, and list any Tenant required endorsement forms. Notwithstanding the foregoing, financial ratings need not be shown on the Certificates but shall be provided separately.

Neither the Tenant's failure to obtain, nor the Tenant's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Landlord, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements, notices of cancellation shall be delivered to:

County of Los Angeles  
Chief Executive Office - Real Estate Division  
320 West Temple Street, 7th Floor  
Los Angeles, CA 90012  
Attention: Director of Real Estate



Landlord also shall promptly use reasonable efforts to notify Tenant of any third party claim or suit filed against Tenant and known to Landlord which arises from the filing of a claim or lawsuit against Landlord and/or Tenant.

b. Additional Insured Status and Scope of Coverage

Tenant and its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively, "Tenant's Agents"), shall be named as additional insureds under Landlord's Commercial General Liability Insurance policy with respect to the Building. Tenant's additional insured status shall apply whether liability is attributable to the Landlord, Tenant or Tenant's Agents. The full policy limits and scope of protection also shall apply to the Tenant as an additional insured, even if they exceed the Tenant's minimum Required Insurance specifications set forth herein. Use of an automatic additional insured endorsement form is acceptable, provided that it satisfies the Required Insurance provisions set forth herein.

c. Cancellation of or Changes in Insurance

Landlord shall provide the Tenant with, or Landlord's insurance policies shall contain a provision that the Tenant shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to the Tenant at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance within thirty (30) days of written notice from Tenant shall be at the discretion of the Tenant. Should Landlord or its insurers fail to provide the required Insurance Notice within thirty (30) days of written notice from Tenant that it did not receive the required Insurance Notice, Tenant may suspend or terminate this Lease.

d. Failure to Maintain Insurance

Landlord's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Lease.

e. Insurer Financial Ratings

Insurance is to be provided by an insurance company authorized to do business in California and reasonably acceptable to the Tenant, with an A.M. Best rating of not less than A:VII, unless otherwise approved by the Tenant.

f. Landlord's Insurance Shall Be Primary

Landlord's insurance policies, with respect to any claims related to this Lease, shall be primary with respect to all other sources of coverage available to Tenant. Any Tenant maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Landlord coverage.

g. Waiver of Subrogation

To the fullest extent permitted by law, Landlord and Tenant hereby waives its and its respective insurer(s) rights of recovery against the other party under all required insurance policies for any loss arising from or related to this Lease. Landlord and Tenant shall require their respective insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.

h. Deductibles and Self-Insured Retentions ("SIRs")

Landlord's policies shall not obligate the Tenant to pay any portion of any Landlord deductible or SIR. The Tenant retains the right to require Landlord to reduce or eliminate policy deductibles and SIRs as respects the Tenant, or to provide a bond guaranteeing Landlord's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

i. Claims Made Coverage

If any part of the Required Insurance is written on claims made basis, any policy retroactive date shall precede the start date of this Lease. Landlord understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Lease expiration, termination or cancellation.

j. Application of Excess Liability Coverage

Landlord may use a combination of primary and excess insurance policies which provide coverage as broad as (i.e., "follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

k. Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

l. Tenant Review and Approval of Insurance Requirements

The Tenant reserves the right to reasonably review and adjust the Required Insurance provisions, conditioned upon Tenant's determination of changes in risk exposures.

20.3 Insurance Coverage Types And Limits

a. Tenant Requirements: During the term of this Lease, Tenant shall maintain a program of insurance coverage as described below:

i. Commercial General Liability Insurance, providing scope of coverage equivalent to ISO policy form CG 00 01, naming

Landlord and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$ 2 million
Products/Completed Operations Aggregate:	\$ 1 million
Personal and Advertising Injury:	\$ 1 million
Each Occurrence:	\$ 1 million

Tenant, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self-insurance. A certificate evidencing insurance coverage or letter evidencing self-insurance will be provided to Landlord after execution of this Lease at Landlord's request.

#### 20.4 Landlord Requirements:

During the term of this Lease, Landlord shall provide and maintain the following programs of insurance coverage:

Commercial General Liability Insurance, providing scope of coverage equivalent to ISO policy form CG 00 01, naming Tenant and Tenant's Agents as an additional insured, with limits of not less than:

General Aggregate:	\$ 10 million
Products/Completed Operations Aggregate:	\$ 10 million
Personal and Advertising Injury:	\$ 5 million
Each Occurrence:	\$ 5 million

a. Commercial Property Insurance. Such insurance shall:

- i. Provide coverage for Landlord's property, any tenant improvements and betterments to the Premises, any furniture or furnishings which will become the property of Tenant upon expiration of the Term, and on all modular furniture installed in the Premises; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), excluding earthquake and including flood and ordinance or law coverage.
- ii. Be written for the full replacement cost of the Property, with a deductible no greater than \$250,000 or 5% of the Property value, whichever is less. Insurance proceeds shall be payable to the Landlord and Tenant, as their interests may appear.

## 21. PARKING

### 21.1 Tenant's Rights

Tenant shall have the right to lease two (2) monthly unreserved parking spaces  
1,000 q T ' P m ,  
which allocation is currently sixteen (16) unreserved parking spaces, for the Term of this Lease at the Building's prevailing parking rates, which are currently \$130.00 per unreserved space per month, subject to change. Tenant may lease

additional parking spaces on a month to month basis at one hundred twenty  
120% Base Rent, which adjusted rates  
are currently \$156.00 per unreserved space per month, subject to change.  
Notwithstanding the foregoing, in no event shall the total number of parking  
spaces leased by Tenant pursuant to this Section 21.1 exceed four (4) spaces  
1,000 sq. ft. of Leased Premises,  
which total number is currently thirty-two (32) parking spaces. Tenant  
acknowledges that all such parking spaces are to be used on a non-exclusive  
basis by Tenant and other tenants, occupants, licensees, invitees and permittees  
of the Building. No tandem parking shall be required, and Tenant shall be  
entitled to full in/out privileges. Tenant's parking rights shall be subject to  
reasonable parking rules and regulations adopted by Landlord (or, at Landlord's  
option, the operator or lessee of the parking facilities) from time to time, provided  
that such procedures shall be uniformly applied to all tenants. The cost of any  
parking spaces leased by Tenant hereunder shall be payable by Tenant on the  
first day of each calendar month of the Term of this Lease in addition to the Base  
Rent in Article 5.

## 21.2 Remedies

Landlord acknowledges that it is a material term of this Lease that Tenant  
receives all of the parking spaces to which it is entitled under this Lease for the  
entire Term of this Lease and that it would be impracticable and extremely  
difficult to fix the actual damages for a breach of such provisions. It is therefore  
agreed that if, for any reason whatsoever, a material number of the parking  
spaces required above are not available to Tenant (in addition to the rights given  
to Tenant under Section 14 and Sections 9 and 18 in the event of casualty or  
condemnation), then Tenant shall provide thirty (30) days written notice to  
Landlord and Landlord shall have thirty (30) days to cure; provided, however, if  
more than thirty (30) days are reasonably required for its cure then Landlord shall  
not be deemed to be in default if Landlord commences such cure within said 30-  
day period and thereafter diligently prosecutes such cure to completion. If at the  
end of the thirty (30) day period, Landlord has not cured or commenced to cure,  
then Tenant may:

- a. terminate this Lease by giving written notice of such termination to  
Landlord, which notice shall be effective thirty (30) days thereafter, or
- b. deduct from the Base Rent thereafter accruing hereunder an amount  
each month equal to the Base Rent times the percentage of parking  
spaces not so provided (excluding any parking spaces that Landlord  
provides alternative parking arrangements for pursuant to this Section  
21.1) multiplied by a factor of 1.5, but such deduction from Base Rent  
shall not be more than ten percent (10%) of the Base Rent.

## 22. ENVIRONMENTAL MATTERS

### 22.1 Hazardous Materials

Tenant shall not cause nor permit, nor allow any of Tenant's employees agents,  
customers, visitors, invitees, licensee, contractor, assignees or subtenants to

cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building, or the Common Areas ("Tenant's Hazardous Materials"), except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

## 22.2 Landlord Indemnity

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

**23. ESTOPPEL CERTIFICATES**

Tenant shall, at any time and from time to time upon not less than thirty (30) days prior written request from Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit G attached hereto (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest in the Premises or a holder of any mortgage upon Landlord's interest in the Premises.

**24. TENANT IMPROVEMENTS**

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

**25. LIENS**

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

**26. SUBORDINATION AND MORTGAGES**

**26.1 Subordination and Non-Disturbance**

Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Exhibit F attached hereto and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase, or right of first offer to purchase the Building included herein.

**26.2 Existing Deeds of Trust**

The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Exhibit F attached hereto, within thirty (30) days after the execution of this Lease.

**26.3 Notice of Default**

If any mortgagee or beneficiary under a deed of trust affecting the Building gives written notice of its name and address to Tenant by registered mail and requests copies of any notice of default that Tenant serves upon Landlord, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee or beneficiary a copy of any notice of default that Tenant serves upon Landlord hereunder which could permit Tenant to terminate this Lease, along with an additional ten (10) days within which to cure such default.

**27. SURRENDER OF POSSESSION**

Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture). If Tenant fails to remove any such items ("Abandoned Items") or repair such damage promptly after the expiration or earlier termination of the Lease, Landlord may, but need not, do so with no liability to Tenant, and Tenant shall pay Landlord the cost thereof upon demand. Notwithstanding the foregoing to the contrary, in the event that Landlord gives its consent, pursuant to the provisions of Section 17.1 of this Lease, to allow Tenant to make an Alteration in the Premises, Landlord agrees, upon Tenant's written request, to notify Tenant in writing at the time of the giving of such consent whether Landlord will require Tenant, at Tenant's cost, to remove such Alteration at the end of the Lease Term.

**28. SIGNAGE**

Tenant, at its sole cost and expense, shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances only within and inside Tenant's Premises. Tenant shall not display any signs on the exterior or roof of the Building or in the Common Areas of the Building. Tenant may not install or display any signs, window coverings, blinds, or other items (included those located behind the Landlord-approved window coverings for the Building) visible from the exterior of the Premises without Landlord's prior written approval, which Landlord may, in Landlord's reasonable discretion, grant or withhold. Any signs, notices, logos, pictures, names or advertisements that are installed by or for Tenant without Landlord's approval may be removed without notice by Landlord at Tenant's expense. Notwithstanding the foregoing or any language to the contrary, Tenant shall be allowed directory language in the Building lobby and Suite signage, both of which shall be at Landlord's expense. Tenant shall also have the right to install a 1,000 R F P m B g' y board in the main lobby of the Building. Tenant shall also have the right to install building standard identification signage in the elevator lobbies of the floors of the Premises.

**29. QUIET ENJOYMENT**

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

**30. GENERAL**

**30.1 Headings**

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

### 30.2 Successors and Assigns

All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

### 30.3 Brokers

Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease, other than CBRE, L.P. "CBRE" as otherwise disclosed to the other in writing, and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. The parties agree that Landlord shall be solely responsible for the payment of any brokerage commissions to CBRE and that Tenant shall have no responsibility therefor unless written provision to the contrary has been made a part of this Lease. If Tenant has dealt with any person or real estate broker other than CBRE in respect to leasing, subleasing or renting space in the Building, Tenant shall be solely responsible for the payment of any fee due said person or brokerage firm.

### 30.4 Entire Agreement

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

### 30.5 Severability

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

### 30.6 Notices

The parties shall give all notices in writing by (i) personal delivery, (ii) national-recognized, next-day courier service, (iii) first-class registered or certified mail, postage prepaid, to the Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1.1. Without limiting the generality of the foregoing, Landlord's notices to Tenant shall not be effective if they are delivered to the Premises or to another address that is not set forth in Section 1.1 hereof. Any notice given under this Lease shall be deemed effective upon the date of delivery (whether accepted or refused), which, for certified mail and courier



service, shall be established by U.S. Post Office return receipt or the courier's proof of delivery, respectively.

30.7 Governing Law and Venue

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

30.8 Waivers

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

30.9 Time of Essence

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

30.10 Consent

Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) business days after written request is made therefore, together with all necessary information.

30.11 Community Business Enterprises

Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Exhibit H attached hereto.

30.12 Memorandum of Lease

If requested by Tenant, Landlord and Tenant shall execute and acknowledge a Memorandum of Lease in the form of Exhibit I attached hereto, which Memorandum may be recorded by Tenant in the Official Records of Los Angeles County.

30.13 Counterparts

This Lease may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

**31. AUTHORITY**

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

**32. ACKNOWLEDGEMENT BY LANDLORD**

Landlord acknowledges that it is aware of the following provisions:

**32.1 Consideration of GAIN Program Participants**

Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give consideration for any such employment openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

**32.2 Solicitation of Consideration**

It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent who has had any involvement in the procurement, negotiation, consummation, administration or management of a lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made to the County Auditor-C , Em y F H 800 4 4-6861. Failure m y L , m g eliminated from consideration.

Landlord hereby represents and warrants that it has not provided, and will not provide, any financial benefits to any County official, employee or agent who has had any involvement in the procurement, negotiation, consummation, administration or management of this Lease. Landlord hereby agrees that if it violates any of the terms of this Section 32.2, then the County may declare this Lease null and void, and the County reserves the right to exercise any and all other remedies available under applicable law.

### 32.3 Landlord Assignment

- a. Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.
- b. Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease, or any portion thereof, as security for the Landlord's obligation to repay any monetary obligation, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.
- c. Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Building with CMBS (commercial mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Building through any type of bond financing vehicle, including but not limited to certificate of participation financing.
- d. Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of \$500,000 or 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

- e. Landlord shall give the County notice and a copy of each and every assignment, transfer, hypothecation or encumbrance of Landlord's interest in this Lease and any instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.
- f. Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.
- g. The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns, whether so expressed or not.

#### 32.4 Smoking in County Facilities.

The Surgeon General of the United States has concluded that passive smoke exposure is the third leading cause of preventable death in the United States. The United States Environmental Protection Agency has found second-hand smoke to be a known carcinogen. It is recognized that the county has a responsibility to establish, maintain and promote a healthful and safe working environment and to reduce health and safety risks of its employees and the public at large. Tobacco smoke is a hazard to the health of county employees and the general public and represents an annoyance which should be regulated and banned in all county facilities to the end that air quality in all such facilities be improved for the preservation and improvement of the health of all county employees and the public. Therefore, to the greatest extent possible, the rights and comfort of all employees shall be respected. Reasonable effort shall be made to provide smokers a place to smoke in areas open to the sky or otherwise located outside county facilities and except as provided under Los Angeles County, California - Code of Ordinances Chapter 2.126 ("LAMC 2.126"), all portions of County-owned facilities and all portions of facilities leased by or from the County, which areas are not open to the sky, shall be designated as "no smoking" areas. Smoking, including the use of electronic smoking devices, shall be prohibited in the following areas of County facilities: (1) Within 50 feet of any operable entry or exit door or operable window of any County building and within 25 feet of any access ramp or handicap path; (2) Within any County parking lot, parking structure, or parking garage, whether enclosed or open to the sky; or (3) Within any driving range and eating area, including outdoor eating areas, of any County golf course. International no-smoking signs and other appropriate signs which designate no-smoking areas shall be clearly, sufficiently and conspicuously posted in every room, building or other place so covered by LAMC 2.126. The manner of such posting, including the wording, size, color and place of posting, whether on the walls, doors,

tables, counters, stands or elsewhere, shall be at the discretion of the building proprietor so long as clarity, sufficiency and conspicuousness are apparent in communicating the intent. (Los Angeles County, California - Code of Ordinances Chapter 2.126.).

**33. IRREVOCABLE OFFER**

In consideration for the time and expense that Tenant will invest in this Lease, including but not limited to preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County, as necessary, in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

**34. RIGHT OF FIRST OFFER TO LEASE ADDITIONAL PREMISES**

(a) Provided that no material Default has occurred and is continuing under the Lease, if at any time prior to the last twelve (12) months of the Term, Landlord intends to offer leasable space located contiguous to the Premises which becomes available during the Term (the "Additional Premises") for lease to third parties or to accept an offer of a third party to lease the Additional Premises, Landlord shall first give written notice to Tenant of the rental rate and other material terms upon which Landlord is willing to lease the Additional Premises ("Landlord's Lease Notice"). Any space that is vacant as of the C mm m D m " m " during the Term and therefore shall not be considered an Additional Premises. Landlord's Lease Notice shall constitute an offer to lease the Additional Premises to Tenant at the rental rate and upon the terms and conditions contained in Landlord's Lease Notice and shall state the anticipated date of availability of the Additional Premises. Tenant shall have thirty (30) days after receipt of Landlord's Lease Notice to accept such offer. Tenant shall accept such offer, if at all, only by delivery to Landlord of Tenant's irrevocable written commitment to lease the Additional Premises at the rental rate and upon the terms and conditions contained in Landlord's Lease Notice (the "Expansion Commitment").

(b) If Tenant delivers to Landlord the Expansion Commitment within such thirty (30) day period, all (but not part) of the Additional Premises shall be leased to Tenant commencing on the earlier of (a) the date Tenant first uses the Additional Premises for the Permitted Use; or (b) thirty (30) days after Landlord provides Tenant with possession of the Additional Premises and continuing for a period of time coterminous with the remaining Term, including any options to extend the Term. Tenant shall lease the Additional Premises upon the same terms, conditions and covenants as are contained in the Lease except that (i) the Base Rent for the Additional Premises shall be at the rate set forth in Landlord's Lease Notice, and (ii) any terms and conditions set forth in Landlord's Lease Notice that are inconsistent with the terms and conditions of the Lease shall control.

(c) Except as otherwise set forth in Landlord's Lease Notice, possession of the Additional Premises shall be delivered to Tenant on an "as-is" basis. Landlord shall prepare and Landlord and Tenant shall execute and deliver a written agreement modifying and supplementing the Lease and specifying that the Additional Premises are part of the Premises and, except as otherwise specified in Landlord's Lease Notice, subject to all of the terms and conditions of the Lease.

(d) Time is of the essence with respect to the exercise by Tenant of its rights granted hereunder. In the event Tenant fails to deliver to Landlord Tenant's Expansion Commitment within the thirty (30) day period prescribed above, all rights of Tenant to lease the Additional Premises shall terminate and Landlord shall have no further obligation to notify Tenant of any proposed leasing of the Additional Premises, and Landlord shall thereafter have the unconditional right to lease the Additional Premises to third parties or to accept offers from third parties to lease the Additional Premises without further obligation to Tenant. The rights granted to Tenant under this Section 34 shall not apply to any sales or similar transfers of the Additional Premises.

### **35. OPTION TO EXTEND**

#### **35.1 Option Terms**

Provided Tenant is not in material default under any material term or provision contained in the Lease beyond any applicable notice and cure period, and is in possession of the Premises at the time Tenant exercises its option, Tenant shall have one (1) option to x T m L "Ex O " sixty (60) months "O T m" L m m and conditions except for the monthly installment of Base Rent. If Tenant wishes to exercise the Extension Option, Tenant shall deliver written notice to Landlord no less x 6 m x g T m "Ex N ". If Tenant fails to timely deliver the Exercise Notice, Tenant shall be considered to have elected not to exercise the Extension Option. The Base Rent payable during the Option Term shall be the fair market rental rate for the Premises (based on comparable space in the same locality and taking into account any rent abatement, tenant improvement allowances or other monetary concessions generally available with respect to such comparable spaces) as of the date of the Exercise Notice but shall not be less than the monthly installment of Base Rent payable by Tenant immediately before the Option Term. Landlord and Tenant shall have until the date that is thirty (30) days following the L T ' Ex N m y g w Base Rent for the Option Term. Except for Base Rent at the new rate, all of the terms and conditions of the Lease shall remain the same and shall remain in full force and effect throughout the Option Term; provided, however, that any free rent, improvement allowances, moving allowances, lease assumption payments, plan design allowances (or payments), expansion options, opportunity rights or other similar concessions provided for in the Lease shall not apply during any Option Term. The rights contained in this Section 35.1 shall be personal to the originally named Tenant and may be exercised only by the originally named Tenant (and not any assignee, sublessee, or T ' L y g y m Tenant occupies the entire Premises as of the date it exercises the Extension Option in accordance with the terms of this section.

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

LANDLORD:

3055 WILSHIRE, LLC,  
a California limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

TENANT:

COUNTY OF LOS ANGELES,  
a body corporate and politic

SACHI A. HAMAI  
Chief Executive Officer

By: \_\_\_\_\_  
Dean Lehman  
Senior Manager, Real Estate Division

ATTEST:

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

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

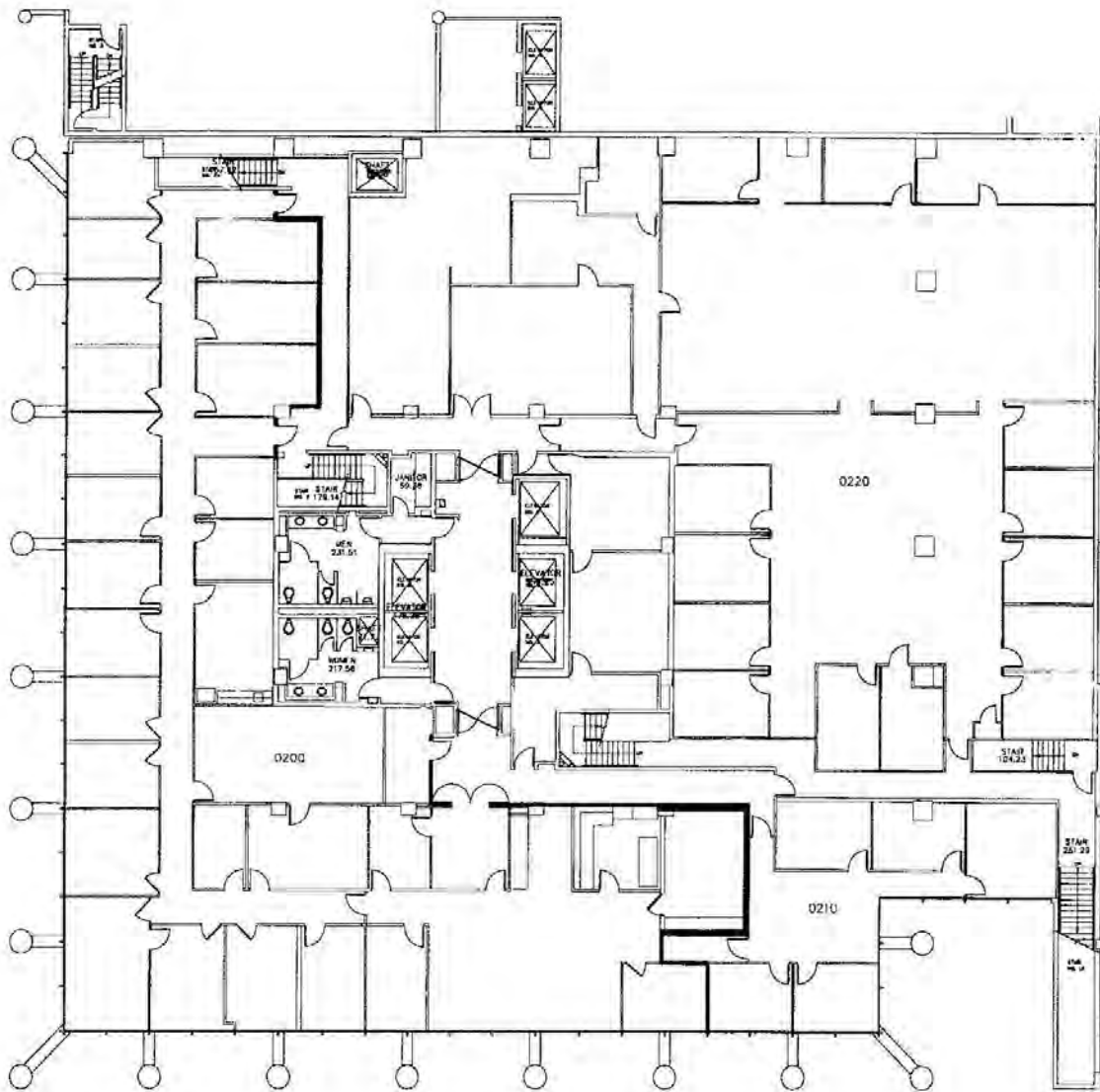
MARY C. WICKHAM  
County Counsel

By: \_\_\_\_\_  
Deputy

## EXHIBIT A

### FLOOR PLAN OF PREMISES

#### Suite 200





## EXHIBIT B

### COMMENCEMENT DATE MEMORANDUM AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain Lease Agreement ("Lease") dated \_\_\_\_\_, 20\_\_, between County of Los Angeles, a body corporate and politic ("Tenant"), and 3055 Wilshire, LLC, a California limited liability company ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 3055 Wilshire Blvd., Los Angeles, CA 90010 ("Premises"),

Landlord and Tenant hereby acknowledge as follow:

- 1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on \_\_\_\_\_ ("Possession Date");
- 2) Tenant has accepted possession of the Premises and now occupies the same;
- 3) The Lease commenced on \_\_\_\_\_ ("Commencement Date");
- 4) The Premises contain \_\_\_\_\_ rentable square feet of space.

IN WITNESS WHEREOF, this memorandum is executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Tenant:

COUNTY OF LOS ANGELES,  
a body corporate and politic

Landlord:

3055 WILSHIRE, LLC,  
a California limited liability company

By:

\_\_\_\_\_  
Name \_\_\_\_\_  
Its \_\_\_\_\_

By:

\_\_\_\_\_  
Name \_\_\_\_\_  
Its \_\_\_\_\_

**EXHIBIT C**

PAYMENT VOUCHER

CEO-REAL ESTATE DIVISION  
RENT PAYMENT VOUCHER  
FISCAL YEAR 2017-18

18-Aug-17

[illegible]

\* Leave Blank except for 13th Accounting Period

<sup>44</sup> Leave blank except entering commitments or expenditure accrual.

PV\_Leasing.accdb: Report Name: 00000-00000\_17-18

## **EXHIBIT D**

### **HEATING, VENTILATION AND AIR CONDITIONING**

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Normal Working Hours established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one zone for approximately each 1,000 square feet and one diffuser for each 200 square feet of usable/net square footage within the Premises. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.

## **EXHIBIT E**

### **CLEANING AND MAINTENANCE SCHEDULE**

#### **1. DAILY (Monday through Friday)**

- A. Carpets vacuumed.
- B. Composition floors dust-mopped.
- C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
- D. Waste baskets, other trash receptacles emptied.
- E. Chairs and waste baskets returned to proper position.
- F. Fingerprints removed from glass doors and partitions.
- G. Drinking fountains cleaned, sanitized and polished.
- H. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
- I. Bulb and tube replacements, as required.
- J. Emergency exit signage and egress battery replacement (if applicable)
- K. Graffiti expunged as needed within two working days after notice by Tenant
- L. Floors washed as needed.
- M. Kitchen/lunchroom/restroom supplies replenished, including paper supplies, and soap.
- N. Exclusive day porter service (if provided by contract).

#### **2. WEEKLY**

- A. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.
- B. Window sills, ledges and wood paneling and molding dusted.

#### **3. MONTHLY**

- C. Floors washed and waxed in uncarpeted office area.
- D. High-reach areas, door frames and tops of partitions dusted.
- E. Upholstered furniture vacuumed, plastic and leather furniture wiped
- F. Picture moldings and frames dusted.

- G. Wall vents and ceiling vents vacuumed.
  - H. Carpet professionally spot cleaned as required to remove stains.
  - I. HVAC chiller water checked for bacteria, water conditioned as necessary.
4. QUARTERLY
- J. Light fixtures cleaned and dusted, but not less frequently than quarterly.
  - K. Wood furniture polished.
  - L. Draperies or mini-blinds cleaned as required, but not less frequently than quarterly.
  - M. HVAC units serviced for preventative maintenance purposes, all filters changed.
5. SEMI-ANNUALLY
- N. Windows washed as required inside and outside but not less frequently than twice annually.
  - O. All painted wall and door surfaces washed and stains removed.
  - P. All walls treated with vinyl covering washed and stains removed.
6. ANNUALLY
- Q. Furniture Systems and any other fabric or upholstered surfaces including chairs, couches, walls, etc., spot cleaned, or if determined to be necessary in Tenant's sole discretion, professionally cleaned in their entirety using a water extraction system.
  - R. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.
  - S. Touch-up paint all interior painted surfaces in a color and finish to match existing.
7. AS NEEDED
- T. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
  - U. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.
  - V. Interior and exterior pest control inspections and remediation frequency is to be determined by a licensed exterminator.

W. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning:

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

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

E. All walls repainted and wall coverings replaced throughout the Premises. The paint finish should be eggshell or semi-gloss as directed by Tenant and in a color acceptable to Tenant. In no event will Landlord be required to repaint or replace wall coverings more than one (1) time in a five (5) year period (the "Occurrence") except for touch-up paint as provided in Paragraph 6.C. of this Exhibit E. The initial tenant improvements completed prior to Tenant's occupancy or as a condition to the renewal of the Lease shall not constitute an Occurrence for the purpose of determining the frequency of this work.

F. All HVAC ducts cleaned as needed.

8. GENERAL

Landlord shall, upon request of Tenant, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

**EXHIBIT F**

**SUBORDINATION, NON-DISTURBANCE  
AND ATTORNMENT AGREEMENT**

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

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

)  
)  
)  
)  
)  
)  
)

Space above for Recorder's Use

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**SUBORDINATION, NON-DISTURBANCE  
AND ATTORNMENT AGREEMENT**

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

This Subordination, Non-disturbance and Attornment Agreement ("Agreement") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 200\_\_ by and among COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant"), 3055 WILSHIRE, LLC, a California limited liability company, ("Borrower") and [*Insert name of Lender*], ("Lender").

**Factual Background**

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

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

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

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

**Agreement**



Therefore, the parties agree as follows:

1. Subordination. The lien of the Deed of Trust and all amendments, modifications and extensions thereto shall be and remain at all times a lien on the Building prior and superior to the Lease, except that if Tenant is granted any option to extend the Term of the Lease, right of first offer to lease additional premises or option to purchase the Building or right of first offer to purchase the Building in the Lease, such provisions shall not be affected or diminished by any such subordination.

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

3. Non-disturbance. The enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby.

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

5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not:

(a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease, including Borrower, unless such act or omission continues after the date that Lender or Purchaser succeeds to the interest of such prior landlord; or

(b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease, unless resulting from a default or breach by such prior landlord which continues after Lender or Purchaser succeeds to the interest of such prior landlord; and provided that any offsets deducted by Tenant prior to the date that Lender or Purchaser succeeds to the interest of such prior landlord shall not be subject to challenge; or

(c) be bound by any prepayment by Tenant of more than one month's installment of rent, unless the Lease expressly requires such prepayment; or

(d) be obligated for any security deposit not actually delivered to Purchaser;  
or

(e) be bound by any modification or amendment of or to the Lease which materially increases Landlord's obligations under the Lease or materially decreases Tenant's obligation under the Lease, unless Lender has approved such modification or amendment in writing, which approval shall not be unreasonably withheld, conditioned or delayed.

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

To Lender: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Borrower: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Tenant: County of Los Angeles  
Chief Executive Office - Real Estate Division  
320 West Temple Street, 7th Floor  
Los Angeles, CA 90012  
Attention: Director of Real Estate

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

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BORROWER: 3055 WILSHIRE, LLC,  
a California limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LENDER: *[Insert name of Lender],*

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_  
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")  
personally appeared \_\_\_\_\_,  
Name of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature (Seal)

## EXHIBIT G

### TENANT ESTOPPEL CERTIFICATE

To: [Insert name of party to rely on document]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

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

County of Los Angeles ("Tenant") hereby certifies that, to its actual knowledge, as of the date hereof:

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

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

      (b)    The current Rent is set forth above.

      (c)    The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Tenant has no option or right to renew, extend or cancel the Lease, or to lease additional space in the Premises or Building, or to use any parking other than that specified in the Lease.

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

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

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

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

(c) Tenant's interest in the Lease has not been assigned or encumbered.

(d) Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease, except as set forth in the Lease.

(e) No rental payments have been made more than one month in advance.

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

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

COUNTY OF LOS ANGELES,  
a body corporate and politic

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

# EXHIBIT H

## COMMUNITY BUSINESS ENTERPRISE FORM

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

<b>I. Minority/Women Participation in Firm</b> (Partners, Associate Partners, Managers, Staff, etc.)						
1. Firm Name: _____			3. Contact Person/Telephone Number: _____			
2. Address: _____			4. Total number of employees in the firm: _____			
5. Provide the number of all minority employees and women in each	Owners, Partners and Associate		Managers		Staff	
	All O,P & AP	Women	All Managers	Women	All Staff	Women
Black/African American						
Hispanic/Latin American						
Asian American						
Portuguese American						
American Indian/Alaskan Native						
All Others						

<b>II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM</b>		
1. Type of Business Structure: (Corporation, Partnership, Sole Proprietorship, Etc.) _____		

<b>III. MINORITY/WOMEN-OWNED FIRM CERTIFICATION</b>		
2. Total Number of Ownership/Partners, Etc.: _____	Is your firm currently certified as a minority owned business firm	
3. Provide the percentage of ownership in each	All Employee	Women
Black/African American		
Hispanic/Latin American		
Asian American		
Portuguese American		
American Indian/Alaskan Native		
All Others		

<b>Section D. OPTION TO PROVIDE REQUESTED INFORMATION</b>	
<input type="checkbox"/> We do not wish to provide the information required in this form.	
Firm Name: _____	
Signature/Title: _____	
Date: _____	

**EXHIBIT I**

**MEMORANDUM OF LEASE**

**RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:**

County of Los Angeles  
Chief Executive Office - Real Estate Division  
320 West Temple Street, 7th Floor  
Los Angeles, CA 90012  
Attention: Director of Real Estate

This document is recorded for the benefit of the County of Los Angeles and recording is exempt from recording fees pursuant to California Government Code Section 27383. This transaction is exempt from documentary transfer tax pursuant to California Revenue and Taxation Code Section 11922.

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**MEMORANDUM OF LEASE**

This Memorandum of Lease ("Memorandum") is made and entered into by and between 3055 WILSHIRE, LLC, a California limited liability company (the "Landlord"), and the COUNTY OF LOS ANGELES, a public body corporate and politic duly organized and existing under the laws of the State of California (the "Tenant"), who agree as follows:

Landlord and Tenant have entered into an unrecorded lease dated \_\_\_\_\_, 20\_\_ (the "Lease") of certain real property located in the County of Los Angeles, State of California, described in Exhibit A attached hereto and incorporated herein by reference, for a term commencing on \_\_\_\_\_, 20\_\_, and ending on a date \_\_\_\_\_ years after the commencement date, unless such term is extended or sooner terminated pursuant to the terms and conditions set forth in the Lease.

This Memorandum has been prepared for the purpose of giving notice of the Lease and of its terms, covenants, and conditions, and for no other purposes. The provisions of this Memorandum shall not in any way change or affect the provisions of the Lease, the terms of which remain in full force and effect.



Dated: \_\_\_\_\_, 20\_\_.

LANDLORD:

3055 WILSHIRE, LLC,  
a California limited liability company

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

TENANT:

COUNTY OF LOS ANGELES,  
a body corporate and politic

SACHI A. HAMAI  
Chief Executive Officer

By: \_\_\_\_\_  
Dean Lehman  
Senior Manager, Real Estate Division

ATTEST:

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

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM  
County Counsel

By: \_\_\_\_\_  
Deputy

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_  
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")  
personally appeared \_\_\_\_\_,  
Name of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature (Seal)

**LANDLORD'S WORK LETTER**

**For**

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

**COUNTY OF LOS ANGELES, as Tenant**

**for Sheriff's Department**

**LANDLORD: 3055 WILSHIRE, LLC**

**Property Address: 3055 Wilshire Boulevard, Los Angeles, CA 90010**

## LANDLORD'S WORK LETTER

This Work Letter supplements the Lease Agreement (the "Lease") dated \_\_\_\_\_, 20\_\_\_\_, executed concurrently herewith, by and between 3055 WILSHIRE, LLC, a California limited liability company, as Landlord, and COUNTY OF LOS ANGELES, as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

The parties hereby agree as follows:

1. **Basic Work Letter Information.** The following terms as used herein shall have the meanings provided in this Section unless otherwise specifically modified by provisions of this Work Letter.

- |   |   |
|---|---|
| (a) <u>Tenant Improvement Allowance</u>   | \$120,810.00 (i.e., \$15.00 per rentable square foot of the Premises)   |
| (b) <u>Tenant's TI Contribution</u>   | N/A   |
| (c) <u>Change Request Contingency</u>   | [Intentionally omitted]   |
| (d) <u>Tenant Improvement Amortization Rate and Change Request Amortization Rate:</u> | N/A   |
| (e) <u>Tenant's Work Letter Representative</u>  | Section Chief or an assigned staff person of the Chief Executive Office-Real Estate Division  |
| (f) <u>Landlord's Work Letter Representative</u>                                      | Property Manager, or an assigned staff person of the Landlord   |
| (g) <u>Landlord's Address for Work Letter Notice</u>                                  | 3055 Wilshire, LLC<br>3055 Wilshire Blvd., Suite 900<br>Los Angeles, CA 90010<br>Attn: Property Manager<br><br>With a copy to:<br><br>3470 Wilshire Boulevard, Suite 700<br>Los Angeles, CA 90010<br>Attn: Legal Department |
| (h) <u>Tenant's Address for Work Letter Notice</u>                                    | County of Los Angeles<br>Chief Executive Office - Real Estate Division<br>County of Los Angeles<br>320 West Temple Street, 7th Floor<br>Los Angeles, CA 90012<br>Attention: Director of Real Estate                         |

(i) Addenda

Addendum A: Base Building  
Improvements  
Addendum B: Tenant Improvements  
Addendum C: Form of Preliminary and  
Final TI Cost Statement

## 2. **Construction of the Building.**

2.1 **Base Building Improvements.** Landlord has constructed or shall construct the base building improvements described on Addendum A hereto (the "Base Building Improvements") as a part of the Building. If the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, such changes or additions shall be considered Tenant Improvements (as defined below) in accordance with Section 7.1 of this Work Letter.

### 2.2 **Additional Costs Not Tenant Improvement Costs.**

(a) If the Building as initially constructed does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes, and Landlord incurs increased design or construction costs that it would not have incurred if the Building had been in compliance with such codes, then such costs shall not be included in the calculation of Tenant Improvement Costs (as defined below), and Tenant shall have no financial responsibility for such costs.

(b) Any work that Landlord must undertake to cause the Premises to comply with the access requirements of the ADA or to make existing building systems, including but not limited to electrical service and HVAC equipment, fully operational shall be at Landlord's sole cost and expense. Tenant Improvement Costs shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease, including all expenses associated with curing any "Sick Building Syndromes", (ii) fire sprinkler system installation or upgrade, (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere, (iv) utility costs incurred during construction, (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease, nor (v) supervision or overhead costs of Landlord, unless otherwise approved by Tenant.

2.3 **Base Building Plans.** Landlord has delivered to Tenant complete and accurate "as built" plans and specifications for the Building in an AutoCAD 2015 (or later version) format. If Tenant incurs additional costs because such plans and specifications are materially incomplete or inaccurate, then any delay caused thereby shall not be a Tenant Delay (as defined below), and Landlord shall pay for any increased costs incurred in correcting such material incompleteness or inaccuracy.

3. **Selection of Architect and Engineer.** Landlord shall promptly solicit at least three (3) proposals from qualified licensed architects and engineers familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings (as defined below). Landlord shall select an architect and an engineer, subject to Tenant's acceptance, which shall not be unreasonably withheld, and which acceptance (or rejection for reasonable reasons) shall be granted within three (3) business days after Landlord has submitted the name of the selected architect and the selected engineer to Tenant, together with

detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until Tenant accepts an architect (the "Architect") and an engineer (the "Engineer"), and Tenant's written acceptance has been delivered to and received by Landlord. Landlord shall contract for the approved Architect and Engineer to complete the Working Drawings and the Final Plans, as defined below, provide plan check review and permitting by the local agencies having jurisdiction and provide the complete scope of Architectural and Engineering services to complete the project according to the Final Permitted Plans. Landlord's costs shall be included in the calculation of Tenant Improvement Costs (as defined below), and the costs for plan check and permits shall be included in the calculation of Tenant Improvement Costs (as defined below).

4. **Selection of Contractor.** The Final Plans (as defined below) and a proposed construction contract approved by Tenant shall be submitted to contractors, selected by Landlord and accepted by Tenant, sufficient in number so that a minimum of three (3) bids are received. Each contractor shall be requested to submit a sealed fixed price contract bid price (on such contract form as Landlord shall designate) to construct the Tenant Improvements depicted on the Final Plans. Landlord shall select the most qualified bidder offering the lowest price after adjustments for inconsistent assumptions, and Landlord shall submit all bids, along with Landlord's recommendation, to Tenant for Tenant's review and acceptance. Following Tenant's acceptance, Landlord shall enter into a construction contract (the "Construction Contract") with the selected contractor (the "Contractor") to construct the Tenant Improvements, consistent with the terms of the accepted bid.

5. **Preparation of Plans and Specifications and Construction Schedule.**

5.1 **Preparation of Space Plan.** Concurrently with the execution of this Lease, Tenant shall submit to Landlord a space plan and specifications for the Premises showing all demising walls, corridors, entrances, exits, doors, interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room (the "Space Plan").

5.2 **Preparation and Review of Working Drawings.** Within thirty (30) days after the date the Space Plan is submitted to Landlord (the "Plan Submission Date"), Landlord shall instruct the Architect to commence preparation of working drawings (the "Working Drawings"), which shall be consistent with the Preliminary TI Cost Statement (as defined below), compatible with the design, construction and equipment of the Building, comply with all applicable laws, be capable of physical measurement and construction, contain all information required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and which shall include all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant the Working Drawings, or such portion thereof as has been submitted, for Tenant's review and acceptance. Landlord shall be solely responsible for insuring that the Working Drawings fully comply with all applicable building codes and are free from errors or omissions on the part of the Architect. Landlord's costs shall be included in the calculation of Tenant Improvement Costs (as defined below).

5.3 **Preparation and Review of Engineering Drawings.** Landlord shall cause the Architect to coordinate all engineering drawings prepared by the Engineer, showing complete mechanical, electrical, plumbing, and HVAC plans ("Engineering Drawings"), to be integrated into the

Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review and acceptance. Landlord's costs shall be included in the calculation of Tenant Improvement Costs (as defined below).

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has accepted the Engineering Drawings, Landlord shall cause the Architect to integrate the accepted Working Drawings with the accepted Engineering Drawings (collectively "Final Plans") and deliver five (5) sets of the Final Plans to Tenant for Tenant's review and acceptance. Landlord's costs of the Architect integrating the accepted Working Drawings with the accepted Engineering Drawings shall be included in the calculation of Tenant Improvement Costs (as defined below). 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), power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements. Landlord's review of the Space Plan, Working Drawings, Engineering Drawings and Final Plans shall be at Landlord's sole cost and expense.

5.5 Tenant's Plan Review and Acceptance. Tenant shall accept or reject the Working Drawings, the Engineering Drawings and the Final Plans within fifteen (15) business days after Tenant receives the applicable plans and drawings from Landlord. If Tenant rejects any such plans or drawings, then Tenant shall notify Landlord thereof, specifying in detail the reason for such rejection, in which case Landlord shall revise the applicable plans or drawings and deliver revised plans or drawings to Tenant within ten (10) days after receipt of Tenant's rejection notice. This procedure shall be repeated until the applicable plans are accepted by Tenant. If, after such procedure, the parties cannot agree on the Working Drawings, the Engineering Drawings or the Final Plans, then Tenant may elect to terminate the Lease and this Work Letter by delivering written termination notice to Landlord, whereupon all monies previously paid to Landlord shall be promptly refunded to Tenant, and the parties shall have no further obligations under the Lease and the Work Letter. Tenant's acceptance of the Working Drawings, Engineering Drawings and/or the Final Plans shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements.

5.6 Schedule. Within fifteen (15) business days after the Plan Submission Date, Landlord shall submit to Tenant a detailed construction schedule, subject to acceptance by Tenant, which shall not be unreasonably withheld, setting forth the completion dates 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 the Construction Contract, construction commencement, construction completion, the Projected Commencement Date and other relevant dates. As the construction continues, Landlord shall amend the construction schedule at least once each month to reflect any changes to the projected dates, and Landlord shall promptly submit the revised construction schedules to Tenant.

5.7 Submittals. The Contractor shall submit to Tenant any Shop Drawings, Product Data, Samples and similar submittals required by the Final Plans in coordination with the construction schedule and with reasonable promptness, so as not to cause any delay in the construction of

the Tenant Improvements. The purpose of Shop Drawings, Product Data, Samples and similar submittals is to demonstrate the way by which the Contractor proposes to construct a design concept expressed in the Final Plans. "Shop Drawings" are drawings, diagrams, schedules and other data specially prepared by the Contractor or a subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Tenant Improvements. "Product Data" are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Tenant Improvements. "Samples" are physical examples that illustrate materials, equipment or workmanship for some portion of the Tenant Improvements. The Contractor shall construct no portion of the Tenant Improvements for which the Final Plans require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been accepted by Tenant.

## **6. Landlord's TI Cost Statement and Payment of Tenant Improvement Costs.**

**6.1 Cost Statement.** Within three (3) days after the Plan Submission Date, Landlord shall submit to Tenant a preliminary cost statement for the Tenant Improvements in a format similar to Addendum C attached hereto (the "Preliminary TI Cost Statement"), which must not exceed the sum of the Tenant Improvement Allowance and Tenant's TI Contribution. Such statement shall be revised into final form within ten (10) days after the date that the Contractor is selected and will be referred to herein as the "Final TI Cost Statement". Tenant shall have ten (10) business days after the date of receipt of the Final TI Cost Statement to accept or reject the Final TI Cost Statement, including but not limited to any Contractor overhead, profit and/or general conditions costs included therein. Tenant's failure to accept or reject the Final TI Cost Statement in writing within such period shall be deemed to be rejection. Construction of the Tenant Improvements shall not begin until Tenant accepts the Final TI Cost Statement in writing. If Tenant rejects the Final TI Cost Statement due to matters related to cost and the Final TI Cost Statement is ten percent (10%) or more higher in cost than was projected in the Preliminary TI Cost Statement, then, at Tenant's request, Landlord shall cause the Architect and the Engineer to redesign the Tenant Improvements, at Landlord's sole expense, to comply with the Preliminary TI Cost Statement, and any delay caused by the necessity to rebid or redesign the Tenant Improvements shall not be considered a Tenant Delay. If Tenant rejects the Preliminary TI Cost Statement or the Final TI Cost Statement, the parties shall promptly confer to resolve all issues relating thereto. If after such consultation, the parties cannot agree on the Preliminary TI Cost Statement or the Final TI Cost Statement, then Tenant may elect to terminate the Lease and this Work Letter by delivering written termination notice to Landlord, whereupon all monies previously paid to Landlord shall be promptly refunded to Tenant, and the parties shall have no further obligations under the Lease or this Work Letter.

**6.2 Tenant Improvement Allowance and Tenant's TI Contribution.** All improvements required by the Final Plans, as further described in Addendum B hereto, and any and all modular furniture described in the Modular Specifications (as defined below) shall be referred to herein, collectively, as "Tenant Improvements." Costs of Tenant Improvements shall include costs for furniture, telecommunications equipment, soft costs, and any other costs approved in writing by Tenant (collectively "Tenant Improvement Costs"), all of which must not exceed the Tenant Improvement Allowance, Tenant's TI Contribution and costs of any Change Requests (as defined below) that are approved in writing by both parties. Landlord shall be solely responsible for any delay or increased cost in completing the Tenant Improvements except for delays or costs arising from Tenant Delays as defined below. Except as otherwise provided herein, all Tenant Improvement Costs shall be paid by Landlord and deducted from the Tenant Improvement Allowance. If the Tenant Improvement Costs exceed the Tenant Improvement



Allowance, then Tenant may authorize Landlord to pay the overage in an amount not exceeding Tenant's TI Contribution. Thereafter, Tenant shall pay such overage to Landlord as provided in Section 6.3 below.

**6.3 Method of Payment.** That portion of Tenant's TI Contribution used to pay for any Tenant Improvement Costs in excess of the Tenant Improvement Allowance may, at Tenant's election, be paid to Landlord (a) in a lump sum, when the Tenant Improvements are Substantially Complete, or (b) in equal monthly payments, amortized over the term of the Lease at the Tenant Improvement Amortization Rate. Tenant may, at any time during the Term, prepay all or any portion of the Tenant Improvement Costs in excess of the Tenant Improvement Allowance and pay any remaining amount in equal monthly payments, amortized over the remaining term of the Lease at the Tenant Improvement Amortization Rate.

## **7. Construction of Tenant Improvements.**

**7.1 Tenant Improvements.** Tenant Improvements to be constructed by Landlord are described more particularly on Addendum B hereto. If any work required by the Final Plans is not described on Addendum B hereto, such work shall be performed by Landlord and included in the cost of Tenant Improvements.

**7.2 Bids.** Unless waived by Tenant in writing, any major contractors, subcontractors and material suppliers 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. 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. Landlord shall also obtain three (3) bids for the purchase and installation of Tenant's office furniture system, if applicable, in accordance with Section 9.1 below.

**7.3 Permits.** Landlord shall obtain the approval of all applicable governmental authorities and all permits required for the Tenant Improvements, promptly after Tenant's acceptance of the Final Plans. Landlord shall obtain plan check approval prior to soliciting bids from contractors pursuant to Section 4 hereof. Landlord's costs shall be included in the calculation of Tenant Improvement Costs.

**7.4 Commencement of Construction.** Landlord shall commence construction of the Tenant Improvements within fifteen (15) business days after Tenant's acceptance of the Contractor pursuant to Section 4 hereof. Contractor shall obtain the building permit for the Tenant Improvements prior to the commencement of construction. Thereafter, Landlord shall diligently proceed to construct and complete all Tenant Improvements in a good and workmanlike manner, subject only to any cessation that may be caused by Force Majeure Delays (as defined below).

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

(a) **Notice of Non-responsibility.** Landlord and the Contractor shall cooperate with Tenant in posting a notice or notices of non-responsibility by Tenant in compliance with California Civil Code Section 8444.

(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 other decor selection efforts required by Tenant, shall be provided by Landlord' in accordance with Tenant's Space Plan and such costs shall be included in the calculation of Tenant Improvement Costs. Landlord shall consult with Tenant with respect to all such decorating services and decisions.

(c) Warranties. Landlord warrants that the Tenant Improvements shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of Substantial Completion. Landlord shall require each contractor and subcontractor to provide warranties of like duration in all construction contracts relating to the Tenant Improvements and, upon Tenant's request, Landlord shall assign to Tenant any such warranties relating to the Tenant Improvements.

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

(e) Compliance with Laws. Construction of the Tenant Improvements shall comply with all applicable laws and regulations, including but not limited to the provisions of the California Labor Code relating to the payment of prevailing wages on public works projects, unless the work is otherwise exempt therefrom pursuant to the California Labor Code. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including but not limited to all provisions of the California Labor Code. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly wage rate and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction of the Tenant Improvements. Particulars of the current Prevailing Wage Scale, as approved by the Board of Supervisors, which are applicable to the work, are filed with the Clerk of the Board of Supervisors and must be posted at the site.

(f) Access During Construction. Tenant shall have the right to inspect the Tenant Improvements during the course of construction. Landlord and Tenant shall use reasonable good faith efforts to coordinate the work of their respective contractors to achieve timely completion of the Tenant Improvements and Tenant's installation work. In no event shall Tenant interfere with the work performed hereunder.

7.6 Completion/Close Out. The Premises shall not be considered Substantially Complete until the Tenant Improvements have been completed in accordance with the Final Plans, subject only to the completion of minor punch-list items that will not interfere with Tenant's use and occupancy of the Premises for Tenant's permitted and intended use under the Lease. Upon Substantial Completion of the Tenant Improvements, Landlord shall notify Tenant in writing and, within ten (10) business days of Tenant's receipt of such notice, Landlord and Tenant shall conduct a "walk-through" inspection of the Premises and prepare a punch-list of known or apparent deficiencies or incomplete work required to be corrected or completed by Landlord. Landlord, at Landlord's sole cost and expense, shall cause all punch-list items to be repaired or completed as soon as possible, but in no event later than ninety (90) days following the walk-through inspection. If Landlord fails to complete any of the punch-list items within such ninety

(90) day period, then Tenant, in addition to its other rights and remedies under the Lease, after giving ten (10) days written notice to Landlord, shall have the right, but not the obligation, to cause such punch-list items to be completed, with the cost thereof plus ten percent (10%) for Tenant's overhead and supervision to be deducted from the next installment(s) of rent or other amounts payable by Tenant under the Lease. Latent or hidden defects in the Tenant Improvements shall be brought to Landlord's attention promptly upon Tenant's becoming aware of such defects. Landlord, at Landlord's sole cost and expense, shall promptly cause such defects to be repaired following receipt of notice thereof, and Tenant shall have the same rights with respect thereto as set forth herein for all other punch-list items.

**7.7 Conformed Plans.** Within sixty (60) days after Substantial Completion of the Tenant Improvements and Landlord's receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans ("as-builts") incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such "as-built" or "record documents" shall be submitted in Auto CAD R 15.dwg (or later version) format, along with one (1) complete set of mylar transparencies of drawings and one (1) complete set of specifications.

**8. Change Requests.** Tenant and Landlord may request changes, additions, deletions or substitutions in the Final Plans (each, a "Change Request"), provided that the requesting party must submit a written request to the other party and that Change Requests will not be effective unless approved in writing by both Tenant and Landlord. The amount of the Change Request Contingency set forth in Section 1 has been authorized by the Board of Supervisors of the County to be used to pay the costs of any and all Change Requests, but only the Chief Executive Officer is authorized to approve Change Requests on behalf of Tenant, and only if the aggregate amount of all approved Change Requests does not exceed the Change Request Contingency. If Tenant requests any changes or substitutions to the Tenant Improvements after the Final Plans and the Final TI Cost Statement have been accepted, then any additional costs related thereto in excess of Tenant Improvement Allowance shall be paid by Tenant, provided that Tenant executes a written Change Request prior to the performance of the applicable work. Tenant may elect to pay for such costs (a) in a lump sum, upon Substantial Completion of the Tenant Improvements, or (b) in equal monthly payments, amortized over the term of the Lease at the Change Request Amortization Rate. Landlord shall be solely responsible for the cost of any Change Requests that are not requested by Tenant. Landlord shall submit to the Chief Executive Officer with each Change Request (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Change Requests previously approved, and (iii) an estimate of the construction time which will be increased or shortened if the Change Request is approved. Each Change Request must be signed and dated by the Chief Executive Officer.

**9. Furniture System.**

9.1 Tenant shall deliver to Landlord within ten (10) days after execution hereof, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, Landlord and /or Landlord's architect shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors. Prior to submission for bids, Landlord shall review the bid package with Tenant, and Tenant shall have the right to accept or reject the bid package within five (5) business days. Landlord shall order the modular furniture set forth in the Modular Specifications, and install the same within the Premises, all of which shall be a Tenant Improvement Cost, payable by Landlord and/or Tenant as provided in Section 6.2 and Section 6.3 hereof. Tenant's acceptance of any bid package

shall not be deemed to be a representation by Tenant as to the adequacy or correctness of any specifications contained therein.

9.2 Alternatively, Tenant may elect to finance the cost of modular furniture through lease-purchase financing with a third-party lender ("Creditor"). If Tenant elects to enter into a lease-purchase financing of any furniture or telecommunications equipment (individually or collectively, "Personal Property") through a Creditor, Landlord expressly agrees as follows:

(a) The Personal Property shall not become part of the realty or real property, but shall remain personal property removable by the Creditor and its assigns, provided that any damage to the Building or the Premises caused by such removal shall be repaired by Creditor.

(b) Landlord must receive written notice from Creditor of any plan by Creditor to remove the Personal Property from the Building.

(c) This Section 9.2 shall be binding on the representatives, successors and assigns of all parties hereto and shall inure to the benefit of the successors-in-interest to all parties hereto.

(d) Landlord hereby waives any right to gain possession of any of Personal Property during the term of the Lease.

10. **Tenant Improvement Costs Adjustment and Right to Audit.** Within five (5) days of the issuance of a Certificate of Occupancy for the Premises, or a final sign-off by the City of Los Angeles, whichever occurs first, Landlord shall provide to Tenant a statement showing in reasonable detail, including but not limited to pay applications, invoices, cancelled checks, contracts, approved changed orders, and any other support documentation reasonably required by Tenant, all Tenant Improvement Costs and the amount thereof that is excess of the Tenant Improvement Allowance and payable hereunder by Tenant to Landlord. Upon approval of such statement by Tenant, payments by either party pursuant to the Lease and this Work Letter shall be adjusted as appropriate based upon such statement. Tenant shall have the right to audit the Tenant Improvement Costs at any time within twenty-four (24) months after the date of Tenant's Acceptance of the Premises and Landlord having provided a complete statement showing reasonable details of all Tenant Improvements Costs. If the audit shows that Tenant is entitled to a reduction in payments made by Tenant to the Landlord pursuant to this Work Letter, then Tenant shall provide Landlord with a copy of the audit summary, and Landlord shall pay Tenant the amount of any over-payment made by Tenant within thirty (30) days, and any future payments owed by Tenant shall be adjusted as appropriate based upon the audit results. Landlord shall require the Contractor to include reasonable audit provisions in all subcontracts which allow Tenant to audit the subcontractors' books and records with respect to the Tenant Improvements.

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

## 12. Delay.

12.1 Tenant Delays and Force Majeure Delays. 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 Tenant shall not be charged as a result of any delay in the construction of Tenant Improvements. Subject to the provisions of Section 12.2, the Projected Commencement Date set forth in the Lease shall be extended one (1) day for each day that: (a) Tenant fails or refuses to give authorizations or approvals within the time periods required herein, but only to the extent such delays delay the commencement or completion of construction of the Tenant Improvements (referred to herein as "Tenant Delay(s)"); or (b) Substantial Completion of the Tenant Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)").

## 12.2 Limitations.

(a) Notice. No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless, within forty eight (48) hours of the event giving rise to such claim, Landlord provides Tenant with written notice in compliance with the Lease specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred, commencing as of the date Tenant received such notice from Landlord.

(b) Mitigation. Tenant Delays and Force Majeure Delays shall delay the Projected Commencement Date only if Substantial Completion of the Tenant Improvements is delayed, despite Landlord's reasonable efforts to adapt and compensate for such delays, which efforts Landlord shall be obligated to make (provided that the additional cost incurred by Landlord due to such efforts does not exceed \$1,000 on a cumulative basis, unless Tenant agrees to pay to the excess).

(c) Concurrent Delays. Tenant Delays and Force Majeure Delays shall be recognized hereunder only if the same are not concurrent with any other Tenant Delay or Force Majeure Delay that is effective hereunder. For example, if there are ten (10) days of Tenant Delays, and four (4) days of Force Majeure Delays occur during the same ten (10) day period, then the Projected Commencement Date would be extended by only ten (10) days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, then the Projected Commencement Date would be extended by fourteen (14) days.

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

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

13.1 Cancel the Lease upon thirty (30) days written notice to Landlord; or

13.2 Upon thirty (30) days written notice to Landlord, assume the responsibility for constructing and/or completing the Tenant Improvements itself. If Tenant elects to construct or complete the Tenant Improvements itself, then:

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

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

Any default by Landlord under the terms of this Work Letter shall constitute a default under the Lease and shall entitle Tenant to exercise all remedies set forth in the Lease.

#### **14. Representatives.**

14.1 Tenant Representative. Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Work Letter only, is Tenant's Address for Work Letter Notice as set forth in Section 1.2 of the Lease.

14.2 Landlord Representative. Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on behalf of Landlord as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Work Letter only, is Landlord's Address for Work Letter Notice as set forth in Section 1.2 of the Lease.

15. **Elevator Usage During Move-In.** In the event that the use of the freight elevators and/or hoists is not sufficient to meet Tenant's requirements during the early entry period set forth in Section 4.3 of the Lease, (a) Landlord shall cause to be made operational a temporary construction elevator and hoist, or (b) Tenant shall have priority usage of two (2) passenger elevators in the elevator bank that services the Premises in order to assist Tenant in the installation of Tenant's fixtures, furniture and equipment.

16. **Construction Meetings.** During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, unless Tenant directs otherwise, at a time and place that is mutually convenient. An initial construction meeting shall be held within five (5) days after the date the Contractor is selected. Contractor shall provide minutes of each construction meeting to Tenant within a reasonable time thereafter, but not later than the date of the next construction meeting.

17. **Delivery.** Delivery of all plans and drawings referred to in this Work Letter shall be by commercial messenger service or personal hand delivery, unless otherwise agreed by Landlord and Tenant.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Work Letter as of the dates set forth below.

LANDLORD:

3055 WILSHIRE, LLC,

a California limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

TENANT:

COUNTY OF LOS ANGELES,

a body corporate and politic

By: \_\_\_\_\_

Dean Lehman

Senior Manager, Real Estate Division

Date Signed: \_\_\_\_\_



## **ADDENDUM A to Landlord's Work Letter**

### **BASE BUILDING IMPROVEMENTS**

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

- (a) the Building shell and exterior, including perimeter window frames, mullions and glazing in good condition;
- (b) the core area, including mechanical, electrical, sprinkler, plumbing, life safety, heating, air conditioning, ventilation and structural systems within the Building core, stubbed out to the face of the core wall at locations determined by Landlord;
- (c) men's and women's toilet rooms, including necessary plumbing fixtures, ceramic tile floors, accessories, ceilings and lighting, with running hot and cold water;
- (d) unpainted exterior dry wall or lath and plaster covering the exposed side of all exposed core walls, core and perimeter columns and the interior exposed side of all exterior building wall areas except at and under windows;
- (e) public stairways;
- (f) passenger and freight elevators;
- (g) parking facilities;
- (h) ground floor lobby;
- (i) finished elevator lobbies (with carpet, lights, finished walls and ceiling);
- (j) exterior plazas and landscaping;
- (k) loading dock and/or area;
- (l) drinking fountains at the core;
- (m) electrical/telephone closet with not less than seven (7) watts per square foot of rentable area of normal power in the floor electrical closet;
- (n) conduit access sufficient for Tenant's electrical wiring (no additional improvement to increase conduit access will be furnished by Landlord unless there is not sufficient riser space as required for a 1.5" diameter signal cable from the Building main telecommunication vault to the telephone closets on floor 2, in which case Landlord, at no cost to Tenant and without deduction from the Tenant Improvement Allowance, shall cause such riser space to be made available to Tenant, and provided further that Tenant shall be responsible for the cost for removing the riser floor seal at each floor and the patching of each seal after installation of Tenant's cable);
- (o) two (2) 208/120 and one (1) 480/277 volt panels connected to the Building power system;
- (p) mechanical equipment room with ducted mechanical exhaust system;

(q) concrete floors with troweled finish, level to specified tolerances and designed to support a minimum live load of fifty (50) pounds per square foot and a partition load of twenty (20) pounds per square foot;

(r) standard window coverings;

(s) primary HVAC duct for cooling and primary HVAC duct for heating (heating is for perimeter zone only) to loop from the mechanical equipment room around the building core;

(t) hot and cold air loops located within the Premises;

(u) primary fire sprinkler distribution, including secondary piping and sprinkler heads as required for the unoccupied Premises;

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

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

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

## **ADDENDUM B to Landlord's Work Letter**

### **TENANT IMPROVEMENTS**

Tenant improvements shall include:

- (a) Tenant ceilings and lighting;
- (b) Floor finish in the Premises (except elevator lobbies and public corridors on multi-tenant floors and toilet rooms);
- (c) Interior finishes of any kind within the Premises (except elevator lobbies and public corridors on multi-tenant floors and core area toilet rooms);
- (d) Interior partitions, doors, frames, and hardware within the Premises;
- (e) Terminal boxes and reheat coils or other HVAC or air distribution devices to or within the Premises;
- (f) As applicable, Tenant's furniture, fixtures and equipment, including telephones, computers and cabling therefor;
- (g) Distribution of electrical services, plumbing services and sprinklers from the core to the Premises, and domestic hot water heater and associated hot water piping;
- (h) Any and all signs for Tenant and the power therefor;
- (i) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms and extinguishers;
- (j) Additional and/or above standard electrical and structural capacity; and
- (k) Fiber optic access.

**ADDENDUM C to Landlord's Work Letter**

**PRELIMINARY AND FINAL TI COST STATEMENT**

\_\_\_\_ Preliminary TI Cost Statement  
\_\_\_\_ Final TI Cost Statement

Lease No. \_\_\_\_\_  
Address \_\_\_\_\_

Cost Category

Architecture and Engineering Contract	\$
Plan Check Fees	\$
General Contractor	\$
Furniture	\$
Other	\$
Total Tenant Improvement Costs	\$

## BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

<b>OPS CLUSTER AGENDA REVIEW DATE</b>	3/25/2020			
<b>BOARD MEETING</b>	4/14/2020			
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	1			
<b>DEPARTMENT</b>	Sheriff			
<b>SUBJECT</b>	Approve a proposed five-year Lease for continued use of 2,725 square feet of existing office space together with use of up to 11 on-site parking spaces at 901 Corporate Center Drive, Monterey Park.			
<b>PROGRAM</b>	Antelope Valley/Department of Justice Compliance Unit			
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:			
<b>DEADLINES/ TIME CONSTRAINTS</b>	The existing lease agreement is currently on month to month holdover with no penalty since October 31, 2018.			
<b>COST &amp; FUNDING</b>	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Total cost: \$443,000 for rent and parking costs over initial five years</td><td style="width: 50%;">Funding source: 100% Net County Cost</td></tr> </table> <p>TERMS (if applicable): The proposed Lease provides for an annual rental increase fixed at 4 percent. The County shall have a one-time right after the 36<sup>th</sup> month following commencement to terminate the Lease upon six-month prior written notice. The Landlord will provide a non-reimbursable base TI allowance of \$40,875 or \$15 per square foot, included in the lease.</p> <p>Explanation: There is sufficient appropriation in the Fiscal Year (FY) 2019-20 Rent Expense Budget to cover the first-year costs, which will then be billed to the Sheriff. The Sheriff has sufficient appropriation in the Sheriff's Fiscal Year (FY) 2019-20 operating budget to cover these costs for the first year. Beginning with FY 2020-21, ongoing funding for the proposed lease will be part of the budget for Sheriff. These costs are 100 percent net County cost.</p>		Total cost: \$443,000 for rent and parking costs over initial five years	Funding source: 100% Net County Cost
Total cost: \$443,000 for rent and parking costs over initial five years	Funding source: 100% Net County Cost			
<b>PURPOSE OF REQUEST</b>	Approval of the recommended actions will continue to provide the necessary space to accommodate this County requirement.			
<b>BACKGROUND (include internal/external issues that may exist)</b>	<p>Since 2015, Sheriff has occupied the premises located at 901 Corporate Center Drive, Suite 308, Monterey Park, to house its Antelope Valley/Department of Justice Compliance Unit (AV/DOJ). The AV/DOJ is tasked with the implementation and compliance of federally mandated reforms pursuant to a settlement agreement that seeks to ensure that the public throughout Los Angeles County receives bias-free constitutional policing services provided by the Sheriff's department. The proposed lease will continue to provide the Sheriff's Department with adequate space for its ongoing operations. The proposed premises will accommodate 10 employees with adjacent parking, which meets the required space needs of the Sheriff.</p>			
<b>DEPARTMENTAL AND OTHER CONTACTS</b>	Michael Navarro, Chief Program Specialist 213-974-4364 mnavarro@ceo.lacounty.gov			



SACHI A. HAMAI  
Chief Executive Officer

## 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>

Board of Supervisors  
HILDA L. SOLIS  
First District

MARK RIDLEY-THOMAS  
Second District

SHEILA KUEHL  
Third District

JANICE HAHN  
Fourth District

KATHRYN BARGER  
Fifth District

April 14, 2020

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**FIVE-YEAR LEASE  
SHERIFF'S DEPARTMENT  
901 CORPORATE CENTER DRIVE, MONTEREY PARK  
FIRST DISTRICT  
(3 VOTES)**

**SUBJECT**

Approval of a proposed lease to provide the Sheriff's Department with continued use of 2,725 rentable square feet of office space and up to 11 on-site parking spaces.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed lease 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 Acting Chief Executive Officer, or her designee, to execute the proposed lease with 901 Corporate Center, LP (Landlord), for approximately 2,725 rentable square feet of office space, and 11 on-site parking spaces at 901 Corporate Center Drive, Monterey Park, CA to be occupied by the Sheriff's Department (Sheriff). The estimated maximum first-year base rental cost is \$81,750. The total base rental cost payable to the Landlord under the proposed lease would be approximately \$443,000 over the five-year lease term. The rental costs will be 100 percent net County cost.

3. Authorize and direct the Acting Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the terms of the proposed lease, and to implement and effectuate the terms of the proposed lease, including, without limitation, exercising early termination rights, option to extend the term, and the right of first offer to lease additional premises. The proposed lease will become effective upon approval by the Board.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Sheriff has occupied the facility located at 901 Corporate Center Drive, Suite 308, Monterey Park, to house its Antelope Valley/Department of Justice Compliance Unit (AV/DOJ) since 2015. The AV/DOJ is tasked with the implementation and compliance of federally mandated reforms, pursuant to a settlement agreement that seeks to ensure that the public throughout Los Angeles County receives bias-free, constitutional policing services provided by the Sheriff. AV/DOJ compliance goals are achieved through policy writing, conducting audits, development of training procedures, processing federal claims, collecting and analyzing pertinent data, and coordinating activities with federal monitors. The existing lease expired on October 31, 2018, and has been on a month-to-month holdover basis, with no additional holdover fee, since that time.

The proposed lease will continue to provide the Sheriff's Department with adequate space for its ongoing operations. The proposed premises will accommodate 10 employees with adjacent parking, which meets the space needs of the Sheriff and is accessible to public transportation routes.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan Goal 3 - *"Realize Tomorrow's Government Today"* - provides 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 lease will support this goal by allowing the Sheriff and its programs to continue its operations without interruption of service.

The proposed lease conforms with the Asset Management Principles outlined in Attachment A.

### **FISCAL IMPACT/FINANCING**

There is sufficient appropriation in the Fiscal Year (FY) 2019-20 Rent Expense Budget to cover the first-year costs, which will then be billed to the Sheriff. The Sheriff has sufficient appropriation in the Sheriff's FY 2019-20 operating budget to cover these costs for the first year. Beginning with FY 2020-21, ongoing funding for the proposed lease will be part of the budget for the Sheriff. These costs are 100 percent net County cost.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

In addition to the terms described herein, the proposed lease includes the following provisions:

- The Landlord will be responsible for all operating and maintenance costs associated with the facility.
- The Landlord has conducted a remeasurement of the existing premises, in accordance with industry standards, which has resulted in an increase of 721 square feet in the total amount of rentable square footage from 2,004 rentable square feet to 2,725 rentable square feet.
- The maximum first-year base rental cost is \$81,750 or \$30 annually per square foot, with annual rental adjustments of 4 percent per annum.
- During the first year of the lease, the Sheriff will have the use of 11 on-site parking spaces at no cost. Beginning in the second year, the lease provides for potential charges for parking based on prevailing market conditions.
- The Landlord will provide a non-reimbursable base tenant improvement allowance of \$40,875 or \$15 per square foot, included in the lease.
- Attachment B provides an overview of the total proposed lease costs.
- A cancellation provision allows the County to terminate the proposed lease at 36 months with six months prior written notice.
- The proposed lease contains a holdover provision, which includes an increase to base rent by an amount equal to 25 percent of the base rent at the time of lease expiration, for the first twelve months of holdover. Thereafter, the monthly base rent shall increase by 50 percent of the base rent at the time of the lease expiration. The County's holdover tenancy may be terminated upon 30 days' notice from the Landlord.
- The proposed lease gives the County a right of first offer to lease additional contiguous space on the third floor of the building. If the Landlord intends to offer such space or receives a third party offer to lease such space, the Landlord shall give the County first rights to match the proposed rental rate and lease the space, which right County must exercise within 30 days from the Landlord's notice.



- The proposed lease gives the County the option to extend the lease term for four years at the then prevailing fair market rental rate by providing not less than six months prior written notice.
- The proposed lease shall be effective upon approval by the Board and commence upon full execution by the Parties.

The Chief Executive Office (CEO), through its broker representative, CBRE, conducted a survey within the project area to determine the availability of comparable office space options. CBRE was unable to identify any sites in the survey area that could accommodate this requirement more economically. Based upon a review of available industry data, CBRE has established that the average annual rental range for a comparable lease in this area is between \$24 and \$33 per square foot. The base annual rental rate of \$30 per square foot per year is within market range for the area.

Research has been completed to evaluate the option of utilizing co-working as an alternative location for this Sheriff's program. There are no co-working providers in the greater Monterey Park area.

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 the facility and found it seismically suitable for County occupancy. A notification letter to the City of Monterey Park has been sent pursuant to Government Code Section 25351. County Counsel has reviewed the attached proposed lease and has approved it as to form.

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

## **ENVIRONMENTAL DOCUMENTATION**

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 of Supervisors, and Section 15301 of the State CEQA Guidelines (Existing Facilities). The proposed lease, which involves the leasing of existing office space with minor tenant improvements within an existing building, is within a class of projects that have been determined not to have a significant effect on the environment and 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 project 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, a Notice of Exemption will be filed with the Registrar-Recorder/County Clerk in accordance with Section 21152 of the California Public Resources Code.

## **IMPACT ON CURENT SERVICES (OR PROJECTS)**

The proposed lease will adequately provide the necessary office space for this County requirement. Sherriff concurs with the proposed recommendation.

The Honorable Board of Supervisors

April 14, 2020

Page 6

**CONCLUSION**

It is requested that the Executive Office, Board of Supervisors return one certified copy of the Minute Order, and the adopted stamped Board letter to the CEO, Real Estate Division, at 320 West Temple Street, 7<sup>th</sup> Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

FESIA A. DAVENPORT

Acting Chief Executive Officer

FAD:DPH:DL

JLC:MAN:RL:gw

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Sheriff

**SHERIFF'S DEPARTMENT**  
**901 CORPORATE CENTER DRIVE, MONTEREY PARK**  
**Asset Management Principles Compliance Form<sup>1</sup>**

<b>1.</b>	<b><u>Occupancy</u></b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
A	Does lease consolidate administrative functions?			X	
B	Does lease co-locate with other functions to better serve clients?			X	
C	Does this lease centralize business support functions?		X		
D	Does this lease meet the guideline of 200 sq. ft of space per person? <b>Larger to accommodate Federal monitors' visits.</b>			X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline?		X		
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?		X		
<b>2.</b>	<b><u>Capital</u></b>				
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? No other County owned space available for this program.				X
F	Is Building Description Report attached as Attachment C?		X		
G	Was build-to-suit or capital project considered? <b>The County already occupies the facility and a capital project was not considered.</b>			X	
<b>3.</b>	<b><u>Portfolio Management</u></b>				
A	Did department utilize CEO Space Request Evaluation (SRE)?		X		
B	Was the space need justified?		X		
C	If a renewal lease, was co-location with other County departments considered?			X	
D	Why was this program not co-located?				
	1. ____ The program clientele requires a "stand alone" facility.				
	2. ____ No suitable County occupied properties in project area.				
	3. <u>X</u> 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? <sup>1</sup>		X		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98					
<sup>2</sup> If not, why not?					

### OVERVIEW OF THE PROPOSED LEASE COSTS

<b>901 Corporate Center Drive, Monterey Park</b>	<b>Existing Lease</b>	<b>Proposed Lease</b>	<b>Change</b>
Area (Square Feet)	2,004 sf	2,725 sf	+721 sf (Per Landlord remeasurement)
Term (years)	3 years (11/1/2015 – 10/31/2018)	5 years	+2 years
Annual Base Rent <sup>(1)</sup>	\$45,450.72 (\$1.89/sf/mo or \$22.68/sf/year)	\$81,750 (\$2.50/sf/mo or \$30.00/sf/year)	+\$36,299.28
Annual TI Reimbursement	None	None	None
Parking <sup>(2)</sup>	Included in rent	Prevailing rate; currently \$0.00	None
Rental rate adjustment	Annual CPI increases capped at 2 percent	Annual 4 percent per year	+2 percent
Cancellation	None	County at 36 <sup>th</sup> month with 180 days' notice	County gained right to early termination

- (1) The existing and proposed leases are both gross, with the landlord responsible for paying all costs associated with operational and building maintenance.
- (2) The proposed lease requires that the County pay prevailing rates (currently \$0.00 per parking space per month).

## OVERVIEW OF THE PROPOSED LEASE COST

Sheriff Department  
901 Corporate Center Drive, Suite 308

Leased Area (sq.ft.)	2,725	
Term (months)	60	
Annual Rent Adjustment	4.00%	
	<b>Cost Per RSF</b>	<b>Cost Per RSF</b>
Base Rent	<b>Per Month</b>	<b>Per Year</b>
	\$2.50	\$30.00
	<b>Cost Per Space</b>	<b>Cost Per Space</b>
	<b>Per Stall</b>	<b>Per Year</b>
Parking (11 parking spaces)	\$0.00	\$0.00

	1st Year	2nd Year	3rd Year	4th Year	5th Year	Total 5 Year Rental Costs
<b>Annual Base Rent Costs <sup>1</sup></b>	81,750	85,020	88,421	91,958	95,636	<b>443,000</b>
<b>Parking Costs <sup>2</sup></b>	0	TBD	TBD	TBD	TBD	<b>TBD</b>
<b>Total Annual Lease Costs</b>	<b>81,750</b>	<b>85,020</b>	<b>88,421</b>	<b>91,958</b>	<b>95,636</b>	<b>443,000</b>

<sup>1</sup> Annual base rent includes fixed 4 percent annual increases.

<sup>2</sup> Currently, the base rent costs includes 11 parking spaces at no additional fee. The parking spaces are subject to the prevailing market rate at the discretion of the Landlord. Prevailing rate may increase over the term of the lease.

\*Calculation note: All numbers are rounded up to ensure sufficient funds available to pay the specified expense.

**SHERIFF'S DEPARTMENT  
SPACE SEARCH – 3 MILE RADIUS  
901 CORPORATE CENTER DRIVE, MONTEREY PARK**

<b>LACO</b>	<b>Name</b>	<b>Address</b>	<b>Ownership Type</b>	<b>Gross SqFt</b>	<b>Net SQFT</b>	<b>Vacant</b>	<b>LACO</b>	<b>Name</b>
4526	Biscailuz - Administration Building	1060 N Eastern Ave Los Angeles 90063	Owned	16,571	11,428	None	4526	Biscailuz - Administration Building
4799	PW Central Yard - Division Administration	1525 Alcazar St. Los Angeles 90033	Owned	10,438	7,224	None	4799	PW Central Yard - Division Administration
Y013	DPSS - Civic Center District/Grow Center Office	813 E 4th Pl Los Angeles 90013	Owned	39,956	20,447	None	Y013	DPSS - Civic Center District/Grow Center Office
6578	DPSS - Metro East AP District Office	2855 E Olympic Blvd Los Angeles 90023	Owned	63,066	28,398	None	6578	DPSS - Metro East AP District Office
5428	DPSS - Belvedere AP District Office	5445 E Whittier Blvd East Los Angeles 90022	Owned	70,493	48,888	None	5428	DPSS - Belvedere AP District Office
5412	PH - Environmental Health Program	4801 E 3rd St. East Los Angeles 90022	Owned	14,848	10,741	None	5412	PH - Environmental Health Program
4364	Probation - East Los Angeles Area Office	144 S Fetterly Ave, 4849 E Civic Center Way, Los Angeles 90022	Owned	15,584	10,705	None	4364	Probation - East Los Angeles Area Office
5260	Coroner - Administration/ Investigations Build	1102 N Mission Rd Los Angeles 90033	Owned	22,479	14,251	None	5260	Coroner - Administration/ Investigations Build
X327	PRE-RELEASE CENTER AB109	200 W Woodward Ave Alhambra 91801	Owned	11,273	7,175	None	X327	PRE-RELEASE CENTER AB109
4231	Biscailuz - Training/Intelligence Facility	1060 N Eastern Ave Los Angeles 90063	Owned	1,660	1,372	None	4231	Biscailuz - Training/Intelligence Facility
5863	ISD - Administrative Headquarters	1100 N Eastern Ave Los Angeles 90063	Owned	80,309	58,578	None	5863	ISD - Administrative Headquarters
5870	ISD - Eastern Ave Complex Telecom Branch Building	1110 N Eastern Ave Los Angeles 90063	Owned	37,742	28,876	None	5870	ISD - Eastern Ave Complex Telecom Branch Building
4946	Med Center - Interns & Residents Building	2020 Zonal Ave Los Angeles 90033	Owned	142,448	79,494	None	4946	Med Center - Interns & Residents Building

0837	Med Center - Personnel Office Building	1200 N State St. Los Angeles 90033	Owned	2,980	1,761	None	0837	Med Center - Personnel Office Building
0838	Med Center - Quality Assurance Utilization	1200 N State St. Los Angeles 90033	Owned	2,980	2,341	None	0838	Med Center - Quality Assurance Utilization
0808	Coroner - Public Services/Skeleton Store	1104 N Mission Rd Los Angeles 90033	Owned	18,651	11,430	None	0808	Coroner - Public Services/Skeleton Store
A460	DHS - Ferguson Administrative Services Center	5555 Ferguson Drive City Of Commerce 90022	Owned	268,400	246,550	None	A460	DHS - Ferguson Administrative Services Center
3542	Fire - Administrative Headquarters Building	1320 N Eastern Ave Los Angeles 90063	Owned	39,015	24,288	None	3542	Fire - Administrative Headquarters Building
T509	Parks & Rec - Proposition A Field Office	4914 Cesar E Chavez Ave East Los Angeles 90022	Owned	540	424	None	T509	Parks & Rec - Proposition A Field Office
C269	DPSS - Lincoln Heights WS District Office	4077 N Mission Rd Los Angeles 90032	Owned	26,000	18,575	None	C269	DPSS - Lincoln Heights WS District Office
T039	Sheriff - Eastern Complex Fleet Services Office	1104 N Eastern Ave Los Angeles 90063	Owned	1,548	1,428	None	T039	Sheriff - Eastern Complex Fleet Services Office



## **FACILITY LOCATION POLICY ANALYSIS**

**Proposed lease renewal:** Five-year Lease agreement for the Sheriff's Department – 901 Corporate Center Drive, Monterey Park – First Supervisorial District.

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

**B. Determination of the Service Area** – The proposed lease will allow the Sheriff's AV/DOJ program to continue to provide its oversight functions and implementation of recommended reforms, pursuant to a Federal Settlement Agreement.

**C. Apply Location Selection Criteria to Service Area Data**

- Need for proximity to service area and population: This location meets the service area criteria and remains in an appropriate area.
- Need for proximity to existing County facilities: N/A
- 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 including a nearby Metro station.
- Availability of affordable housing for County employees: N/A
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no alternative existing County buildings available to meet the Department's needs. Staff has been at this location since November 2015.
- Compatibility with local land use plans: The site is currently zoned commercial, and the current use is consistent with the building's use and zoning and not in conflict with the goals and policies of the City of Monterey Park. A notification letter has been sent pursuant to Government Code Section 25351.

Estimated acquisition/construction and ongoing operational costs: The first-year maximum costs associated with the proposed lease are \$81,750, and parking at no cost in the first year. Beginning in the second year, the lease provides for potential charges for parking based on prevailing market conditions. The rental costs will be 100 percent net County cost.

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

Based upon the space and service needs of the Sheriff, CBRE surveyed the immediate area to determine the availability of comparable and more economical site alternatives.

Based upon a review of available industry data, CBRE has established that the average annual rental range for a comparable lease in this area is between \$24 and \$33 per square foot. The base rental rate of \$30 per square foot per year for the proposed lease is within market range for the area.

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

The existing facility provides proper accommodations for the Sheriff within the indicated service area. The proposed lease conforms with the Asset Management Principles outlined in Attachment A. The existing services provided by the Sheriff within the existing facility will continue to provide an appropriate location, which is consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.

**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE**

**LEASE AGREEMENT**

**COUNTY OF LOS ANGELES – Tenant**

**for Sheriff's Department**

**901 CORPORATE CENTER, LP – Landlord**

**901 CORPORATE CENTER DRIVE**

**SUITE 308**

**MONTEREY PARK, CALIFORNIA 91754**

## TABLE OF CONTENTS

	Page
1. BASIC LEASE INFORMATION .....	1
1.1 Terms .....	1
1.2 Defined Terms Relating to Landlord's Work Letter .....	3
1.3 Exhibits to Lease.....	4
1.4 Landlord's Work Letter .....	4
2. PREMISES.....	5
2.1 Lease of Premises .....	5
3. COMMON AREAS.....	5
4. COMMENCEMENT AND EXPIRATION DATES .....	5
4.1 Term .....	5
4.2 Termination Right.....	5
5. RENT .....	6
5.1 Base Rent.....	6
5.2 Base Rent Adjustments.....	6
6. USES .....	7
7. HOLDOVER .....	7
8. COMPLIANCE WITH LAW .....	7
9. DAMAGE OR DESTRUCTION .....	7
9.1 Damage .....	7
9.2 Tenant Termination Right.....	8
9.3 Damage In Last Year .....	8
9.4 Default By Landlord .....	8
10. REPAIRS AND MAINTENANCE .....	9
10.1 Landlord Representations .....	9
10.2 Landlord Obligations .....	10
10.3 Tenant Obligations.....	11
10.4 Tenant's Right to Repair .....	11
11. SERVICES AND UTILITIES .....	12
11.1 Services.....	12
11.2 Utilities .....	13
12. TAXES .....	14
13. LANDLORD ACCESS .....	14
14. TENANT DEFAULT .....	14
14.1 Default .....	14
14.2 Termination.....	15
14.3 No Effect on Indemnity.....	15
15. LANDLORD DEFAULT .....	15
15.1 Remedies .....	15
15.2 Waiver .....	16
15.3 Emergency.....	16
16. ASSIGNMENT AND SUBLETTING .....	16
16.1 Assignment and Subletting .....	16
16.2 Sale .....	16
17. ALTERATIONS AND ADDITIONS.....	17
17.1 Landlord Consent.....	17
17.2 End of Term .....	17
18. CONDEMNATION.....	17
18.1 Controlling Terms.....	17

18.2	Total Taking .....	18
18.3	Partial Taking .....	18
18.4	Restoration .....	18
18.5	Award .....	18
18.6	Waiver of Statute .....	19
19.	INDEMNIFICATION.....	19
19.1	Landlord's Indemnity .....	19
19.2	Tenant's Indemnity.....	19
20.	INSURANCE .....	19
20.1	Waiver .....	19
20.2	General Insurance Provisions – Landlord Requirements.....	20
20.3	Insurance Coverage Types And Limits.....	22
20.4	Landlord Requirements.....	23
21.	PARKING .....	23
21.1	Tenant's Rights .....	23
21.2	Remedies .....	24
22.	ENVIRONMENTAL MATTERS.....	24
22.1	Hazardous Materials .....	24
22.2	Landlord Indemnity .....	25
23.	ESTOPPEL CERTIFICATES.....	25
24.	TENANT IMPROVEMENTS .....	26
25.	LIENS.....	26
26.	SUBORDINATION AND MORTGAGES .....	26
26.1	Subordination and Non-Disturbance .....	26
26.2	Existing Deeds of Trust.....	26
26.3	Notice of Default .....	26
27.	SURRENDER OF POSSESSION.....	26
28.	SIGNAGE.....	27
29.	QUIET ENJOYMENT .....	27
30.	GENERAL .....	27
30.1	Headings .....	27
30.2	Successors and Assigns.....	27
30.3	Brokers .....	27
30.4	Entire Agreement.....	28
30.5	Severability .....	28
30.6	Notices.....	28
30.7	Governing Law and Venue.....	28
30.8	Waivers.....	29
30.9	Time of Essence .....	29
30.10	Consent .....	29
30.11	Community Business Enterprises .....	29
30.12	Memorandum of Lease .....	29
30.13	Counterparts .....	29
31.	AUTHORITY.....	29
32.	ACKNOWLEDGEMENT BY LANDLORD .....	30
32.1	Consideration of GAIN Program Participants .....	30
32.2	Solicitation of Consideration.....	30
32.3	Landlord Assignment .....	31
32.4	Smoking in County Facilities .....	32

33.	IRREVOCABLE OFFER.....	33
34.	RIGHT OF FIRST OFFER TO LEASE ADDITIONAL PREMISES .....	33
35.	OPTION TO EXTEND .....	34
	35.1 Option Terms.....	34

## **EXHIBITS**

- Exhibit A – Floor Plan of the Premises
- Exhibit B – Commencement Date Memorandum and Confirmation of Lease Terms
- Exhibit C – Form of Payment Voucher
- Exhibit D – Heating, Ventilation, and Air Conditioning Standards
- Exhibit E – Cleaning and Maintenance Schedule
- Exhibit F – Subordination, Non-disturbance and Attornment Agreement
- Exhibit G – Tenant Estoppel Certificate
- Exhibit H – Community Business Enterprises Form
- Exhibit I – Memorandum of Lease Terms

## **LANDLORD'S WORK LETTER**

- Addendum A – Base Building Improvements
- Addendum B – Tenant Improvements
- Addendum C – Form of Preliminary and Final TI Cost Statement

COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ between 901 CORPORATE CENTER, LP, a California limited partnership ("Landlord"), and COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant" or "County").

Landlord and Tenant agree:

**1. BASIC LEASE INFORMATION**

**1.1 Terms**

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

a. Landlord's Address for Notice:	901 CORPORATE CENTER, LP 300 S. Park Ave., Suite 810 Pomona, CA 91766 Attn: Property Manager  With a copy to:  3470 Wilshire Boulevard, Suite 700 Los Angeles, CA 90010 Attn: Legal Department
b. Tenant's Address for Notice:	County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate  With a copy to:  County of Los Angeles Office of the County Counsel 648 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, CA 90012-2713 Attention: Property Division
c. Premises:	Approximately 2,725 rentable square feet located on the third (3rd) floor of the Building (defined below), as shown on <u>Exhibit A</u> attached hereto.

d. Building:	The building located at 901 Corporate Center Drive, Monterey Park, CA 91754, which is currently assessed by the County Assessor as APN 5237-022-047, commonly known as 901 Corporate Center, together with any related land, improvements, parking facilities, common areas, driveways, sidewalks and landscaping (the "Building");
e. Term:	Five (5) years, commencing upon mutual execution of the Lease (the "Commencement Date"), and terminating at midnight on the day before the fifth (5th) annual anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
f. Projected Commencement Date:	[Intentionally Omitted]
g. Irrevocable Offer Expiration Date: (see Section 33)	N/A
h. Base Rent:	\$6,812.50 per month (which is based upon a rental rate of \$2.50 per rentable square foot, adjustable only as provided in Section 5 hereof). Base Rent for the first (1st) year of the Term shall be \$81,750.00
i. Early Termination	Pursuant to Section 4.2
j. Rentable Square Feet in the Premises:	2,725 square feet.
k. Initial Departmental Use:	Office, or any other lawful governmental purpose not incompatible with other uses in the Building, subject to Section 6.
l. Parking Spaces:	Subject to Section 21.1, Tenant shall have the right to purchase parking stalls at the ratio of four (4) unreserved stalls per 1,000 rentable square feet of the Premises per month (which



	allocation is currently 11 parking spaces) at the Building, with \$0.00 per stall per month, subject to change.  Tenant's parking charges, as defined above, in conjunction with their monthly rent.
m. Normal Working Hours:	7:00 a.m. to 6:00 p.m. Monday through Friday and 9:00 a.m. to 1:00 p.m. Saturdays, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed), and to the extent of utilities or services provided by union members engaged at the Building, such other holidays observed by such unions.
n. Asbestos Report:	A report dated December 10, 2019 prepared by a certified California Asbestos contractor.
o. Seismic Report	A report dated March 25, 2014 prepared by the Department of Public Works.
p. Disabled Access Survey	A report dated January 17, 2020 prepared by a licensed California architect.

## 1.2 Defined Terms Relating to Landlord's Work Letter

a. Tenant Improvement Allowance:	\$40,875.00 (which is based upon the rate of \$15.00 per rentable square foot)
b. Tenant's TI Contribution:	N/A
c. Change Request Contingency	[Intentionally Omitted]
d. Tenant Improvement Amortization Rate and Change Request Amortization Rate:	N/A
e. Tenant's Work Letter Representative:	Bryan Bell
f. Landlord's Work Letter Representative:	Property Manager and/or an assigned staff member of Landlord
g. Landlord's Address for	901 CORPORATE CENTER, LP

Work Letter Notice:	<p>300 S. Park Ave., Suite 810 Pomona, CA 91766 Attn: Property Manager</p> <p>With a copy to:</p> <p>3470 Wilshire Boulevard, Suite 700 Los Angeles, CA 90010 Attn: Legal Department</p>
h. Tenant's Address for Work Letter Notice:	<p>County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate</p>
1.3 <u>Exhibits to Lease</u>	<p>Exhibit A - Floor Plan of Premises Exhibit B - Commencement Date Memorandum and Confirmation of Lease Terms Exhibit C - Form of Payment Voucher Exhibit D - HVAC Standards Exhibit E - Cleaning and Maintenance Schedule Exhibit F - Subordination, Non-Disturbance and Attornment Agreement Exhibit G - Tenant Estoppel Certificate Exhibit H - Community Business Enterprises Form Exhibit I - Memorandum of Lease</p>
<p>1.4 <u>Landlord's Work Letter</u></p> <p>(Executed concurrently with this Lease and incorporated herein by this reference):</p>	<p>Landlord's Work Letter Addendum A: Base Building Improvements Addendum B: Tenant Improvements Addendum C: Form of Preliminary and Final TI Cost Statement</p>

## 2. **PREMISES**

### 2.1 Lease of Premises

Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1.1 and depicted on Exhibit A attached hereto.

## 3. **COMMON AREAS**

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

## 4. **COMMENCEMENT AND EXPIRATION DATES**

### 4.1 Term

The Term of this Lease shall commence on the Commencement Date and terminate on the Termination Date. Within thirty (30) days of the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing a Commencement Date Memorandum and Confirmation of Lease Terms in the form attached hereto as Exhibit B.

### 4.2 Termination Rights

Provided Tenant is not in material default under any material term or provision contained in the Lease (e.g. Rent) beyond any applicable notice and cure period, Tenant shall have a one- m g "T m O " m L effective as of the last day of the thirty-sixth (36th) month of the Term ("Termination Date"), by giving no less than six (6) months prior written L "T m N ". If Tenant timely and properly exercises the Termination Option, the Lease shall expire on the Termination Date with the same force and effect as if such date were the stated expiration date of the Lease and Landlord and Tenant shall have no further obligations under the Lease after the Termination Date except for any obligations or liabilities that explicitly survive termination as set forth in the Lease. In the event that such Termination Option is exercised, Tenant shall pay to Landlord a termination fee in an amount equivalent to the unamortized balance remaining to be reimbursed to Landlord of the Tenant Improvement Costs (as such term is W k L "T m F ". For purposes of calculating the Termination Fee, the costs described above shall be amortized over the sixty (60) months of the Term. Tenant shall pay the Termination Fee at the time of delivery of the Termination Notice to Landlord. If Tenant fails to timely deliver the Termination Notice or pay the Termination Fee, Tenant shall be considered to have elected not to exercise the Termination Option. The rights contained in this Section 4.2 shall be personal to the originally named Tenant and may be

exercised only by the originally named Tenant (and not any assignee, sublessee, T, this Lease) and only if the originally named Tenant occupies the entire Premises as of the date it exercises the Termination Option in accordance with the terms of this section.

## 5. **RENT**

### 5.1 **Base Rent**

Tenant shall pay Landlord the Base Rent stated in Section 1 during the Term hereof within fifteen (15) days after (a) the Commencement Date, and (b) the first day of each calendar month thereafter, provided that prior to the Commencement Date, Landlord must file with the Auditor of the County of Los Angeles a payment voucher for the Base Rent attributable to the initial month(s) of the Term up to and including June of the first year during the Term, and annually thereafter, on or before June 15 of each subsequent calendar year, for the Base Rent attributable to the following twelve (12) months (i.e., beginning July 1). Landlord shall submit such payment vouchers in the same form as Exhibit C attached hereto, along with a completed IRS form W-9 and evidence of insurance in compliance with Section 20.1. If Landlord fails to timely file any payment voucher as required pursuant to this Section 5.1, then Tenant shall not be required to pay Base Rent to Landlord until fifteen (15) days after Landlord files such payment voucher for the applicable period. Base Rent for any partial calendar month during the Term shall be prorated in proportion to the number of days during the Term within such calendar month.

### 5.2 **Base Rent Adjustments**

From and after the first (1st) anniversary of the Commencement Date, on the first day of the first full calendar month thereafter (the "Adjustment Date") and on every anniversary of the Adjustment Date thereafter, Base Rent shall be increased by four percent (4%) of the Base Rent payable in the immediately preceding month. Thus, the monthly installment of Base Rent for the Premises shall be as follows:

<i>Year of Term</i>	<i>Monthly Installment of Base Rent</i>	<i>Rate per Rentable Square Foot</i>
1	\$6,812.50	\$2.50
2	\$7,085.00	\$2.60
3	\$7,368.40	\$2.70
4	\$7,663.14	\$2.81
5	\$7,969.66	\$2.92

**6. USES**

Landlord agrees that the demised Premises, together with all appurtenances thereto, shall be used by the Tenant for the government department set forth in Section 1.1 or for any other governmental purposes or other lawful purposes that do not materially adversely interfere with other uses in the Building, during Normal Working Hours, after Normal Working Hours, and on weekends and holidays.

**7. HOLDOVER**

If Tenant remains in possession of the Premises or any part thereof after the expiration of the term of this Lease, such occupancy shall be a tenancy which is terminable only upon thirty (30) days written notice from Landlord or thirty (30) days written notice from the Chief Executive Officer of Tenant at the last monthly Base Rent payable under this Lease (as such Base Rent may be adjusted from time to time in accordance with Article 5 above), plus any other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease. All options, rights of first refusal, concessions and discounts, if any, granted under this Lease shall be deemed terminated and of no force or effect during such holdover period. In the event of Tenant holdover, the monthly installment of Base Rent shall be increased to one hundred twenty-five percent (125%) of the then existing Base Rent for the first twelve (12) months following the expiration of the Lease Term. Thereafter, the Holdover rate shall be one hundred fifty percent (150%) of the Base Rent at the time of the lease expiration.

**8. COMPLIANCE WITH LAW**

Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof regulating the use, occupancy or improvement of the Premises by Tenant ("Applicable Laws"). Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including but not limited to the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises. Tenant shall not use the Premises, or permit the Premises to be used, in any manner which: (a) violates any Applicable Law; or (b) causes or is reasonably likely to cause damage to the Building or the Premises; or (c) violates any Building rules or regulations promulgated by Landlord and applicable to all tenants in the Building.

**9. DAMAGE OR DESTRUCTION**

**9.1 Damage**

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days after the date of the damage or destruction, then Landlord shall promptly, upon written notice from Tenant to Landlord of such damage and at Landlord's expense, repair such damage, and this Lease shall

continue in full force and effect. If all or any portion of the Premises shall be made unusable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within ten (10) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises leasable again using standard working methods. The failure to do so shall be a material default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

## 9.2 Tenant Termination Right

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days for any reason, then Tenant may terminate this Lease by giving Landlord written notice within ten (10) days after Tenant's receipt of written notice from Landlord or its agents specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became unusable. If Tenant does not elect to terminate this Lease, then Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided that insurance proceeds are available to repair the damages.

## 9.3 Damage In Last Year

Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, then either Landlord or Tenant may terminate this Lease by giving notice to the other not more than thirty (30) days after such destruction, in which case:

- a. Landlord shall have no obligation to restore the Premises;
- b. Landlord may retain all insurance proceeds relating to such destruction, and
- c. This Lease shall terminate as of the date which is thirty (30) days after such written notice of termination.

## 9.4 Default By Landlord

If Landlord is required to repair and restore the Premises as provided for in this Section 9, and Landlord thereafter fails to diligently prosecute said repair and restoration work to completion, then Tenant may:

- a. Declare a default hereunder, or

- b. Perform or cause to be performed the restoration work and deduct the cost thereof, plus interest thereon at ten percent (10%) per annum, from the next installment(s) of Base Rent due as a charge against Landlord.

## **10. REPAIRS AND MAINTENANCE**

### **10.1 Landlord Representations**

- a. Landlord represents to Tenant that, as of the date hereof and on the Commencement Date:
  - i. The Premises, the Building, and all Common Areas (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including but not limited to the Americans With Disabilities Act, and are in reasonably good working order and condition;
  - ii. The Building and the Premises comply with all covenants, conditions, restrictions and insurance underwriter's requirements;
  - iii. The Premises, the Building and the Common Areas are free of the presence of Hazardous Materials (as hereinafter defined), except for routine office and janitorial supplies in usual and customary quantities for offices stored, used and disposed of in accordance with all Environmental Laws; and
  - iv. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation.
- b. Landlord represents, based upon a professional inspection of the Premises and the Common Areas and the Asbestos Report (as defined in Section 1.1) that the Premises and the Common Areas contain no asbestos containing materials (other than as may be reflected in the Asbestos Report).
- c. CASp Inspection:

In accordance with California Civil Code Section 1938, Landlord hereby states that the Premises and the Common Areas"" have not undergone inspection by a Certified Access Specialist. A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the

arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

The foregoing statement is provided solely for the purpose of complying with California Civil Code Section 1938 and shall not affect the Landlord's and Tenant's respective responsibilities for compliance with any design and construction related accessibility obligations as provided under this Lease or any Work Letter.

## 10.2 Landlord Obligations

- a. The Lease will be a full-service lease whereby all responsibilities for repair, maintenance, and replacement will be the sole responsibility of Landlord. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed w g L ' x :
  - i. the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, foundations, concrete slab and footings, roof, roof membrane, roof covering, concealed plumbing, stairways, concealed electrical systems and intra-building telephone network cables;
  - ii. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Building;
  - iii. the Common Areas;
  - iv. exterior windows of the Building; and
  - v. elevators serving the Building.
- b. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to:
  - i. the floor covering (if such floor covering is carpet tiles it shall be replaced as needed as a result of damage such as frays, tears, or holes, and like damage);
  - ii. painting interior partitions (which shall be repainted as needed);
  - iii. doors;
  - iv. plate glass;
  - v. the interior side of demising walls (which shall be repainted as needed);



- vi. interior ceiling;
- vii. Building standard signage (but excluding any other Tenant signage); and
- viii. emergency exit signage and battery replacement

Landlord shall, to the best of its ability, provide any reports, maintenance records, or other documentation as may be reasonably requested from time to time

### 10.3 Tenant Obligations

Without limiting Landlord's repair and maintenance obligations, and subject to Section 20.4 hereof, Tenant shall be responsible for (i) the cost of repairing any area of the Building damaged by Tenant or by Tenant's agents, employees, invitees or visitors, and (ii) the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall:

- a. be made and performed by contractors or mechanics approved by Landlord, which consent shall not be unreasonably withheld or delayed;
- b. be at least equal in quality, value and utility to the original work or installation; and
- c. be made and performed in accordance with all laws.

### 10.4 Tenant's Right to Repair

- a. If Tenant provides written notice (or oral notice in the event of an emergency, such as damage or destruction to or of any portion of the Building structure and/or the Building systems, and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and if Landlord fails to provide such action within a reasonable period of time given the circumstances after the giving of such notice, but in any event not later than five (5) business days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten (10) days, Tenant shall

be entitled to deduct from Base Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 15.

- b. Notwithstanding any provisions of this Lease to the contrary, Tenant, at its sole discretion, acting through the Chief Executive Office, may request that the Landlord perform, supply and administer any repairs, maintenance, building services and/or alterations that are the responsibility of the Tenant, in which case Tenant shall promptly reimburse Landlord for such cost, provided that the cost of any such repairs, maintenance, building services and/or alterations that are the responsibility of Tenant shall not exceed \$5,000. Any improvements by Landlord shall be subject to (i) the Work Letter provisions regarding selection and bidding of contractors, Landlord-Tenant coordination and audit rights, and Tenant remedies found in, but not limited to, Sections 4 through 13 of said Work Letter; and (ii) compliance with County Internal Services Department Purchasing Policy and Procedure No. A-0300, effective November 22, 2016, delivered to Landlord and incorporated by reference herein.

## **11. SERVICES AND UTILITIES**

### **11.1 Services**

#### **a. Heating, Ventilation and Air Conditioning (HVAC)**

Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings and not less than the standard set forth in Exhibit D attached hereto. If Tenant needs HVAC outside of Normal Working Hours, Tenant shall provide no less than forty-eight (48) hours' prior notice to Landlord and pay as additional rent the costs of after-hour HVAC at the Building's prevailing rates without mark-up, which rates are currently \$250.00 per hour (four hour minimum), subject to change.

#### **b. Electricity**

Landlord shall furnish to the Premises the amount of electric current provided for in the Work Letter (if applicable) but in any event not less than seven (7) watts of electric current (connected load) per square foot of Rentable Square Feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or sub-panels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises.

#### **c. Elevators**

Landlord shall furnish freight and passenger elevator services to the Premises during Normal Working Hours. During all other hours, Landlord

shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis, and, by prior arrangement with Landlord's building manager, freight elevator service.

d. Water

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

e. Janitorial

Landlord, at its sole cost and expense, shall provide reasonable janitorial service five (5) nights per week (holidays excluded), generally consistent with that furnished in comparable office buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit E attached hereto.

f. Access

Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven (7) day per week, twenty-four (24) hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building, unless closure of the Premises is required due to maintenance, repair, safety concerns, destruction, condemnation, or other reasons necessary for the restriction of access to such area.

g. Pest Control

As needed, Landlord at its sole cost and expense shall provide interior and exterior pest control inspections and remediation frequency is to be determined by a licensed exterminator.

h. Security

Landlord, at Landlord's sole cost and expense, shall provide security services at a standard similar to other comparable buildings in Los Angeles.

11.2 Utilities

Landlord agrees to pay, at its sole cost, when due, all charges for the use of the sewer, effluent treatment (when and if imposed by any governmental authority), all water, sprinkler standby charges, electricity, gas, heating and common area power and lighting, trash removal service, fire/life safety systems, charges associated with the HVAC, and other utility rents and charges accruing or payable in connection with the Premises and the Common Areas during the Term of this Lease or any renewal, extension, or holdover thereof, whether the same are pro-rated or measured by separate meters. In the event Landlord fails or refuses to pay any or all of such charges when due, Tenant may give Landlord

ten (10) calendar days prior written notice and thereafter pay directly such charges and deduct the payments from the next installments of rent due as a charge against the Landlord.

**12. TAXES**

Landlord, at its sole cost and expense, shall pay, prior to delinquency, all real property taxes, assessments and special assessments which may be levied or assessed against the Premises or the Building during the term of this Lease or any renewal or holdover period thereof.

In the event Landlord fails or refuses to pay any or all taxes or assessments when due, Tenant may, at its sole discretion, give Landlord thirty (30) calendar days prior written notice and thereafter pay such taxes and assessments and deduct the payments from the next installments of rent due as a charge against the Landlord.

**13. LANDLORD ACCESS**

Tenant shall permit Landlord and its agents to enter the Premises during Normal Working Hours upon prior written notice (which may be in the form of an email communication) for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or the Premises, Base Rent shall be prorated based upon the percentage of the Premises or the Building rendered unusable and not used by Tenant. Notwithstanding the foregoing, Landlord shall have the right at any and all times, without prior notice, to enter the Premises in the event of an emergency.

**14. TENANT DEFAULT**

**14.1 Default**

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

- a. the failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder) as and when due, and the failure continues for a period of ten (10) days after written notice to Tenant;
- b. the failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of thirty (30) days after written notice from Landlord specifying in detail the nature of the default; provided, however, if more than thirty (30) days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure, within said 30-day period and thereafter diligently prosecutes such cure to completion.

#### 14.2 Termination

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

#### 14.3 No Effect on Indemnity

Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease. Under no circumstances shall Tenant be liable for punitive damages, lost profits, speculative, consequential or other such damages.

### 15. LANDLORD DEFAULT

#### 15.1 Remedies

In addition to the provisions for Landlord's default provided by Sections 9.4, 10.4, 19, 21.2 and 32.3, Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within thirty (30) days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10.4); provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such thirty (30) day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

- a. to remedy such default or breach and deduct the costs thereof (including but not limited to attorneys' fees) plus interest at the rate of ten percent (10%) per annum from the installments of Base Rent next falling due;
- b. to pursue the remedy of specific performance;
- c. to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due (provided that under no circumstances shall Landlord be liable for punitive damages, lost profits, speculative, consequential or other such damages); and/or
- d. to terminate this Lease.

### 15.2 Waiver

Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

### 15.3 Emergency

Notwithstanding the foregoing cure period, Tenant may cure any default where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition, or materially and adversely affect the operation of Tenant's business in the Premises.

## 16. **ASSIGNMENT AND SUBLETTING**

### 16.1 Assignment and Subletting

Tenant may not assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises without first obtaining Landlord's prior consent, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that (i) the assignee or sublessee's use shall not interfere with or violate any other tenant's use (including exclusive uses), or contractual rights; and (ii) no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease.

### 16.2 Sale

If Landlord sells or conveys the Building, then all liabilities and obligations of Landlord accruing under this Lease after the sale or conveyance shall be binding upon the new owner, and Landlord shall be released from all liability under this Lease accruing subsequent to such sale or conveyance, provided that the transferee assumes Landlord's remaining obligations hereunder in writing. Nothing in this Section 16.2 shall be deemed to release Landlord's successor in interest from responsibility for any condition (including but not limited to deferred maintenance) existing on the date of transfer.

Upon any sale or transfer of the Building, Landlord shall provide the following information to Tenant, at Tenant's Address for Notice, as a condition of Tenant's obligation to pay Base Rent to the new owner:

- a. Written evidence of the transfer of the Building (e.g., a recorded deed), or a letter from the transferor confirming that the Building was transferred to the new owner.
- b. A signed letter including the following information:

- i. Name and address of new owner or other party to whom Base Rent should be paid;
  - ii. Federal tax ID number for new owner;
  - iii. Name of contact person and contact information (including phone number) for new owner; and
  - iv. Proof of insurance.
- c. A W-9 form for new owner

## **17. ALTERATIONS AND ADDITIONS**

### **17.1 Landlord Consent**

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

- a. complies with all laws;
- b. is not visible from the exterior of the Premises or Building;
- c. will not materially affect the systems or structure of the Building;
- d. does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building; and
- e. does not require a building permit.

If Landlord fails to respond in writing within thirty (30) days of such request, Landlord shall be deemed to approve the Alterations.

### **17.2 End of Term**

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

## **18. CONDEMNATION**

### **18.1 Controlling Terms**

If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a

Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

#### 18.2 Total Taking

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

#### 18.3 Partial Taking

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

#### 18.4 Restoration

Notwithstanding the preceding paragraph, if, within thirty (30) days after the Determination Date, Landlord notifies Tenant that Landlord, at its sole cost, will add to the remaining Premises so that the Premises and the space available for parking, will be substantially the same (as reasonably determined by Tenant) after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within ninety (90) days after Landlord so notifies Tenant, then this Lease shall continue in effect. In such event, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

#### 18.5 Award

The Award (as defined below) shall be divided between Landlord and Tenant as their respective interests may appear. "Award" shall mean all compensation,



sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises.

18.6 Waiver of Statute

Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the Superior Court to terminate this Lease in the event of a partial taking of the Premises.

**19. INDEMNIFICATION**

19.1 Landlord's Indemnity

Landlord shall indemnify, defend and hold harmless Tenant from and against any and all liability, loss, injury or damage, demands, claims, actions, fees, costs and expenses (including reasonable attorney and expert witness fees) arising from or connected with any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Landlord, its officers, employees, agents, contractors, licensees, guests, or visitors, or arising from any breach or default under this Lease by Landlord. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the sole negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

19.2 Tenant's Indemnity

Tenant shall indemnify, defend and hold harmless Landlord, from and against any and all liability, loss, injury or damage, demands, claims, actions, fees, costs and expenses (including reasonable attorney and expert witness fees) arising from or connected with any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Tenant, its officers, employees, agents, contractors, licensees, guests, or visitors, or arising from any breach of default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the sole negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, or invitees.

**20. INSURANCE:** During the term of this Lease, the following insurance requirements will be in effect:

20.1 Waiver

Both the Tenant and the Landlord each agree to release the other and waive their rights of recovery against the other for damage to their respective property arising from perils insured in the Causes-of-Loss Special Form (ISO form CP 10 30).

## 20.2 General Insurance Provisions – Landlord Requirements

Without limiting the Landlord's indemnification of Tenant and during the term of this Lease, and until all of its obligations pursuant to this Lease have been met, Landlord shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Lease. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Landlord pursuant to this Lease. The Tenant in no way warrants that the Required Insurance is sufficient to protect the Landlord for liabilities which may arise from or relate to this Lease.

### a. Evidence of Coverage and Notice to Tenant

Certificate(s) of insurance coverage (Certificate) satisfactory to Tenant, and a copy of an Additional Insured endorsement confirming that Tenant and Tenant's Agents (defined below) are named as Additional Insureds under the Landlord's Commercial General Liability policy, shall be delivered to Tenant at the address shown below and provided prior to the Commencement Date of this Lease.

Renewal Certificates shall be provided to Tenant not less than 10 days prior to Landlord's policy expiration dates. The Tenant reserves the right to obtain complete, certified copies of any required Landlord insurance policies should litigation arise.

Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Landlord identified in the Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding twenty-five thousand (\$25,000.00) dollars, and list any Tenant required endorsement forms. Notwithstanding the foregoing, financial ratings need not be shown on the Certificates but shall be provided separately.

Neither the Tenant's failure to obtain, nor the Tenant's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Landlord, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements, notices of cancellation shall be delivered to:

County of Los Angeles  
Chief Executive Office - Real Estate Division  
320 West Temple Street, 7th Floor  
Los Angeles, CA 90012  
Attention: Director of Real Estate

Landlord also shall promptly use reasonable efforts to notify Tenant of any third party claim or suit filed against Tenant and known to Landlord which arises from the filing of a claim or lawsuit against Landlord and/or Tenant.

b. Additional Insured Status and Scope of Coverage

Tenant and its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively, "Tenant's Agents"), shall be named as additional insureds under Landlord's Commercial General Liability Insurance policy with respect to the Building. Tenant's additional insured status shall apply whether liability is attributable to the Landlord, Tenant or Tenant's Agents. The full policy limits and scope of protection also shall apply to the Tenant as an additional insured, even if they exceed the Tenant's minimum Required Insurance specifications set forth herein. Use of an automatic additional insured endorsement form is acceptable, provided that it satisfies the Required Insurance provisions set forth herein.

c. Cancellation of or Changes in Insurance

Landlord shall provide the Tenant with, or Landlord's insurance policies shall contain a provision that the Tenant shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to the Tenant at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance within thirty (30) days of written notice from Tenant shall be at the discretion of the Tenant. Should Landlord or its insurers fail to provide the required Insurance Notice within thirty (30) days of written notice from Tenant that it did not receive the required Insurance Notice, Tenant may suspend or terminate this Lease.

d. Failure to Maintain Insurance

Landlord's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Lease.

e. Insurer Financial Ratings

Insurance is to be provided by an insurance company authorized to do business in California and reasonably acceptable to the Tenant, with an A.M. Best rating of not less than A:VII, unless otherwise approved by the Tenant.

f. Landlord's Insurance Shall Be Primary

Landlord's insurance policies, with respect to any claims related to this Lease, shall be primary with respect to all other sources of coverage available to Tenant. Any Tenant maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Landlord coverage.

g. Waiver of Subrogation

To the fullest extent permitted by law, Landlord and Tenant hereby waives its and its respective insurer(s) rights of recovery against the other party under all required insurance policies for any loss arising from or related to this Lease. Landlord and Tenant shall require their respective insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.

h. Deductibles and Self-Insured Retentions ("SIRs")

Landlord's policies shall not obligate the Tenant to pay any portion of any Landlord deductible or SIR. The Tenant retains the right to require Landlord to reduce or eliminate policy deductibles and SIRs as respects the Tenant, or to provide a bond guaranteeing Landlord's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

i. Claims Made Coverage

If any part of the Required Insurance is written on claims made basis, any policy retroactive date shall precede the start date of this Lease. Landlord understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Lease expiration, termination or cancellation.

j. Application of Excess Liability Coverage

Landlord may use a combination of primary and excess insurance policies which provide coverage as broad as (i.e., "follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

k. Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

l. Tenant Review and Approval of Insurance Requirements

The Tenant reserves the right to reasonably review and adjust the Required Insurance provisions, conditioned upon Tenant's determination of changes in risk exposures.

20.3 Insurance Coverage Types And Limits

a. Tenant Requirements: During the term of this Lease, Tenant shall maintain a program of insurance coverage as described below:

i. Commercial General Liability Insurance, providing scope of coverage equivalent to ISO policy form CG 00 01, naming

Landlord and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$ 2 million
Products/Completed Operations Aggregate:	\$ 1 million
Personal and Advertising Injury:	\$ 1 million
Each Occurrence:	\$ 1 million

Tenant, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self-insurance. A certificate evidencing insurance coverage or letter evidencing self-insurance will be provided to Landlord after execution of this Lease at Landlord's request.

#### 20.4 Landlord Requirements:

During the term of this Lease, Landlord shall provide and maintain the following programs of insurance coverage:

Commercial General Liability Insurance, providing scope of coverage equivalent to ISO policy form CG 00 01, naming Tenant and Tenant's Agents as an additional insured, with limits of not less than:

General Aggregate:	\$ 10 million
Products/Completed Operations Aggregate:	\$ 10 million
Personal and Advertising Injury:	\$ 5 million
Each Occurrence:	\$ 5 million

a. Commercial Property Insurance. Such insurance shall:

- i. Provide coverage for Landlord's property, any tenant improvements and betterments to the Premises, any furniture or furnishings which will become the property of Tenant upon expiration of the Term, and on all modular furniture installed in the Premises; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), excluding earthquake and including flood and ordinance or law coverage.
- ii. Be written for the full replacement cost of the Property, with a deductible no greater than \$250,000 or 5% of the Property value, whichever is less. Insurance proceeds shall be payable to the Landlord and Tenant, as their interests may appear.

## 21. PARKING

### 21.1 Tenant's Rights

Tenant shall have the right to lease four (4) monthly unreserved parking spaces  
1,000 q T P m ,  
which allocation is currently eleven (11) unreserved parking spaces, for the Term of this Lease at the Building's prevailing parking rates, which are currently \$0.00 per unreserved space per month, subject to change. Landlord shall provide one

hundred eighty (180) days written notice to Tenant prior to any increase to prevailing parking rates. Tenant acknowledges that all such parking spaces are to be used on a non-exclusive basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building. No tandem parking shall be required, and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord (or, at Landlord's option, the operator or lessee of the parking facilities) from time to time, provided that such procedures shall be uniformly applied to all tenants. The cost of any parking spaces leased by Tenant hereunder shall be payable by Tenant on the first day of each calendar month of the Term of this Lease in addition to the Base Rent in Article 5.

## 21.2 Remedies

Landlord acknowledges that it is a material term of this Lease that Tenant receives all of the parking spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the parking spaces required above are not available to Tenant (in addition to the rights given to Tenant under Section 14 and Sections 9 and 18 in the event of casualty or condemnation), then Tenant shall provide thirty (30) days written notice to Landlord and Landlord shall have thirty (30) days to cure; provided, however, if more than thirty (30) days are reasonably required for its cure then Landlord shall not be deemed to be in default if Landlord commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion. If at the end of the thirty (30) day period, Landlord has not cured or commenced to cure, then Tenant may:

- a. terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective thirty (30) days thereafter, or
- b. deduct from the Base Rent thereafter accruing hereunder an amount each month equal to the Base Rent times the percentage of parking spaces not so provided (excluding any parking spaces that Landlord provides alternative parking arrangements for pursuant to this Section 21.1) multiplied by a factor of 1.5, but such deduction from Base Rent shall not be more than ten percent (10%) of the Base Rent.

## 22. ENVIRONMENTAL MATTERS

### 22.1 Hazardous Materials

Tenant shall not cause nor permit, nor allow any of Tenant's employees agents, customers, visitors, invitees, licensee, contractor, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building, or the Common Areas ("Tenant's Hazardous Materials"), except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means

any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

## **22.2 Landlord Indemnity**

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

## **23. ESTOPPEL CERTIFICATES**

Tenant shall, at any time and from time to time upon not less than thirty (30) days prior written request from Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit G attached hereto (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest in the Premises or a holder of any mortgage upon Landlord's interest in the Premises.

**24. TENANT IMPROVEMENTS**

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

**25. LIENS**

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

**26. SUBORDINATION AND MORTGAGES**

**26.1 Subordination and Non-Disturbance**

Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Exhibit F attached hereto and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase, or right of first offer to purchase the Building included herein.

**26.2 Existing Deeds of Trust**

The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Exhibit F attached hereto, within thirty (30) days after the execution of this Lease.

**26.3 Notice of Default**

If any mortgagee or beneficiary under a deed of trust affecting the Building gives written notice of its name and address to Tenant by registered mail and requests copies of any notice of default that Tenant serves upon Landlord, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee or beneficiary a copy of any notice of default that Tenant serves upon Landlord hereunder which could permit Tenant to terminate this Lease, along with an additional ten (10) days within which to cure such default.

**27. SURRENDER OF POSSESSION**

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



but need not, do so with no liability to Tenant, and Tenant shall pay Landlord the cost thereof upon demand. Notwithstanding the foregoing to the contrary, in the event that Landlord gives its consent, pursuant to the provisions of Section 17.1 of this Lease, to allow Tenant to make an Alteration in the Premises, Landlord agrees, upon Tenant's written request, to notify Tenant in writing at the time of the giving of such consent whether Landlord will require Tenant, at Tenant's cost, to remove such Alteration at the end of the Lease Term.

## **28. SIGNAGE**

Tenant, at its sole cost and expense, shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances only within and inside Tenant's Premises. Tenant shall not display any signs on the exterior or roof of the Building or in the Common Areas of the Building. Tenant may not install or display any signs, window coverings, blinds, or other items (included those located behind the Landlord-approved window coverings for the Building) visible from the exterior of the Premises without Landlord's prior written approval, which Landlord may, in Landlord's reasonable discretion, grant or withhold. Any signs, notices, logos, pictures, names or advertisements that are installed by or for Tenant without Landlord's approval may be removed without notice by Landlord at Tenant's expense. Notwithstanding the foregoing or any language to the contrary, Tenant shall be allowed directory language in the Building lobby and Suite signage, both of which shall be at Landlord's expense. Tenant shall also have the right to install a 1,000 R F P m B g y board in the main lobby of the Building. Tenant shall also have the right to install building standard identification signage in the elevator lobbies of the floors of the Premises.

## **29. QUIET ENJOYMENT**

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

## **30. GENERAL**

### **30.1 Headings**

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

### **30.2 Successors and Assigns**

All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

### **30.3 Brokers**

Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any

commission or fees in respect of the negotiation, execution or delivery of this Lease, other than CBRE, Inc. "CBRE" as otherwise disclosed to the other in writing, and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. The parties agree that Landlord shall be solely responsible for the payment of any brokerage commissions to CBRE and that Tenant shall have no responsibility therefor unless written provision to the contrary has been made a part of this Lease. If Tenant has dealt with any person or real estate broker other than CBRE in respect to leasing, subleasing or renting space in the Building, Tenant shall be solely responsible for the payment of any fee due said person or brokerage firm.

#### 30.4 Entire Agreement

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

#### 30.5 Severability

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

#### 30.6 Notices

The parties shall give all notices in writing by (i) personal delivery, (ii) national-recognized, next-day courier service, (iii) first-class registered or certified mail, postage prepaid, to the Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1.1. Without limiting the generality of the foregoing, Landlord's notices to Tenant shall not be effective if they are delivered to the Premises or to another address that is not set forth in Section 1.1 hereof. Any notice given under this Lease shall be deemed effective upon the date of delivery (whether accepted or refused), which, for certified mail and courier service, shall be established by U.S. Post Office return receipt or the courier's proof of delivery, respectively.

#### 30.7 Governing Law and Venue

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

### 30.8 Waivers

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

### 30.9 Time of Essence

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

### 30.10 Consent

Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) business days after written request is made therefore, together with all necessary information.

### 30.11 Community Business Enterprises

Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Exhibit H attached hereto.

### 30.12 Memorandum of Lease

If requested by Tenant, Landlord and Tenant shall execute and acknowledge a Memorandum of Lease in the form of Exhibit I attached hereto, which Memorandum may be recorded by Tenant in the Official Records of Los Angeles County.

### 30.13 Counterparts

This Lease may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

## **31. AUTHORITY**

Only the County's Board of Supervisors ("Board of Supervisors") has the authority, by formally approving and/or executing this Lease, to bind Tenant to the terms included herein. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease, and Landlord may not rely upon any representations to the contrary. This limitation of

authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by Tenant. Tenant shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Office of the County (the "Chief Executive Office") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an early termination notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

## **32. ACKNOWLEDGEMENT BY LANDLORD**

Landlord acknowledges that it is aware of the following provisions:

### **32.1 Consideration of GAIN Program Participants**

Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give consideration for any such employment openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

### **32.2 Solicitation of Consideration**

It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent who has had any involvement in the procurement, negotiation, consummation, administration or management of a lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made to the County Auditor-Clerk, Emily F. Hill, at 800 44-6861. Failure to report such attempt shall result in the landlord being eliminated from consideration.

Landlord hereby represents and warrants that it has not provided, and will not provide, any financial benefits to any County official, employee or agent who has had any involvement in the procurement, negotiation, consummation, administration or management of this Lease. Landlord hereby agrees that if it violates any of the terms of this Section 32.2, then the County may declare this Lease null and void, and the County reserves the right to exercise any and all other remedies available under applicable law.

### 32.3 Landlord Assignment

- a. Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.
- b. Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease, or any portion thereof, as security for the Landlord's obligation to repay any monetary obligation, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.
- c. Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Building with CMBS (commercial mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Building through any type of bond financing vehicle, including but not limited to certificate of participation financing.
- d. Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of \$500,000 or 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.
- e. Landlord shall give the County notice and a copy of each and every assignment, transfer, hypothecation or encumbrance of Landlord's interest in this Lease and any instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

- f. Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.
- g. The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns, whether so expressed or not.

#### 32.4 Smoking in County Facilities.

The Surgeon General of the United States has concluded that passive smoke exposure is the third leading cause of preventable death in the United States. The United States Environmental Protection Agency has found second-hand smoke to be a known carcinogen. It is recognized that the county has a responsibility to establish, maintain and promote a healthful and safe working environment and to reduce health and safety risks of its employees and the public at large. Tobacco smoke is a hazard to the health of county employees and the general public and represents an annoyance which should be regulated and banned in all county facilities to the end that air quality in all such facilities be improved for the preservation and improvement of the health of all county employees and the public. Therefore, to the greatest extent possible, the rights and comfort of all employees shall be respected. Reasonable effort shall be made to provide smokers a place to smoke in areas open to the sky or otherwise located outside county facilities and except as provided under Los Angeles County, California - Code of Ordinances Chapter 2.126 ("LAMC 2.126"), all portions of County-owned facilities and all portions of facilities leased by or from the County, which areas are not open to the sky, shall be designated as "no smoking" areas. Smoking, including the use of electronic smoking devices, shall be prohibited in the following areas of County facilities: (1) Within 50 feet of any operable entry or exit door or operable window of any County building and within 25 feet of any access ramp or handicap path; (2) Within any County parking lot, parking structure, or parking garage, whether enclosed or open to the sky; or (3) Within any driving range and eating area, including outdoor eating areas, of any County golf course. International no-smoking signs and other appropriate signs which designate no-smoking areas shall be clearly, sufficiently and conspicuously posted in every room, building or other place so covered by LAMC 2.126. The manner of such posting, including the wording, size, color and place of posting, whether on the walls, doors, tables, counters, stands or elsewhere, shall be at the discretion of the building proprietor so long as clarity, sufficiency and conspicuousness are apparent in communicating the intent. (Los Angeles County, California - Code of Ordinances Chapter 2.126.).

**33. IRREVOCABLE OFFER**

In consideration for the time and expense that Tenant will invest in this Lease, including but not limited to preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County, as necessary, in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

**34. RIGHT OF FIRST OFFER TO LEASE ADDITIONAL PREMISES**

(a) Provided that no material Default has occurred and is continuing under the Lease, if at any time prior to the last twelve (12) months of the Term, Landlord intends to offer leasable space located contiguous to the Premises which becomes available during the Term (the "Additional Premises") for lease to third parties or to accept an offer of a third party to lease the Additional Premises, Landlord shall first give written notice to Tenant of the rental rate and other material terms upon which Landlord is willing to lease the Additional Premises ("Landlord's Lease Notice"). Any space that is vacant as of the Commencement Date and therefore shall not be considered an Additional Premises. Landlord's Lease Notice shall constitute an offer to lease the Additional Premises to Tenant at the rental rate and upon the terms and conditions contained in Landlord's Lease Notice and shall state the anticipated date of availability of the Additional Premises. Tenant shall have thirty (30) days after receipt of Landlord's Lease Notice to accept such offer. Tenant shall accept such offer, if at all, only by delivery to Landlord of Tenant's irrevocable written commitment to lease the Additional Premises at the rental rate and upon the terms and conditions contained in Landlord's Lease Notice (the "Expansion Commitment").

(b) If Tenant delivers to Landlord the Expansion Commitment within such thirty (30) day period, all (but not part) of the Additional Premises shall be leased to Tenant commencing on the earlier of (a) the date Tenant first uses the Additional Premises for the Permitted Use; or (b) thirty (30) days after Landlord provides Tenant with possession of the Additional Premises and continuing for a period of time coterminous with the remaining Term, including any options to extend the Term. Tenant shall lease the Additional Premises upon the same terms, conditions and covenants as are contained in the Lease except that (i) the Base Rent for the Additional Premises shall be at the rate set forth in Landlord's Lease Notice, and (ii) any terms and conditions set forth in Landlord's Lease Notice that are inconsistent with the terms and conditions of the Lease shall control.

(c) Except as otherwise set forth in Landlord's Lease Notice, possession of the Additional Premises shall be delivered to Tenant on an "as-is" basis. Landlord shall prepare and Landlord and Tenant shall execute and deliver a written agreement modifying and supplementing the Lease and specifying that the Additional Premises are part of the Premises and, except as otherwise specified in Landlord's Lease Notice, subject to all of the terms and conditions of the Lease.

(d) Time is of the essence with respect to the exercise by Tenant of its rights granted hereunder. In the event Tenant fails to deliver to Landlord Tenant's Expansion Commitment within the thirty (30) day period prescribed above, all rights of Tenant to lease the Additional Premises shall terminate and Landlord shall have no further



obligation to notify Tenant of any proposed leasing of the Additional Premises, and Landlord shall thereafter have the unconditional right to lease the Additional Premises to third parties or to accept offers from third parties to lease the Additional Premises without further obligation to Tenant. The rights granted to Tenant under this Section 34 shall not apply to any sales or similar transfers of the Additional Premises.

### **35. OPTION TO EXTEND**

#### **35.1 Option Terms**

Provided Tenant is not in material default under any material term or provision contained in the Lease beyond any applicable notice and cure period, and is in possession of the Premises at the time Tenant exercises its option, Tenant shall have one (1) option to x T m L "Ex O " forty-eight (48) months "O T m" L m terms and conditions except for the monthly installment of Base Rent. If Tenant wishes to exercise the Extension Option, Tenant shall deliver written notice to Landlord no less than six (6) mo x x g T m "Ex N ". If Tenant fails to timely deliver the Exercise Notice, Tenant shall be considered to have elected not to exercise the Extension Option. The Base Rent payable during the Option Term shall be the fair market rental rate for the Premises (based on comparable space in the same locality and taking into account any rent abatement, tenant improvement allowances or other monetary concessions generally available with respect to such comparable spaces) as of the date of the Exercise Notice but shall not be less than the monthly installment of Base Rent payable by Tenant immediately before the Option Term. Landlord and Tenant shall have until the date that is thirty (30) days following the da L T ' Ex N m y g w Base Rent for the Option Term. Except for Base Rent at the new rate, all of the terms and conditions of the Lease shall remain the same and shall remain in full force and effect throughout the Option Term; provided, however, that any free rent, improvement allowances, moving allowances, lease assumption payments, plan design allowances (or payments), expansion options, opportunity rights or other similar concessions provided for in the Lease shall not apply during any Option Term. The rights contained in this Section 35.1 shall be personal to the originally named Tenant and may be exercised only by the originally named Tenant (and not any assignee, sublessee, or other transfe T ' L y g y m Tenant occupies the entire Premises as of the date it exercises the Extension Option in accordance with the terms of this section.



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

LANDLORD:

901 CORPORATE CENTER, LP,  
a California limited partnership

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

TENANT:

COUNTY OF LOS ANGELES,  
a body corporate and politic

SACHI A. HAMAI  
Chief Executive Officer

By: \_\_\_\_\_  
Dean Lehman  
Senior Manager, Real Estate Division

ATTEST:

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

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

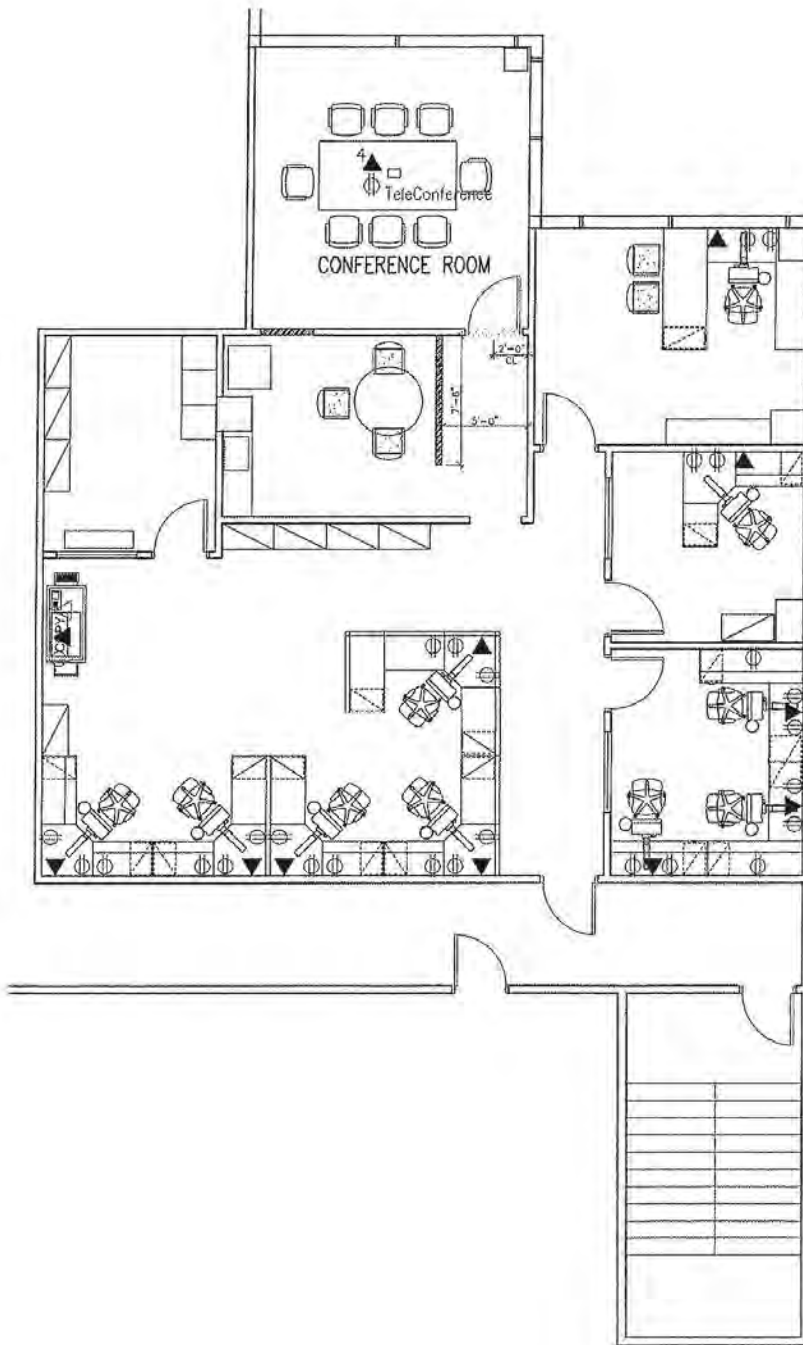
MARY C. WICKHAM  
County Counsel

By: \_\_\_\_\_  
Deputy

## EXHIBIT A

### FLOOR PLAN OF PREMISES

#### Suite 308



## EXHIBIT B

### COMMENCEMENT DATE MEMORANDUM AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain Lease Agreement ("Lease") dated \_\_\_\_\_, 20\_\_, between County of Los Angeles, a body corporate and politic ("Tenant"), and 901 Corporate Center, LP, a California limited partnership ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 901 Corporate Center Drive, Monterey Park, CA 91754 ("Premises"),

Landlord and Tenant hereby acknowledge as follow:

- 1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on \_\_\_\_\_ ("Possession Date");
- 2) Tenant has accepted possession of the Premises and now occupies the same;
- 3) The Lease commenced on \_\_\_\_\_ ("Commencement Date");
- 4) The Premises contain \_\_\_\_\_ rentable square feet of space.

IN WITNESS WHEREOF, this memorandum is executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Tenant:

COUNTY OF LOS ANGELES,  
a body corporate and politic

Landlord:

901 CORPORATE CENTER, LP,  
a California limited partnership

By:

\_\_\_\_\_  
Name \_\_\_\_\_  
Its \_\_\_\_\_

By:

\_\_\_\_\_  
Name \_\_\_\_\_  
Its \_\_\_\_\_

**EXHIBIT C**

PAYMENT VOUCHER

CEO-REAL ESTATE DIVISION  
RENT PAYMENT VOUCHER  
FISCAL YEAR 2017-18

18-Aug-17

[illegible]

\* Leave Blank except for 13th Accounting Period

<sup>44</sup> Leave blank except entering commitments or expenditure accrual.

PV\_Leasing.accdb: Report Name: 00000-00000\_17-18

## **EXHIBIT D**

### **HEATING, VENTILATION AND AIR CONDITIONING**

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Normal Working Hours established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one zone for approximately each 1,000 square feet and one diffuser for each 200 square feet of usable/net square footage within the Premises. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.

## **EXHIBIT E**

### **CLEANING AND MAINTENANCE SCHEDULE**

#### **1. DAILY (Monday through Friday)**

- A. Carpets vacuumed.
- B. Composition floors dust-mopped.
- C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
- D. Waste baskets, other trash receptacles emptied.
- E. Chairs and waste baskets returned to proper position.
- F. Fingerprints removed from glass doors and partitions.
- G. Drinking fountains cleaned, sanitized and polished.
- H. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
- I. Bulb and tube replacements, as required.
- J. Emergency exit signage and egress battery replacement (if applicable)
- K. Graffiti expunged as needed within two working days after notice by Tenant
- L. Floors washed as needed.
- M. Kitchen/lunchroom/restroom supplies replenished, including paper supplies, and soap.
- N. Exclusive day porter service (if provided by contract).

#### **2. WEEKLY**

- A. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.
- B. Window sills, ledges and wood paneling and molding dusted.

#### **3. MONTHLY**

- C. Floors washed and waxed in uncarpeted office area.
- D. High-reach areas, door frames and tops of partitions dusted.
- E. Upholstered furniture vacuumed, plastic and leather furniture wiped
- F. Picture moldings and frames dusted.

- G. Wall vents and ceiling vents vacuumed.
  - H. Carpet professionally spot cleaned as required to remove stains.
  - I. HVAC chiller water checked for bacteria, water conditioned as necessary.
4. QUARTERLY
- J. Light fixtures cleaned and dusted, but not less frequently than quarterly.
  - K. Wood furniture polished.
  - L. Draperies or mini-blinds cleaned as required, but not less frequently than quarterly.
  - M. HVAC units serviced for preventative maintenance purposes, all filters changed.
5. SEMI-ANNUALLY
- N. Windows washed as required inside and outside but not less frequently than twice annually.
  - O. All painted wall and door surfaces washed and stains removed.
  - P. All walls treated with vinyl covering washed and stains removed.
6. ANNUALLY
- Q. Furniture Systems and any other fabric or upholstered surfaces including chairs, couches, walls, etc., spot cleaned, or if determined to be necessary in Tenant's sole discretion, professionally cleaned in their entirety using a water extraction system.
  - R. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.
  - S. Touch-up paint all interior painted surfaces in a color and finish to match existing.
7. AS NEEDED
- T. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
  - U. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.
  - V. Interior and exterior pest control inspections and remediation frequency is to be determined by a licensed exterminator.



W. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning:

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

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

E. All walls repainted and wall coverings replaced throughout the Premises. The paint finish should be eggshell or semi-gloss as directed by Tenant and in a color acceptable to Tenant. In no event will Landlord be required to repaint or replace wall coverings more than one (1) time in a five (5) year period (the "Occurrence") except for touch-up paint as provided in Paragraph 6.C. of this Exhibit E. The initial tenant improvements completed prior to Tenant's occupancy or as a condition to the renewal of the Lease shall not constitute an Occurrence for the purpose of determining the frequency of this work.

F. All HVAC ducts cleaned as needed.

8. GENERAL

Landlord shall, upon request of Tenant, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

**EXHIBIT F**

**SUBORDINATION, NON-DISTURBANCE  
AND ATTORNMENT AGREEMENT**

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

**County of Los Angeles  
Chief Executive Office  
Real Estate Division  
222 South Hill Street  
3rd Floor  
Los Angeles, California 90012**

)  
)  
)  
)  
)  
)  
)

**Space above for Recorder's Use**

---

**SUBORDINATION, NON-DISTURBANCE  
AND ATTORNMENT AGREEMENT**

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

This Subordination, Non-disturbance and Attornment Agreement ("Agreement") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 200\_\_ by and among COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant"), 901 CORPORATE CENTER, LP, a California limited partnership, ("Borrower") and [*Insert name of Lender*], ("Lender").

**Factual Background**

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

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

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

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

**Agreement**

Therefore, the parties agree as follows:

1. Subordination. The lien of the Deed of Trust and all amendments, modifications and extensions thereto shall be and remain at all times a lien on the Building prior and superior to the Lease, except that if Tenant is granted any option to extend the Term of the Lease, right of first offer to lease additional premises or option to purchase the Building or right of first offer to purchase the Building in the Lease, such provisions shall not be affected or diminished by any such subordination.

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

3. Non-disturbance. The enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby.

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

5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not:

(a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease, including Borrower, unless such act or omission continues after the date that Lender or Purchaser succeeds to the interest of such prior landlord; or

(b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease, unless resulting from a default or breach by such prior landlord which continues after Lender or Purchaser succeeds to the interest of such prior landlord; and provided that any offsets deducted by Tenant prior to the date that Lender or Purchaser succeeds to the interest of such prior landlord shall not be subject to challenge; or

(c) be bound by any prepayment by Tenant of more than one month's installment of rent, unless the Lease expressly requires such prepayment; or

(d) be obligated for any security deposit not actually delivered to Purchaser;  
or

(e) be bound by any modification or amendment of or to the Lease which materially increases Landlord's obligations under the Lease or materially decreases Tenant's obligation under the Lease, unless Lender has approved such modification or amendment in writing, which approval shall not be unreasonably withheld, conditioned or delayed.

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

To Lender: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Borrower: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Tenant: County of Los Angeles  
Chief Executive Office - Real Estate Division  
320 West Temple Street, 7th Floor  
Los Angeles, CA 90012  
Attention: Director of Real Estate

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

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BORROWER: 901 CORPORATE CENTER, LP,  
a California limited partnership

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LENDER: *[Insert name of Lender],*

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_  
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")

personally appeared \_\_\_\_\_,  
Name of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature (Seal)

## EXHIBIT G

### TENANT ESTOPPEL CERTIFICATE

To: [Insert name of party to rely on document]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

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

County of Los Angeles ("Tenant") hereby certifies that, to its actual knowledge, as of the date hereof:

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

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

      (b)    The current Rent is set forth above.

      (c)    The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Tenant has no option or right to renew, extend or cancel the Lease, or to lease additional space in the Premises or Building, or to use any parking other than that specified in the Lease.

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

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

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

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

(c) Tenant's interest in the Lease has not been assigned or encumbered.

(d) Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease, except as set forth in the Lease.

(e) No rental payments have been made more than one month in advance.

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

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

COUNTY OF LOS ANGELES,  
a body corporate and politic

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



# EXHIBIT H

## COMMUNITY BUSINESS ENTERPRISE FORM

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

<b>I. Minority/Women Participation in Firm</b> (Partners, Associate Partners, Managers, Staff, etc.)						
1. Firm Name: _____			3. Contact Person/Telephone Number: _____			
2. Address: _____			4. Total number of employees in the firm: _____			
5. Provide the number of all minority employees and women in each	Owners, Partners and Associate		Managers		Staff	
	All O,P & AP	Women	All Managers	Women	All Staff	Women
Black/African American						
Hispanic/Latin American						
Asian American						
Portuguese American						
American Indian/Alaskan Native						
All Others						

<b>II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM</b>		
1. Type of Business Structure: (Corporation, Partnership, Sole Proprietorship, Etc.) _____		

<b>III. MINORITY/WOMEN-OWNED FIRM CERTIFICATION</b>		
2. Total Number of Ownership/Partners, Etc.: _____	Is your firm currently certified as a minority owned business firm	
3. Provide the percentage of ownership in each	All Employee	Women
Black/African American		
Hispanic/Latin American		
Asian American		
Portuguese American		
American Indian/Alaskan Native		
All Others		

<b>Section D. OPTION TO PROVIDE REQUESTED INFORMATION</b>	
<input type="checkbox"/> We do not wish to provide the information required in this form.	
Firm Name: _____	
Signature/Title: _____	
Date: _____	

**EXHIBIT I**

**MEMORANDUM OF LEASE**

**RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:**

County of Los Angeles  
Chief Executive Office - Real Estate Division  
320 West Temple Street, 7th Floor  
Los Angeles, CA 90012  
Attention: Director of Real Estate

This document is recorded for the benefit of the County of Los Angeles and recording is exempt from recording fees pursuant to California Government Code Section 27383. This transaction is exempt from documentary transfer tax pursuant to California Revenue and Taxation Code Section 11922.

---

**MEMORANDUM OF LEASE**

This Memorandum of Lease ("Memorandum") is made and entered into by and between 901 CORPORATE CENTER, LP, a California limited partnership (the "Landlord"), and the COUNTY OF LOS ANGELES, a public body corporate and politic duly organized and existing under the laws of the State of California (the "Tenant"), who agree as follows:

Landlord and Tenant have entered into an unrecorded lease dated \_\_\_\_\_, 20\_\_ (the "Lease") of certain real property located in the County of Los Angeles, State of California, described in Exhibit A attached hereto and incorporated herein by reference, for a term commencing on \_\_\_\_\_, 20\_\_, and ending on a date \_\_\_\_\_ years after the commencement date, unless such term is extended or sooner terminated pursuant to the terms and conditions set forth in the Lease.

This Memorandum has been prepared for the purpose of giving notice of the Lease and of its terms, covenants, and conditions, and for no other purposes. The provisions of this Memorandum shall not in any way change or affect the provisions of the Lease, the terms of which remain in full force and effect.

Dated: \_\_\_\_\_, 20\_\_.

LANDLORD:

901 CORPORATE CENTER, LP,  
a California limited partnership

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

TENANT:

COUNTY OF LOS ANGELES,  
a body corporate and politic

SACHI A. HAMAI  
Chief Executive Officer

By: \_\_\_\_\_  
Dean Lehman  
Senior Manager, Real Estate Division

ATTEST:

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

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM  
County Counsel

By: \_\_\_\_\_  
Deputy

STATE OF CALIFORNIA )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

personally appeared \_\_\_\_\_,  
Name of Signer(s)

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature (Seal)

**LANDLORD'S WORK LETTER**

**For**

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

**COUNTY OF LOS ANGELES, as Tenant**

**for Sheriff's Department**

**LANDLORD: 901 CORPORATE CENTER, LP**

**Property Address: 901 Corporate Center Drive, Suite 308, Monterey Park, CA 91754**

## LANDLORD'S WORK LETTER

This Work Letter supplements the Lease Agreement (the "Lease") dated \_\_\_\_\_, 20\_\_\_\_, executed concurrently herewith, by and between 901 CORPORATE CENTER, LP, a California limited partnership, as Landlord, and COUNTY OF LOS ANGELES, as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

The parties hereby agree as follows:

1. **Basic Work Letter Information.** The following terms as used herein shall have the meanings provided in this Section unless otherwise specifically modified by provisions of this Work Letter.

- |   |   |
|---|---|
| (a) <u>Tenant Improvement Allowance</u>   | \$40,875.00 (i.e., \$15.00 per rentable square foot of the Premises)                                  |
| (b) <u>Tenant's TI Contribution</u>   | N/A   |
| (c) <u>Change Request Contingency</u>   | [Intentionally omitted]   |
| (d) <u>Tenant Improvement Amortization Rate and Change Request Amortization Rate:</u> | N/A   |
| (e) <u>Tenant's Work Letter Representative</u>  | Section Chief or an assigned staff person of the Chief Executive Office-Real Estate Division          |
| (f) <u>Landlord's Work Letter Representative</u>                                      | Property Manager, or an assigned staff person of the Landlord   |
| (g) <u>Landlord's Address for Work Letter Notice</u>                                  | 901 Corporate Center, LP<br>300 S. Park Ave., Suite 810<br>Pomona, CA 91766<br>Attn: Property Manager |

With a copy to:

3470 Wilshire Boulevard, Suite 700  
Los Angeles, CA 90010  
Attn: Legal Department

- |  |   |
|--|---|
| (h) <u>Tenant's Address for Work Letter Notice</u> | County of Los Angeles<br>Chief Executive Office - Real Estate Division<br>County of Los Angeles<br>320 West Temple Street, 7th Floor<br>Los Angeles, CA 90012<br>Attention: Director of Real Estate |
|--|---|

(i) Addenda

Addendum A: Base Building  
Improvements  
Addendum B: Tenant Improvements  
Addendum C: Form of Preliminary and  
Final TI Cost Statement

## 2. **Construction of the Building.**

2.1 **Base Building Improvements.** Landlord has constructed or shall construct the base building improvements described on Addendum A hereto (the "Base Building Improvements") as a part of the Building. If the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, such changes or additions shall be considered Tenant Improvements (as defined below) in accordance with Section 7.1 of this Work Letter.

### 2.2 **Additional Costs Not Tenant Improvement Costs.**

(a) If the Building as initially constructed does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes, and Landlord incurs increased design or construction costs that it would not have incurred if the Building had been in compliance with such codes, then such costs shall not be included in the calculation of Tenant Improvement Costs (as defined below), and Tenant shall have no financial responsibility for such costs.

(b) Any work that Landlord must undertake to cause the Premises to comply with the access requirements of the ADA or to make existing building systems, including but not limited to electrical service and HVAC equipment, fully operational shall be at Landlord's sole cost and expense. Tenant Improvement Costs shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease, including all expenses associated with curing any "Sick Building Syndromes", (ii) fire sprinkler system installation or upgrade, (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere, (iv) utility costs incurred during construction, (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease, nor (v) supervision or overhead costs of Landlord, unless otherwise approved by Tenant.

2.3 **Base Building Plans.** Landlord has delivered to Tenant complete and accurate "as built" plans and specifications for the Building in an AutoCAD 2015 (or later version) format. If Tenant incurs additional costs because such plans and specifications are materially incomplete or inaccurate, then any delay caused thereby shall not be a Tenant Delay (as defined below), and Landlord shall pay for any increased costs incurred in correcting such material incompleteness or inaccuracy.

3. **Selection of Architect and Engineer.** Landlord shall promptly solicit at least three (3) proposals from qualified licensed architects and engineers familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings (as defined below). Landlord shall select an architect and an engineer, subject to Tenant's acceptance, which shall not be unreasonably withheld, and which acceptance (or rejection for reasonable reasons) shall be granted within three (3) business days after Landlord has submitted the name of the selected architect and the selected engineer to Tenant, together with

detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until Tenant accepts an architect (the "Architect") and an engineer (the "Engineer"), and Tenant's written acceptance has been delivered to and received by Landlord. Landlord shall contract for the approved Architect and Engineer to complete the Working Drawings and the Final Plans, as defined below, provide plan check review and permitting by the local agencies having jurisdiction and provide the complete scope of Architectural and Engineering services to complete the project according to the Final Permitted Plans. Landlord's costs shall be included in the calculation of Tenant Improvement Costs (as defined below), and the costs for plan check and permits shall be included in the calculation of Tenant Improvement Costs (as defined below).

4. **Selection of Contractor.** The Final Plans (as defined below) and a proposed construction contract approved by Tenant shall be submitted to contractors, selected by Landlord and accepted by Tenant, sufficient in number so that a minimum of three (3) bids are received. Each contractor shall be requested to submit a sealed fixed price contract bid price (on such contract form as Landlord shall designate) to construct the Tenant Improvements depicted on the Final Plans. Landlord shall select the most qualified bidder offering the lowest price after adjustments for inconsistent assumptions, and Landlord shall submit all bids, along with Landlord's recommendation, to Tenant for Tenant's review and acceptance. Following Tenant's acceptance, Landlord shall enter into a construction contract (the "Construction Contract") with the selected contractor (the "Contractor") to construct the Tenant Improvements, consistent with the terms of the accepted bid.

5. **Preparation of Plans and Specifications and Construction Schedule.**

5.1 **Preparation of Space Plan.** Concurrently with the execution of this Lease, Tenant shall submit to Landlord a space plan and specifications for the Premises showing all demising walls, corridors, entrances, exits, doors, interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room (the "Space Plan").

5.2 **Preparation and Review of Working Drawings.** Within thirty (30) days after the date the Space Plan is submitted to Landlord (the "Plan Submission Date"), Landlord shall instruct the Architect to commence preparation of working drawings (the "Working Drawings"), which shall be consistent with the Preliminary TI Cost Statement (as defined below), compatible with the design, construction and equipment of the Building, comply with all applicable laws, be capable of physical measurement and construction, contain all information required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and which shall include all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant the Working Drawings, or such portion thereof as has been submitted, for Tenant's review and acceptance. Landlord shall be solely responsible for insuring that the Working Drawings fully comply with all applicable building codes and are free from errors or omissions on the part of the Architect. Landlord's costs shall be included in the calculation of Tenant Improvement Costs (as defined below).

5.3 **Preparation and Review of Engineering Drawings.** Landlord shall cause the Architect to coordinate all engineering drawings prepared by the Engineer, showing complete mechanical, electrical, plumbing, and HVAC plans ("Engineering Drawings"), to be integrated into the



Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review and acceptance. Landlord's costs shall be included in the calculation of Tenant Improvement Costs (as defined below).

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has accepted the Engineering Drawings, Landlord shall cause the Architect to integrate the accepted Working Drawings with the accepted Engineering Drawings (collectively "Final Plans") and deliver five (5) sets of the Final Plans to Tenant for Tenant's review and acceptance. Landlord's costs of the Architect integrating the accepted Working Drawings with the accepted Engineering Drawings shall be included in the calculation of Tenant Improvement Costs (as defined below). 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), power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements. Landlord's review of the Space Plan, Working Drawings, Engineering Drawings and Final Plans shall be at Landlord's sole cost and expense.

5.5 Tenant's Plan Review and Acceptance. Tenant shall accept or reject the Working Drawings, the Engineering Drawings and the Final Plans within fifteen (15) business days after Tenant receives the applicable plans and drawings from Landlord. If Tenant rejects any such plans or drawings, then Tenant shall notify Landlord thereof, specifying in detail the reason for such rejection, in which case Landlord shall revise the applicable plans or drawings and deliver revised plans or drawings to Tenant within ten (10) days after receipt of Tenant's rejection notice. This procedure shall be repeated until the applicable plans are accepted by Tenant. If, after such procedure, the parties cannot agree on the Working Drawings, the Engineering Drawings or the Final Plans, then Tenant may elect to terminate the Lease and this Work Letter by delivering written termination notice to Landlord, whereupon all monies previously paid to Landlord shall be promptly refunded to Tenant, and the parties shall have no further obligations under the Lease and the Work Letter. Tenant's acceptance of the Working Drawings, Engineering Drawings and/or the Final Plans shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements.

5.6 Schedule. Within fifteen (15) business days after the Plan Submission Date, Landlord shall submit to Tenant a detailed construction schedule, subject to acceptance by Tenant, which shall not be unreasonably withheld, setting forth the completion dates 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 the Construction Contract, construction commencement, construction completion, the Projected Commencement Date and other relevant dates. As the construction continues, Landlord shall amend the construction schedule at least once each month to reflect any changes to the projected dates, and Landlord shall promptly submit the revised construction schedules to Tenant.

5.7 Submittals. The Contractor shall submit to Tenant any Shop Drawings, Product Data, Samples and similar submittals required by the Final Plans in coordination with the construction schedule and with reasonable promptness, so as not to cause any delay in the construction of

the Tenant Improvements. The purpose of Shop Drawings, Product Data, Samples and similar submittals is to demonstrate the way by which the Contractor proposes to construct a design concept expressed in the Final Plans. "Shop Drawings" are drawings, diagrams, schedules and other data specially prepared by the Contractor or a subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Tenant Improvements. "Product Data" are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Tenant Improvements. "Samples" are physical examples that illustrate materials, equipment or workmanship for some portion of the Tenant Improvements. The Contractor shall construct no portion of the Tenant Improvements for which the Final Plans require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been accepted by Tenant.

## **6. Landlord's TI Cost Statement and Payment of Tenant Improvement Costs.**

**6.1 Cost Statement.** Within three (3) days after the Plan Submission Date, Landlord shall submit to Tenant a preliminary cost statement for the Tenant Improvements in a format similar to Addendum C attached hereto (the "Preliminary TI Cost Statement"), which must not exceed the sum of the Tenant Improvement Allowance and Tenant's TI Contribution. Such statement shall be revised into final form within ten (10) days after the date that the Contractor is selected and will be referred to herein as the "Final TI Cost Statement". Tenant shall have ten (10) business days after the date of receipt of the Final TI Cost Statement to accept or reject the Final TI Cost Statement, including but not limited to any Contractor overhead, profit and/or general conditions costs included therein. Tenant's failure to accept or reject the Final TI Cost Statement in writing within such period shall be deemed to be rejection. Construction of the Tenant Improvements shall not begin until Tenant accepts the Final TI Cost Statement in writing. If Tenant rejects the Final TI Cost Statement due to matters related to cost and the Final TI Cost Statement is ten percent (10%) or more higher in cost than was projected in the Preliminary TI Cost Statement, then, at Tenant's request, Landlord shall cause the Architect and the Engineer to redesign the Tenant Improvements, at Landlord's sole expense, to comply with the Preliminary TI Cost Statement, and any delay caused by the necessity to rebid or redesign the Tenant Improvements shall not be considered a Tenant Delay. If Tenant rejects the Preliminary TI Cost Statement or the Final TI Cost Statement, the parties shall promptly confer to resolve all issues relating thereto. If after such consultation, the parties cannot agree on the Preliminary TI Cost Statement or the Final TI Cost Statement, then Tenant may elect to terminate the Lease and this Work Letter by delivering written termination notice to Landlord, whereupon all monies previously paid to Landlord shall be promptly refunded to Tenant, and the parties shall have no further obligations under the Lease or this Work Letter.

**6.2 Tenant Improvement Allowance and Tenant's TI Contribution.** All improvements required by the Final Plans, as further described in Addendum B hereto, and any and all modular furniture described in the Modular Specifications (as defined below) shall be referred to herein, collectively, as "Tenant Improvements." Costs of Tenant Improvements shall include costs for furniture, telecommunications equipment, soft costs, and any other costs approved in writing by Tenant (collectively "Tenant Improvement Costs"), all of which must not exceed the Tenant Improvement Allowance, Tenant's TI Contribution and costs of any Change Requests (as defined below) that are approved in writing by both parties. Landlord shall be solely responsible for any delay or increased cost in completing the Tenant Improvements except for delays or costs arising from Tenant Delays as defined below. Except as otherwise provided herein, all Tenant Improvement Costs shall be paid by Landlord and deducted from the Tenant Improvement Allowance. If the Tenant Improvement Costs exceed the Tenant Improvement

Allowance, then Tenant may authorize Landlord to pay the overage in an amount not exceeding Tenant's TI Contribution. Thereafter, Tenant shall pay such overage to Landlord as provided in Section 6.3 below.

**6.3 Method of Payment.** That portion of Tenant's TI Contribution used to pay for any Tenant Improvement Costs in excess of the Tenant Improvement Allowance may, at Tenant's election, be paid to Landlord (a) in a lump sum, when the Tenant Improvements are Substantially Complete, or (b) in equal monthly payments, amortized over the term of the Lease at the Tenant Improvement Amortization Rate. Tenant may, at any time during the Term, prepay all or any portion of the Tenant Improvement Costs in excess of the Tenant Improvement Allowance and pay any remaining amount in equal monthly payments, amortized over the remaining term of the Lease at the Tenant Improvement Amortization Rate.

## **7. Construction of Tenant Improvements.**

**7.1 Tenant Improvements.** Tenant Improvements to be constructed by Landlord are described more particularly on Addendum B hereto. If any work required by the Final Plans is not described on Addendum B hereto, such work shall be performed by Landlord and included in the cost of Tenant Improvements.

**7.2 Bids.** Unless waived by Tenant in writing, any major contractors, subcontractors and material suppliers 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. 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. Landlord shall also obtain three (3) bids for the purchase and installation of Tenant's office furniture system, if applicable, in accordance with Section 9.1 below.

**7.3 Permits.** Landlord shall obtain the approval of all applicable governmental authorities and all permits required for the Tenant Improvements, promptly after Tenant's acceptance of the Final Plans. Landlord shall obtain plan check approval prior to soliciting bids from contractors pursuant to Section 4 hereof. Landlord's costs shall be included in the calculation of Tenant Improvement Costs.

**7.4 Commencement of Construction.** Landlord shall commence construction of the Tenant Improvements within fifteen (15) business days after Tenant's acceptance of the Contractor pursuant to Section 4 hereof. Contractor shall obtain the building permit for the Tenant Improvements prior to the commencement of construction. Thereafter, Landlord shall diligently proceed to construct and complete all Tenant Improvements in a good and workmanlike manner, subject only to any cessation that may be caused by Force Majeure Delays (as defined below).

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

(a) **Notice of Non-responsibility.** Landlord and the Contractor shall cooperate with Tenant in posting a notice or notices of non-responsibility by Tenant in compliance with California Civil Code Section 8444.

(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 other decor selection efforts required by Tenant, shall be provided by Landlord in accordance with Tenant's Space Plan and such costs shall be included in the calculation of Tenant Improvement Costs. Landlord shall consult with Tenant with respect to all such decorating services and decisions.

(c) Warranties. Landlord warrants that the Tenant Improvements shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of Substantial Completion. Landlord shall require each contractor and subcontractor to provide warranties of like duration in all construction contracts relating to the Tenant Improvements and, upon Tenant's request, Landlord shall assign to Tenant any such warranties relating to the Tenant Improvements.

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

(e) Compliance with Laws. Construction of the Tenant Improvements shall comply with all applicable laws and regulations, including but not limited to the provisions of the California Labor Code relating to the payment of prevailing wages on public works projects, unless the work is otherwise exempt therefrom pursuant to the California Labor Code. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including but not limited to all provisions of the California Labor Code. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly wage rate and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction of the Tenant Improvements. Particulars of the current Prevailing Wage Scale, as approved by the Board of Supervisors, which are applicable to the work, are filed with the Clerk of the Board of Supervisors and must be posted at the site.

(f) Access During Construction. Tenant shall have the right to inspect the Tenant Improvements during the course of construction. Landlord and Tenant shall use reasonable good faith efforts to coordinate the work of their respective contractors to achieve timely completion of the Tenant Improvements and Tenant's installation work. In no event shall Tenant interfere with the work performed hereunder.

7.6 Completion/Close Out. The Premises shall not be considered Substantially Complete until the Tenant Improvements have been completed in accordance with the Final Plans, subject only to the completion of minor punch-list items that will not interfere with Tenant's use and occupancy of the Premises for Tenant's permitted and intended use under the Lease. Upon Substantial Completion of the Tenant Improvements, Landlord shall notify Tenant in writing and, within ten (10) business days of Tenant's receipt of such notice, Landlord and Tenant shall conduct a "walk-through" inspection of the Premises and prepare a punch-list of known or apparent deficiencies or incomplete work required to be corrected or completed by Landlord. Landlord, at Landlord's sole cost and expense, shall cause all punch-list items to be repaired or completed as soon as possible, but in no event later than ninety (90) days following the walk-through inspection. If Landlord fails to complete any of the punch-list items within such ninety

(90) day period, then Tenant, in addition to its other rights and remedies under the Lease, after giving ten (10) days written notice to Landlord, shall have the right, but not the obligation, to cause such punch-list items to be completed, with the cost thereof plus ten percent (10%) for Tenant's overhead and supervision to be deducted from the next installment(s) of rent or other amounts payable by Tenant under the Lease. Latent or hidden defects in the Tenant Improvements shall be brought to Landlord's attention promptly upon Tenant's becoming aware of such defects. Landlord, at Landlord's sole cost and expense, shall promptly cause such defects to be repaired following receipt of notice thereof, and Tenant shall have the same rights with respect thereto as set forth herein for all other punch-list items.

**7.7 Conformed Plans.** Within sixty (60) days after Substantial Completion of the Tenant Improvements and Landlord's receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans ("as-builts") incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such "as-built" or "record documents" shall be submitted in Auto CAD R 15.dwg (or later version) format, along with one (1) complete set of mylar transparencies of drawings and one (1) complete set of specifications.

**8. Change Requests.** Tenant and Landlord may request changes, additions, deletions or substitutions in the Final Plans (each, a "Change Request"), provided that the requesting party must submit a written request to the other party and that Change Requests will not be effective unless approved in writing by both Tenant and Landlord. The amount of the Change Request Contingency set forth in Section 1 has been authorized by the Board of Supervisors of the County to be used to pay the costs of any and all Change Requests, but only the Chief Executive Officer is authorized to approve Change Requests on behalf of Tenant, and only if the aggregate amount of all approved Change Requests does not exceed the Change Request Contingency. If Tenant requests any changes or substitutions to the Tenant Improvements after the Final Plans and the Final TI Cost Statement have been accepted, then any additional costs related thereto in excess of Tenant Improvement Allowance shall be paid by Tenant, provided that Tenant executes a written Change Request prior to the performance of the applicable work. Tenant may elect to pay for such costs (a) in a lump sum, upon Substantial Completion of the Tenant Improvements, or (b) in equal monthly payments, amortized over the term of the Lease at the Change Request Amortization Rate. Landlord shall be solely responsible for the cost of any Change Requests that are not requested by Tenant. Landlord shall submit to the Chief Executive Officer with each Change Request (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Change Requests previously approved, and (iii) an estimate of the construction time which will be increased or shortened if the Change Request is approved. Each Change Request must be signed and dated by the Chief Executive Officer.

**9. Furniture System.**

9.1 Tenant shall deliver to Landlord within ten (10) days after execution hereof, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, Landlord and /or Landlord's architect shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors. Prior to submission for bids, Landlord shall review the bid package with Tenant, and Tenant shall have the right to accept or reject the bid package within five (5) business days. Landlord shall order the modular furniture set forth in the Modular Specifications, and install the same within the Premises, all of which shall be a Tenant Improvement Cost, payable by Landlord and/or Tenant as provided in Section 6.2 and Section 6.3 hereof. Tenant's acceptance of any bid package



shall not be deemed to be a representation by Tenant as to the adequacy or correctness of any specifications contained therein.

9.2 Alternatively, Tenant may elect to finance the cost of modular furniture through lease-purchase financing with a third-party lender ("Creditor"). If Tenant elects to enter into a lease-purchase financing of any furniture or telecommunications equipment (individually or collectively, "Personal Property") through a Creditor, Landlord expressly agrees as follows:

(a) The Personal Property shall not become part of the realty or real property, but shall remain personal property removable by the Creditor and its assigns, provided that any damage to the Building or the Premises caused by such removal shall be repaired by Creditor.

(b) Landlord must receive written notice from Creditor of any plan by Creditor to remove the Personal Property from the Building.

(c) This Section 9.2 shall be binding on the representatives, successors and assigns of all parties hereto and shall inure to the benefit of the successors-in-interest to all parties hereto.

(d) Landlord hereby waives any right to gain possession of any of Personal Property during the term of the Lease.

10. **Tenant Improvement Costs Adjustment and Right to Audit.** Within five (5) days of the issuance of a Certificate of Occupancy for the Premises, or a final sign-off by the City of Monterey Park, whichever occurs first, Landlord shall provide to Tenant a statement showing in reasonable detail, including but not limited to pay applications, invoices, cancelled checks, contracts, approved changed orders, and any other support documentation reasonably required by Tenant, all Tenant Improvement Costs and the amount thereof that is excess of the Tenant Improvement Allowance and payable hereunder by Tenant to Landlord. Upon approval of such statement by Tenant, payments by either party pursuant to the Lease and this Work Letter shall be adjusted as appropriate based upon such statement. Tenant shall have the right to audit the Tenant Improvement Costs at any time within twenty-four (24) months after the date of Tenant's Acceptance of the Premises and Landlord having provided a complete statement showing reasonable details of all Tenant Improvements Costs. If the audit shows that Tenant is entitled to a reduction in payments made by Tenant to the Landlord pursuant to this Work Letter, then Tenant shall provide Landlord with a copy of the audit summary, and Landlord shall pay Tenant the amount of any over-payment made by Tenant within thirty (30) days, and any future payments owed by Tenant shall be adjusted as appropriate based upon the audit results. Landlord shall require the Contractor to include reasonable audit provisions in all subcontracts which allow Tenant to audit the subcontractors' books and records with respect to the Tenant Improvements.

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

## 12. Delay.

12.1 Tenant Delays and Force Majeure Delays. 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 Tenant shall not be charged as a result of any delay in the construction of Tenant Improvements. Subject to the provisions of Section 12.2, the Projected Commencement Date set forth in the Lease shall be extended one (1) day for each day that: (a) Tenant fails or refuses to give authorizations or approvals within the time periods required herein, but only to the extent such delays delay the commencement or completion of construction of the Tenant Improvements (referred to herein as "Tenant Delay(s)"); or (b) Substantial Completion of the Tenant Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)").

## 12.2 Limitations.

(a) Notice. No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless, within forty eight (48) hours of the event giving rise to such claim, Landlord provides Tenant with written notice in compliance with the Lease specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred, commencing as of the date Tenant received such notice from Landlord.

(b) Mitigation. Tenant Delays and Force Majeure Delays shall delay the Projected Commencement Date only if Substantial Completion of the Tenant Improvements is delayed, despite Landlord's reasonable efforts to adapt and compensate for such delays, which efforts Landlord shall be obligated to make (provided that the additional cost incurred by Landlord due to such efforts does not exceed \$1,000 on a cumulative basis, unless Tenant agrees to pay to the excess).

(c) Concurrent Delays. Tenant Delays and Force Majeure Delays shall be recognized hereunder only if the same are not concurrent with any other Tenant Delay or Force Majeure Delay that is effective hereunder. For example, if there are ten (10) days of Tenant Delays, and four (4) days of Force Majeure Delays occur during the same ten (10) day period, then the Projected Commencement Date would be extended by only ten (10) days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, then the Projected Commencement Date would be extended by fourteen (14) days.

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

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

13.1 Cancel the Lease upon thirty (30) days written notice to Landlord; or

13.2 Upon thirty (30) days written notice to Landlord, assume the responsibility for constructing and/or completing the Tenant Improvements itself. If Tenant elects to construct or complete the Tenant Improvements itself, then:

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

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

Any default by Landlord under the terms of this Work Letter shall constitute a default under the Lease and shall entitle Tenant to exercise all remedies set forth in the Lease.

#### **14. Representatives.**

14.1 Tenant Representative. Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Work Letter only, is Tenant's Address for Work Letter Notice as set forth in Section 1.2 of the Lease.

14.2 Landlord Representative. Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on behalf of Landlord as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Work Letter only, is Landlord's Address for Work Letter Notice as set forth in Section 1.2 of the Lease.

15. **Elevator Usage During Move-In.** In the event that the use of the freight elevators and/or hoists is not sufficient to meet Tenant's requirements during the early entry period set forth in Section 4.3 of the Lease, (a) Landlord shall cause to be made operational a temporary construction elevator and hoist, or (b) Tenant shall have priority usage of two (2) passenger elevators in the elevator bank that services the Premises in order to assist Tenant in the installation of Tenant's fixtures, furniture and equipment.

16. **Construction Meetings.** During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, unless Tenant directs otherwise, at a time and place that is mutually convenient. An initial construction meeting shall be held within five (5) days after the date the Contractor is selected. Contractor shall provide minutes of each construction meeting to Tenant within a reasonable time thereafter, but not later than the date of the next construction meeting.



17. **Delivery.** Delivery of all plans and drawings referred to in this Work Letter shall be by commercial messenger service or personal hand delivery, unless otherwise agreed by Landlord and Tenant.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Work Letter as of the dates set forth below.

LANDLORD:

901 CORPORATE CENTER, LP,

a California limited partnership

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

TENANT:

COUNTY OF LOS ANGELES,

a body corporate and politic

By: \_\_\_\_\_

Dean Lehman

Senior Manager, Real Estate Division

Date Signed: \_\_\_\_\_

## **ADDENDUM A to Landlord's Work Letter**

### **BASE BUILDING IMPROVEMENTS**

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

- (a) the Building shell and exterior, including perimeter window frames, mullions and glazing in good condition;
- (b) the core area, including mechanical, electrical, sprinkler, plumbing, life safety, heating, air conditioning, ventilation and structural systems within the Building core, stubbed out to the face of the core wall at locations determined by Landlord;
- (c) men's and women's toilet rooms, including necessary plumbing fixtures, ceramic tile floors, accessories, ceilings and lighting, with running hot and cold water;
- (d) unpainted exterior dry wall or lath and plaster covering the exposed side of all exposed core walls, core and perimeter columns and the interior exposed side of all exterior building wall areas except at and under windows;
- (e) public stairways;
- (f) passenger and freight elevators;
- (g) parking facilities;
- (h) ground floor lobby;
- (i) finished elevator lobbies (with carpet, lights, finished walls and ceiling);
- (j) exterior plazas and landscaping;
- (k) loading dock and/or area;
- (l) drinking fountains at the core;
- (m) electrical/telephone closet with not less than seven (7) watts per square foot of rentable area of normal power in the floor electrical closet;
- (n) conduit access sufficient for Tenant's electrical wiring (no additional improvement to increase conduit access will be furnished by Landlord unless there is not sufficient riser space as required for a 1.5" diameter signal cable from the Building main telecommunication vault to the telephone closets on floor 3, in which case Landlord, at no cost to Tenant and without deduction from the Tenant Improvement Allowance, shall cause such riser space to be made available to Tenant, and provided further that Tenant shall be responsible for the cost for removing the riser floor seal at each floor and the patching of each seal after installation of Tenant's cable);
- (o) two (2) 208/120 and one (1) 480/277 volt panels connected to the Building power system;
- (p) mechanical equipment room with ducted mechanical exhaust system;

(q) concrete floors with troweled finish, level to specified tolerances and designed to support a minimum live load of fifty (50) pounds per square foot and a partition load of twenty (20) pounds per square foot;

(r) standard window coverings;

(s) primary HVAC duct for cooling and primary HVAC duct for heating (heating is for perimeter zone only) to loop from the mechanical equipment room around the building core;

(t) hot and cold air loops located within the Premises;

(u) primary fire sprinkler distribution, including secondary piping and sprinkler heads as required for the unoccupied Premises;

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

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

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

## **ADDENDUM B to Landlord's Work Letter**

### **TENANT IMPROVEMENTS**

Tenant improvements shall include:

- (a) Tenant ceilings and lighting;
- (b) Floor finish in the Premises (except elevator lobbies and public corridors on multi-tenant floors and toilet rooms);
- (c) Interior finishes of any kind within the Premises (except elevator lobbies and public corridors on multi-tenant floors and core area toilet rooms);
- (d) Interior partitions, doors, frames, and hardware within the Premises;
- (e) Terminal boxes and reheat coils or other HVAC or air distribution devices to or within the Premises;
- (f) As applicable, Tenant's furniture, fixtures and equipment, including telephones, computers and cabling therefor;
- (g) Distribution of electrical services, plumbing services and sprinklers from the core to the Premises, and domestic hot water heater and associated hot water piping;
- (h) Any and all signs for Tenant and the power therefor;
- (i) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms and extinguishers;
- (j) Additional and/or above standard electrical and structural capacity; and
- (k) Fiber optic access.

**ADDENDUM C to Landlord's Work Letter**

**PRELIMINARY AND FINAL TI COST STATEMENT**

\_\_\_\_ Preliminary TI Cost Statement  
\_\_\_\_ Final TI Cost Statement

Lease No. \_\_\_\_\_  
Address \_\_\_\_\_

Cost Category

Architecture and Engineering Contract	\$
Plan Check Fees	\$
General Contractor	\$
Furniture	\$
Other	\$
Total Tenant Improvement Costs	\$

## BOARD LETTER / MEMO – FACT SHEET OPERATIONS CLUSTER

<b>OPS CLUSTER AGENDA REVIEW DATE</b>	3/25/2020	
<b>BOARD MEETING</b>	4/14/2020	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	Fifth	
<b>DEPARTMENT</b>	DCFS	
<b>SUBJECT</b>	Approval to pay additional interest on tenant improvements for DCFS at 1373 Center Court Drive, Covina	
<b>PROGRAM</b>	Asian Pacific, American Indian, Deaf Services	
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
<b>DEADLINES/ TIME CONSTRAINTS</b>	Lease is currently in holdover and landlord is unwilling to negotiate a new lease until this issue is resolved.	
<b>COST &amp; FUNDING</b>	Total cost: NTE \$120,000	Funding source: 22.5% State and Federal Funds / 77.5 net County cost
	TERMS (if applicable):	
	Explanation: This will be a one-time lump sum payment	
<b>PURPOSE OF REQUEST</b>	To request Board authority to pay additional interest costs on tenant improvements that was not previously approved by the Board.	
<b>BACKGROUND (include internal/external issues that may exist)</b>	The original Board action authorized the County's contribution to Tenant Improvements (TI) at \$500,000. The actual amount of County's contribution to TI is \$329,476. The Board originally approved interest payments to the landlord for three years but actual interest due to Landlord is over about a 6-year period. Although the total County contribution to TI, with the extra interest, is still within the \$500,000 Board approved amount, there is no authority to pay more than three years worth of interest. Board authority is sought to pay the additional approximately 3 years of interest.	
<b>DEPARTMENTAL AND OTHER CONTACTS</b>	Bryan Bell, Chief Program Specialist 213-974-4150 <a href="mailto:bbell@ceo.lacounty.gov">bbell@ceo.lacounty.gov</a>	



SACHI A. HAMAI  
Chief Executive Officer

## 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>

Board of Supervisors  
HILDA L. SOLIS  
First District

MARK RIDLEY-THOMAS  
Second District

SHEILA KUEHL  
Third District

JANICE HAHN  
Fourth District

KATHRYN BARGER  
Fifth District

April 14, 2020

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL TO PAY ADDITIONAL INTEREST ON  
TENANT IMPROVEMENT EXPENSES  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES (LEASE NO. 71353)  
1373 CENTER COURT DRIVE, COVINA  
(FIFTH DISTRICT)  
(3 VOTES)**

**SUBJECT**

Approval to pay additional interest on tenant improvements for an existing lease pertaining to the Department of Children and Family Services.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed approval of lease terms 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 Acting Chief Executive Officer, or her designee, to reimburse Sotoco Corporation (Landlord), an amount not to exceed \$120,000 to pay for additional interest on certain Tenant Improvement (TI) costs for the Department of Children and Family Services' (DCFS) lease of 1373 Center Court Drive, Covina (Lease No. 71353). All interest costs will be paid to the Landlord in a lump sum payment. The additional accrued interest is funded 22.5 percent with Federal and State funds and 77.5 percent net County cost.



3. Authorize the Acting Chief Executive Officer, or her designee, to execute any ancillary documentation necessary, and to take any other actions necessary and appropriate to implement the authorizations provided above.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On March 4, 2014, the Board approved a five-year lease extension for 29,525 square feet of office space for the DCFS Asian Pacific, American Indian, Deaf Services programs, and DCFS support staff. The Board-approved lease included a \$354,300 non-reimbursable base TI allowance provided by the Landlord, and \$500,000 in additional TI funds that the County can reimburse to the Landlord, at 8 percent interest over the first three years of the extended term. Amortization of the additional TI funds commenced upon execution of the Lease.

The TI work was completed on September 3, 2015, and total costs were \$683,776, which results in the County's additional TI contribution equal to \$329,476. The original Board letter authorized 8 percent interest for three years which gives the County authority to pay a total of \$371,685 as the County's additional TI contribution. Due to an administrative error, the County did not pay the principal amount of \$329,476 until September 15, 2019, which results in additional interest incurred because (1) the principal was not paid down during the original three year term, thereby more interest was incurred than anticipated in the first three years; and (2) interest is due for a period longer than the Board authorized three years amortization period. Board approval is needed to pay the additional accrued interest.

Approval of the recommended actions will find that this action is exempt from CEQA.

### **FISCAL IMPACT/FINANCING**

Payment will be made in a lump sum amount. These costs will be paid by the Department of Children and Family Services using 22.5 percent State and Federal funds and 77.5 percent net County cost.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Since the TI work is complete in accordance with the lease terms, the County is obligated to reimburse the Landlord for the work due. Staff has authority under the original Board letter to pay the principal amount due and some interest. However, the interest expense has exceeded the Board authorized amount.

### **CONTRACTING PROCESS**

Since the Landlord has performed the TI work based on the signed lease and we seek authority to pay for interest that has accrued and continues to accrue, the CEO will make a presentation to the Retroactive Contract Review Committee for disposition and approval of corrective actions.

### **ENVIRONMENTAL DOCUMENTATION**

The CEO has concluded that this action is exempt from CEQA, as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, and Section 15301 of the State CEQA Guidelines (Existing Facilities). This action has no significant effect on the environment and 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.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

This action will have no impact on current operations.

The Honorable Board of Supervisors

March 31, 2020

Page 4

**CONCLUSION**

It is requested that the Executive Office, Board of Supervisors return one certified copy of the Minute Order, and the adopted stamped Board letter to the CEO, Real Estate Division, 320 West Temple Street, 7th Floor, Los Angeles, CA 90012.

Respectfully submitted,

FESIA A. DAVENPORT  
Acting Chief Executive Officer

FAD:DPH  
DL:JC:CB:gw

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

## BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

<b>OPS CLUSTER AGENDA REVIEW DATE</b>	3/25/2020							
<b>BOARD MEETING</b>	4/14/2020							
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	4							
<b>DEPARTMENT</b>	Internal Services Department (ISD)							
<b>SUBJECT</b>	<p>Approval of a proposed Order (Order), which shall provide ISD with an additional 800 square feet of data center space, at an existing facility, under an existing five-year license, to accommodate an additional 270 kilowatts of reserved power for the Information Technology Service Program.</p> <p><b>Address:</b> 444 North Nash Street, El Segundo</p>							
<b>PROGRAM</b>	Information Technology Service/Primary Los Angeles County Data Center 1							
<b>SOLE SOURCE CONTRACT</b>	<p>Yes x      No</p> <p>If Yes, please explain why: Department plans to have Licensor complete the proposed TIs due to their expertise.</p>							
<b>DEADLINES/ TIME CONSTRAINTS</b>	ISD doesn't want to lose its first right of refusal to expand into additional space.							
<b>COST &amp; FUNDING</b>	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;"> <p>Total costs for additional space: \$1,456,000 (1,093,000 rental costs + \$363,000. TI) from April 1, 2020 – February 28, 2022</p> </td><td style="width: 50%;"> <p>Funding source: 100% net County cost</p> </td></tr> <tr> <td colspan="2"> <p>TERMS (if applicable): In accordance with the existing License, the annual rental cost increases 3% every July 1. There are four one-year terms to extend upon six months written notice which CEO is seeking delegated authority to exercise.</p> </td></tr> <tr> <td colspan="2"> <p>Explanation: Funding for the proposed amendment is included in the Fiscal Year 2019-2020 Rent Expense budget and will be paid 100% net County cost.</p> </td></tr> </table>		<p>Total costs for additional space: \$1,456,000 (1,093,000 rental costs + \$363,000. TI) from April 1, 2020 – February 28, 2022</p>	<p>Funding source: 100% net County cost</p>	<p>TERMS (if applicable): In accordance with the existing License, the annual rental cost increases 3% every July 1. There are four one-year terms to extend upon six months written notice which CEO is seeking delegated authority to exercise.</p>		<p>Explanation: Funding for the proposed amendment is included in the Fiscal Year 2019-2020 Rent Expense budget and will be paid 100% net County cost.</p>	
<p>Total costs for additional space: \$1,456,000 (1,093,000 rental costs + \$363,000. TI) from April 1, 2020 – February 28, 2022</p>	<p>Funding source: 100% net County cost</p>							
<p>TERMS (if applicable): In accordance with the existing License, the annual rental cost increases 3% every July 1. There are four one-year terms to extend upon six months written notice which CEO is seeking delegated authority to exercise.</p>								
<p>Explanation: Funding for the proposed amendment is included in the Fiscal Year 2019-2020 Rent Expense budget and will be paid 100% net County cost.</p>								
<b>PURPOSE OF REQUEST</b>	<p>ISD has rented 625 square feet of office space and 4,000 square feet of data center space known as T5 Data Center 1 (DC1) at 444 North Nash Street, El Segundo (Premises) since March 1, 2017. The Premises located at DC1 provides primary active information technology data services to multiple County departments. The existing license term expires on February 28, 2022 and has four one-year options to extend the term. The existing license contains a right to expand licensed area by execution of a written Order by and between the County and Licensor.</p>							
<b>BACKGROUND (include internal/external issues that may exist)</b>	<p>ISD per the existing license wishes to exercise an Order for an additional 800 square feet of data center space needed for reserve kilowatt power. ISD wishes to remain at DC1 since it is under an existing license until February 28, 2022</p>							
<b>DEPARTMENTAL AND OTHER CONTACTS</b>	<p>Name, Title, Phone # &amp; Email: Michael Navarro, Chief Program Specialist 213-974-4364 mnavarro@ceo.lacounty.gov</p>							



SACHI A. HAMAI  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

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*"To Enrich Lives Through Effective And Caring Service"*

Board of Supervisors  
HILDA L. SOLIS  
First District

MARK RIDLEY-THOMAS  
Second District

SHEILA KUEHL  
Third District

JANICE HAHN  
Fourth District

KATHRYN BARGER  
Fifth District

April 14, 2020

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:

**ORDER FOR EXPANSION SPACE  
INTERNAL SERVICE DEPARTMENT  
444 NORTH NASH STREET, EL SEGUNDO  
(FOURTH DISTRICT)  
(3 VOTES)**

**SUBJECT**

Approval to execute a proposed Order to add an additional approximately 800 square feet of data center space, to existing office and data space, at 444 North Nash Street, El Segundo for use by the Internal Services Department.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed Order 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 and direct the Acting Chief Executive Officer, or her designee, to execute the proposed Order with T5@Los Angeles, LLC (Licensor), for an additional approximately 800 square feet of data center space at 444 North Nash Street, El Segundo to be occupied by the Internal Services Department (ISD). For the first year, the estimated cost of the additional data center space shall be \$877,865 [i.e., \$515,140 (estimated annual rental fee) + \$362,725 (one-time TI expense)]. These rental costs are 100 percent net County cost.
3. Authorize and direct the Acting Chief Executive Officer, or her designee, to exercise the four one year options to extend the existing license, subject to satisfaction that the department has sufficient funding and demonstrated the need to continue the use of the space.

4. Authorize and direct the Acting Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed Order or exercise any option to extend, and to take actions necessary and appropriate to implement the proposed Order.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Since March 1, 2017, ISD has rented 625 square feet of office space, and 4,000 square feet of data center space at the T5 Data Center (DC1) located at 444 North Nash Street, El Segundo. ISD uses the Premises to provide primary active information technology data services to multiple County departments. The existing license term expires on February 28, 2022 and has four one-year options to extend the term. The existing license contains a right for the County to expand the licensed area at pre-set rates, by executing an Order subject to approval by the Board.

ISD needs an additional 800 square feet of data center space to accommodate an additional 270 kilowatts of reserved power. ISD is very satisfied with DC1 as a state-of-the-art data center facility, incorporating holistic architecture, centralized automation, software flexibility, and hardware scalability within a secure environment. Data center infrastructure is costly, so the ability to leverage the hosting of multiple departments within one location, has significant cost efficiencies based on economies of scale.

The subject site is near public transportation routes.

Approval of the recommended actions will find that the proposed Order is exempt from CEQA and will allow ISD to operate at the subject Premises.

#### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan Goal 3 - "Realize Tomorrow's Government Today" - provides 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 existing license supports the goal by allowing the data for multiple County departments to be hosted at the DC1 data center.

The proposed Order conforms with the Asset Management Principles outlined in Attachment A.

#### **FISCAL IMPACT/FINANCING**

There is sufficient appropriation in the Fiscal Year (FY) 2019-20 Rent Expense Budget to cover the first-year costs, which will then be billed to ISD. ISD also has sufficient appropriation available in their FY 2019-20 operating budget to cover these costs for the first year. Beginning with FY 2020-21, ongoing funding for the proposed lease will be part of the budget for ISD. These costs are 100 percent net County cost.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

In addition to the terms previously stated, the proposed Order also contains the following provisions and understanding:

- The total first year rental cost for the existing space (\$1,170,839) and the new expansion space (\$515,140) will be \$1,685,979, and including the lump sum TI cost of \$362,725, results in an estimated total rental cost of \$2,048,704 (see Attachment B). The rental rate escalates 3 percent on July 1st of each year.
- Proposed TI expense for the expansion space shall be a one-time cost of \$362,725 and shall be reimbursed to the Licenser by the County. The Licenser shall perform the TIs.
- The total cost to the County from April 1, 2020, through the license expiration date of February 28, 2022, including the one-time expansion space TI expense of \$362,725, shall be approximately \$3,940,000.
- The Licenser is responsible for all repair and maintenance costs of the facility, including janitorial costs.
- The expansion space will be added to the existing premises, so the existing license terms will also apply to the expansion space. Therefore, the expansion space will be co-terminus with the existing term, which has another two years remaining on the term. If the County exercises all existing options to extend, the total term of the proposed expansion space would be six years.
- The existing holdover provision states that if the County is in holdover at the premises, an additional monthly fee of 20 percent of the amount of the last month's rent will be added to the monthly rent.
- The proposed expansion of the License agreement will be effective upon approval by the Board, and the new rent will commence upon possession of the expanded space, to be determined by an Order Commencement Date Memorandum.

Attachment C shows County-owned or leased facilities within the surveyed area, and there are no suitable County-owned or leased facilities available for this space requirement. As the County has elected to exercise its right of first refusal to expand its existing space and that expansion space will be used for more data equipment and will not house staff, co-work space was not considered.

The Department of Public Works has inspected this facility and found it suitable for the County's occupancy. The required notification letter to the City of El Segundo has been sent in accordance with Government Code Section 25351. County Counsel has reviewed the attached proposed Order and approved as to form.

The proposed expansion space will continue to provide an appropriate location for the program, 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**

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 of Supervisors, and Section 15301 of the State CEQA Guidelines (Existing Facilities). The proposed Order, which involves licensing existing office space with minor tenant improvements within an existing building, is within a class of projects that have been determined not to have a significant effect on the environment and 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 project 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, a Notice of Exemption will be filed with the Registrar-Recorder/County Clerk in accordance with Section 21152 of the California Public Resources Code.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed Order for an expansion of the Premises will adequately provide the necessary space for this County requirement. ISD and the Chief Information Officer concur with the proposed recommendations.

**CONCLUSION**

It is requested that the Executive Office, Board of Supervisors, return one certified copy of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division, at 320 West Temple Street, 7th Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

FAD:DPH:DL  
JLC:MN:JT:gw

Enclosures

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



# ATTACHMENT A

## INTERNAL SERVICES DEPARTMENT 444 NORTH NASH STREET, CITY OF EL SEGUNDO Asset Management Principles Compliance Form<sup>1</sup>

<b>1.</b>	<b><u>Occupancy</u></b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
	A Does lease consolidate administrative functions? <sup>2</sup>			<b>X</b>
	B Does lease co-locate with other functions to better serve clients?			<b>X</b>
	C Does this lease centralize business support functions?	<b>X</b>		
	D Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup>			<b>X</b>
	E Does lease meet the 4/1000 sq. ft. parking ratio guideline? <sup>2</sup> <b>4.8/1,000. 5 spaces are allocated under the existing license</b>		<b>X</b>	
	F Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? <sup>2</sup>	<b>x</b>		
<b>2.</b>	<b><u>Capital</u></b>			
	A Is it a substantial net County cost (NCC) program? 100% NCC	<b>x</b>		
	B Is this a long-term County program?	<b>x</b>		
	C If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		<b>x</b>	
	D If no, are there any suitable County-owned facilities available? This is a very specialized use.		<b>x</b>	
	E If yes, why is lease being recommended over occupancy in County-owned space?			<b>x</b>
	F Is Building Description Report attached as Attachment C?	<b>X</b>		
	G Was build-to-suit or capital project considered? <b>The County already occupies a portion of the facility and a capital project was not considered.</b>		<b>X</b>	
<b>3.</b>	<b><u>Portfolio Management</u></b>			
	A Did department utilize CEO Space Request Evaluation (SRE)?	<b>X</b>		
	B Was the space need justified?	<b>X</b>		
	C If a renewal lease, was co-location with other County departments considered? <sup>2</sup>			<b>X</b>
	D Why was this program not co-located?			
	1. ____ The program clientele requires a "stand alone" facility.			
	2. <u>x</u> 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 license? <sup>2</sup>	<b>X</b>		
	F Has growth projection been considered in space request?	<b>X</b>		
	G Has the Dept. of Public Works completed seismic review/approval? <sup>1</sup>	<b>X</b>		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98				
<sup>2</sup> If not, why not?				

**OVERVIEW OF THE PROPOSED LICENSE COSTS**

	<b>Existing License:</b> <b>444 North Nash Street, El Segundo</b>	<b>Proposed License with additional space:</b> <b>444 North Nash Street, El Segundo</b>	<b>Change</b>
Area (Square Feet) Data Center Space + office space	4,625 sq.ft.	5,425 sq.ft.	+800 sq.ft.
Term (years)	5 years from 3/1/2017 plus 4 one-year options to renew	Remaining term of approximately 2 years from 3/1/2020-2/28/2022 (options to renew would remain in place)	2 years remaining term
Annual (4/1/2020-2/28/2021) Base Rent (Base rent includes 5 parking spaces)	Base Rent \$1,170,839 Includes 3% increase effective July 1 <sup>st</sup>	Base Rent total \$1,685,979 Includes 3% increase effective July 1 <sup>st</sup> .	+\$515,140 annual
County's TI Cost  Annual amount of amortized County's TI Cost	N/A	\$362,725	\$362,725
Annual Parking Cost	N/A	N/A	N/A
Janitorial/Utility/Maintenance Costs	N/A	N/A	N/A
Total Annual Lease Costs payable to Licensor	\$1,170,839	\$2,048,704	+\$877,865
Low Voltage	N/A	N/A	
Rental rate increase	Base Rent subject to 3% annual adjustments effective July 1st.	Base Rent subject to 3% annual adjustments effective July 1st.	No Change

## OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

Internal Services Department  
444 North Nash Street, El Segundo

	Existing Space □	Expansion Space	
Leased Area (square feet)	4,625	800	
Term	2 yr		
	3%		
Annual Adjustment (Increase occurs every July 1 of the term)			
	Per Month (2020)	Per Month (2021)	Per Month (2022)
Original Space	101,846.40	104,901.79	108,048.85
Office Space	2,320.72	2,390.34	2,462.05
Expansion Space	\$45,830.88	\$47,205.81	\$48,621.98
TI Reimbursement	Lump Sum \$362,724.10		

	1st Year (April 1, 2020 - February 28, 2021)	2nd Year (March 1, 2021 - February 28, 2022)	Total Cost for the Remaining Term
Annual Base Rent Costs for Original Space <sup>1</sup>	1,144,754	1,283,998	2,429,000
Annual Base Rent Costs for Existing Office Space <sup>2</sup>	26,085	29,258	56,000
Total Annual Costs for Existing Space	1,170,839	1,313,256	2,485,000
Expansion Space Costs <sup>3</sup>	515,140	577,800	1,093,000
New Annual Rental Costs	1,685,979	1,891,056	3,578,000
Tenant Improvements <sup>4</sup>	362,725	0	363,000
Total Annual Rental Costs	2,048,704	1,891,056	3,940,000

<sup>1</sup> Original Space includes 4,000 sq. ft.(600 kw) at a rate of \$169.744 per kw with 3 percent (3%) annual increases every July 1<sup>st</sup> of the term. The remainder of the existing lease term is approximately 2 years.

<sup>2</sup> Existing office space is 625 square feet of office space at a rate of approximately \$3.71 per square foot with 3 percent (3%) annual increases every July 1<sup>st</sup> of the term.

<sup>3</sup> The annual expansion space (270 kw) cost for the or the period of April 1, 2020 - February 28, 2021 is \$515,140 (169.744 per kw, April - June 2020 and \$174.836333 per kw, July - February 2021). This cost includes an annual 3 percent increase every July 1<sup>st</sup> of the term.

<sup>4</sup> Tenant Improvements shall be paid via a lump sum payment to Landlord.

\*Calculation note: All total costs are rounded up to ensure sufficient funds available to pay the specified expense.

**INTERNAL SERVICES DEPARTMENT****SPACE SEARCH – 3 MILE RADIUS FROM 444 NORTH NASH STREET, EL SEGUNDO**

LACO	Facility Name	Address	Ownership	Property Use	Gross SQFT	Net SQFT	Available SQFT
A242	DPSS - Medical Inglewood Office/Public Health	9800 S La Cienega Blvd Inglewood 90301	Leased	Multiple Use Building – Office	59,069	56,116	NONE
0346	Lennox Constituent Service Center	4343 Lennox Blvd Lennox 90304	Owned	Multiple Use Building – Office	8,261	5,917	NONE
A557	DCSS - Adult Protective Services	4300 W 120th St. Hawthorne 90250	Leased	Multiple Use Building – Office	7,500	6,750	NONE
Y034	Manhattan Beach - Maintenance Yard/LG Headquarters	3611 The Strand Manhattan Beach 90266	Owned	Multiple Use Building – Office	3,777	2,237	NONE
10243	ISD - Enterprise Data Center	444 N Nash St. El Segundo 90245	Leased	Multiple Use Building – Office	4,625	4,425	NONE
10243	ISD - Enterprise Data Center	444 N Nash St. El Segundo 90245	Leased	Multiple Use Building – Office	4,625	4,425	NONE
10243	ISD - Enterprise Data Center	444 N Nash St. El Segundo 90245	Leased	Multiple Use Building – Office	4,625	4,425	NONE
A551	DPSS - WFP&I & South Reg IV IHSS/Adult Services	12000 Hawthorne Blvd Hawthorne 90250	Leased	Multiple Use Building – Office	132,996	106,397	NONE
A338	DCFS - Compton West (SPA 6)	11539 S Hawthorne Blvd Hawthorne 90250	Leased	Multiple Use Building – Office	31,832	27,057	NONE
A378	DPSS - Airport/Westside Gain Region I Office	5200 W Century Blvd Westchester 90045	Leased	Multiple Use Building – Office	50,147	47,640	NONE
X301	Los Angeles Airport Courthouse	11701 S La Cienega Blvd Los Angeles 90045	CA - Superior Courts	Multiple Use Building – Office	292,000	157,380	NONE
A415	Ag Comm/Wts & Meas - LAX Inspection Office	5600 W Century Blvd Westchester 90045	Leased	Multiple Use Building – Office	1,079	1,079	NONE
F387	PW Flood - El Segundo Yard Office	2155 El Segundo Blvd El Segundo 90245	Owned	Multiple Use Building – Office	1,600	1,440	NONE
A170	Sheriff - South Bay Vehicle Theft Operations	1 Space Park Blvd Trw - Building S Redondo Beach 90278	Gratis Use	Multiple Use Building – Office	1,053	1,053	NONE

## FACILITY LOCATION POLICY ANALYSIS

**Proposed License agreement space expansion:** License agreement for ISD – 444 North Nash Street, El Segundo – Fourth District.

**A. Establish Service Function Category** – Countywide service function.

**B. Determination of the Service Area** –The proposed expansion space will allow ISD to continue to provide primary active information technology data center services to County of Los Angeles departments countywide

**C. Apply Location Selection Criteria to Service Area Data**

- Need for proximity to service area and population: N/A
- Need for proximity to existing County facilities: N/A
- 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 the Metro lines, bus service and the 105 Freeway on the north side and the 405 Freeway on east side.
- 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 444 North Nash Street, El Segundo facility, has been determined compatible given the type of program it houses and with the expansion will operate at capacity. Staff has been at this location since March 1, 2017.
- Compatibility with local land use plans: The Department of Public Works inspected the facility and found it suitable for County occupancy. A notification letter has been sent pursuant to Government Code Section 25351.
- Estimated acquisition/construction and ongoing operational costs: The initial annual +
- The base rent for the new space in the first year is \$515,140. Rental costs for ISD's Information Technology Services program are funded 100 percent with net County cost.

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

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

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

The expansion space is adjacent to ISD's existing data center space. There is adequate office space for on-site employees, which is consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012.

ORDER FORM

LICENSE ORDER #

This Order ("Order"), with an effective date of \_\_\_\_\_ (the "Order Effective Date"), is entered into by and between T5@Los Angeles LLC, a Delaware limited liability company ("Licensor") and County of Los Angeles, a body politic and corporate ("Licensee"). This Order is governed by the License Agreement dated October 11, 2016 (the "Agreement"). Capitalized terms used herein shall have the same meaning as that stated in the License.

Requested Licensed Space: 800 (square feet or ft<sup>2</sup>)

Requested Reserved Power: 270 (KW)

Monthly Recurring Charge: \$45,830.88/month\*

\*MRC based upon current \$/kw of \$169.744

MRC Calculation:  $\$169.744 \times 270\text{kw} =$  \$45,830.88

Commencement Date: \_\_\_\_\_

Expiration Date: 2/28/2022

Description of Licensed Space: Data Center Floor Space

Describe any Installation Services: \$362,725 Per Tenant Improvement (TI) Costs

Licensee:

COUNTY OF LOS ANGELES  
a body politic and corporate

Licensor:

T5@LOS ANGELES LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_