



## County of Los Angeles CHIEF EXECUTIVE OFFICE OPERATIONS CLUSTER

SACHI A. HAMAI  
Chief Executive Officer

**DATE:** April 8, 2020  
**TIME:** 2:00 p.m. – 4:00 p.m.  
**LOCATION:** **TELECONFERENCE CALL-IN NUMBER: 1(415)655-0001**  
**TELECONFERENCE ID: 925078364**

To join via phone, dial 1 (415) 655-0001, then press 925078364 #, 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 Memo:  
ADVANCE NOTIFICATION OF INTENT TO EXTEND SOLE SOURCE CONTRACT (SOURCECORP)  
ISAB – Richard St. Marie, Executive Director and  
Fernando Angell, Assistant Director
  - B) Board Letter:  
EIGHT-YEAR LEASE OF PUBLIC DEFENDER AND DISTRICT ATTORNEY (300 SOUTH PARK AVENUE, POMONA)  
CEO/RE – Michael Navarro, Chief Program Specialist
  - C) Board Letter:  
FIVE-YEAR LEASE AMENDMENT DHS/DHR/DCBA  
(222 SOUTH HILL STREET, LOS ANGELES)  
CEO/RE – Michael Navarro, Chief Program Specialist

**CONTINUED ON PAGE 2**

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:**

Board Letter:  
DHR – WRITING EVALUATION SERVICES PACKET

Board Letter:  
LASD – AJIS BPR – BUDGET ADJUSTMENT FOR IT FUNDS

Board Letter:  
LASD – MDC REPLACEMENT BUDGET ADJUSTMENT FOR IT FUNDS

Board Letter:  
CEO/RE/PW – COMMUNITY WORKFORCE AGREEMENT  
IMPLEMENTATION AMEND CONSULTANT SERVICES AGREEMENT

## BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

<b>OPS CLUSTER AGENDA REVIEW DATE</b>	4/8/2020	
<b>BOARD MEETING</b>	6/30/2020	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	ALL	
<b>DEPARTMENT</b>	Information Systems Advisory Board	
<b>SUBJECT</b>	ADVANCE NOTIFICATION OF INTENT TO EXTEND THE TERM OF SOLE SOURCE CONTRACT WITH SOURCECORP, BPS INC. (SourceCorp)	
<b>PROGRAM</b>	SUPPORT SERVICES OF DOCUMENT IMAGING OF PAPER DOCUMENTS FOR ELECTRONIC STORAGE	
<b>SOLE SOURCE CONTRACT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	If Yes, please explain why:	
<b>DEADLINES/ TIME CONSTRAINTS</b>	August 17, 2020	
<b>COST &amp; FUNDING</b>	Total cost: \$19 million remain out of \$37 million	Funding source: Justice Agencies current budget
	TERMS (if applicable): ISAB established competitively low contract pricing for the cost per image with SourceCorp, and as a result, the Criminal Justice Agencies and the County Departments spent only a combined total of \$18 million from the contract amount of \$37 million during the last 9 years. The Amendment will extend the Contract term for two (2) year with a one-year renewal option and no increase to the Contract sum is being requested. All other terms from the original agreement shall remain in effect during the extended period.	
	Explanation: Funding for this proposed Amendment will be provided by the current budget allocations of each participating agency with ongoing year costs budgeted each fiscal year. No new net County funds are being requested and there are no other fiscal impacts.	
<b>PURPOSE OF REQUEST</b>	The current Board Contract will expire on August 17, 2020, and the sole source amendment will allow for continued Services, while allowing sufficient time for County departments to complete any outstanding Services.	
<b>BACKGROUND (include internal/external issues that may exist)</b>	Board contract provides unique document imaging services tailored to help each Criminal Justice Agency (Alternate Public Defender, District Attorney, Coroner, Probation, Public Defender, and Sheriff's Department). The Contract has undergone several amendments without increasing the Contract sum to include non-criminal justice agencies such as the Office of Assessor, Parks and Recreation, and Chief Executive Office (County Departments) for their document imaging efforts.	
<b>DEPARTMENTAL AND OTHER CONTACTS</b>	Name, Title, Phone # & Email: <ul style="list-style-type: none"> <li>Richard St. Marie, Executive Director, (562) 403-6501, rstmarie@isab.lacounty.gov</li> <li>Fernando Angell, Assistant Director, (562) 403-6505, fangell@isab.lacounty.gov</li> </ul>	

# Information Systems Advisory Body

## County of Los Angeles



**CHAIR**  
Todd Pelkey  
District Attorney's Office

**VICE CHAIR**  
Mark Glatt  
Sheriff's Department

**ISAB**

**Richard St. Marie**  
Executive Director

**Fernando Angell**  
Assistant Director

**Eugene Cabrera**  
Director, Project Development

**Duane Nguyen**  
Director, Integration Services

**MEMBER AGENCIES**

Alternate Public Defender's Office  
Chief Executive Office  
District Attorney's Office  
Internal Services Department  
Los Angeles Police Department  
Medical Examiner/Office of the Coroner  
Police Chiefs' Association  
Probation Office  
Public Defender's Office  
Sheriff's Department  
Superior Court

March 18, 2020

**TO:** Each Supervisor

**FROM:** Richard W. St. Marie  
Executive Director, Information Systems Advisory Board

### **ADVANCE NOTIFICATION OF INTENT TO EXTEND THE TERM OF SOLE SOURCE CONTRACT WITH SOURCECORP, BPS INC. (SourceCorp) FOR SUPPORT SERVICES OF DOCUMENT IMAGING OF PAPER DOCUMENTS FOR ELECTRONIC STORAGE**

In compliance with Board Policy 5.100, which requires advance notification of the department's intent to enter into sole source negotiations for extension of a Board agreement, this memorandum is to advise the Board of Information Systems Advisory Board (ISAB) intends to negotiate and file a sole source amendment to the Contract (Contract) with SOURCECORP, BCP, Inc. (SourceCorp) for document imaging services of paper documents for electronic storage (Services).

The sole source amendment (Amendment) will extend the Contract term for two (2) year with a one-year renewal option and no increase to the Contract sum is being requested. All other terms from the original agreement shall remain in effect during the extended period.

The current Contract will expire on August 17, 2020, and the sole source amendment will allow for continued Services, while allowing sufficient time for County departments to complete any outstanding Services.

## **BACKGROUND**

The Contract provides unique document imaging services tailored to help each Criminal Justice Agency (Alternate Public Defender, District Attorney, Coroner, Probation, Public Defender, and Sheriff's Department). The Contract has undergone several amendments without increasing the Contract sum to include non-criminal justice agencies such as the Office of Assessor, Parks and Recreation, and Chief Executive Office (County Departments) for their document imaging efforts.

On August 11, 2009, the Board approved a Contract with SourceCorp for period of five (5) years and up to three (3) additional one-year options periods (Extensions) for the provision of document imaging services of paper documents for electronic storage, with a maximum County obligation of \$37 million for the term of the Contract, including an extended term.

On March 17, 2017, the Board approved an amendment to extend the Contract term for two more additional years with one additional year beyond the expiration date of August 17, 2020, without increasing the Contract sum. County departments requested the additional time in order to complete outstanding work orders commencing during this period of performance.

The Criminal Justice Agencies depend on the critical Services to meet legal records retention requirements and comply with requests for information from the public, government agencies, and other law enforcement agencies. The Contract has served the Criminal Justice Agencies including County departments as a cost-effective strategy for the secure archival and retrieval of their documents.

## **JUSTIFICATION**

On August 17, 2019, the County exercised the last optional year to extend the Contract which is set to expire on August 17, 2020. The Services continue to be an essential part of the Criminal Justice Agencies and the County Departments' respective specifications, requirements, and operation's needs, in order to achieve and support the County's strategic initiative for the electronic document management systems. The Criminal Justice Agencies and County Departments have each set up secured environments compliance mandates and developed complexed interfaces to store their document imaging procedures that can only be implemented by the current vendor.

ISAB established competitively low contract pricing for the cost per image with SourceCorp, and as a result, the Criminal Justice Agencies and the County Departments spent only a combined total of \$18 million from the contract amount of \$37 million during the last 9 years. This Contract continues to offer significant cost savings compared to other service providers that offer similar services at a higher price. Based on the higher

prices, the Criminal Justice Agencies and County Departments would have depleted the Contract sum sooner. ISAB compared other County's Requests for Proposals for document imaging services in 2019, and found three other County departments conducted separate solicitations that resulted between a 20% to 40% increase in price compared to the existing contract pricing.

Funding for this proposed Amendment will be provided by the current budget allocations of each participating agency with ongoing year costs budgeted each fiscal year. No new net County funds are being requested and there are no other fiscal impacts. The rate per image will be negotiated and increased to some extent to include the Cost-of-Living Adjustment (COLA). Further, ISAB will not require SourceCorp to perform Services in excess of the scope of the Contract or change the Contract sum of \$37 million. No new net County funds are being requested.

Approval of the recommendation will ensure uninterrupted imaging services for the County's Criminal Justice Agencies and County Departments beyond the August 17, 2020 expiration date of the Contract.

## **CONCLUSION**

It is in the best interest of the County to enter negotiations to extend the Contract term and continue using these cost-effective services. Should additional information be requested, your staff may contact Fernando Angell, Assistant Director, at (562) 403-6505.

Respectfully submitted,



Richard W. St. Marie, Executive Director  
Information Systems Advisory Board

RSM:FA:pf

- c: Executive Office, Board of Supervisors
- Chief Executive Office
- County Counsel
- Alternate Public Defender
- Auditor-Controller
- Probation
- District Attorney
- Public Defender
- Sheriff

## SOLE SOURCE CHECKLIST

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

☐ New Sole Source Contract

☐ Existing Sole Source Contract      Date Sole Source Contract Approved: \_\_\_\_\_

Check (✓)	<b>JUSTIFICATION FOR SOLE SOURCE CONTRACTS</b> Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an “ <i>Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.</i> ”
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
	➤ Services are needed to address an emergent or related time-sensitive need.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/ system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

\_\_\_\_\_  
Chief Executive Office

\_\_\_\_\_  
Date

## BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

<b>OPS CLUSTER AGENDA REVIEW DATE</b>	4/8/2020	
<b>BOARD MEETING</b>	4/21/2020	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	First	
<b>DEPARTMENT</b>	Public Defender (PD) and District Attorney (DA)	
<b>SUBJECT</b>	<p>The Public Defender (PD) proposes a lease renewal for an eight-year term for 10,207 square feet of office space at 300 South Park Avenue, Suites 900 and 901.</p> <p>The District Attorney (DA) proposes a lease renewal for an eight-year term for office space at 300 South Park Avenue, Suites 725, 760, 770, and 795. The premises will be used to house DA staff. Address 300 South Park Avenue, Pomona</p>	
<b>PROGRAM</b>	PD - Branch Office / DA - Pomona Criminal Prosecution Juvenile Operations	
<b>SOLE SOURCE CONTRACT</b>	<p>Yes          No <input checked="" type="checkbox"/></p> <p>If Yes, please explain why: N/A</p>	
<b>DEADLINES/ TIME CONSTRAINTS</b>	Landlord is very anxious to complete these renewals in a timely manner.	
<b>COST &amp; FUNDING</b>	<p>Total costs for the first year office space: PD - \$260,808 (\$244,968 base rental costs + \$15,840 parking) DA \$206,568 (194,184 base rental costs + \$12,384 parking).</p>	<p>Funding source: 100% net County cost</p>
	TERMS (if applicable): In accordance with the proposed lease agreements there are scheduled annual base rental cost increases of 4%.	
	Explanation: Funding for the proposed amendment is included in the Fiscal Year 2019-2020 Rent Expense budget and will be charged back to the department. Costs are 100% net County cost.	
<b>PURPOSE OF REQUEST</b>	The PD and DA programs need to be located in close proximity to the Pomona Courthouse in order to function efficiently.	
<b>BACKGROUND (include internal/external issues that may exist)</b>	<p>The Pomona PD office provides felony, misdemeanor, and juvenile representation to individuals who qualify for Public Defender representation for cases heard in the Pomona Courthouse.</p> <p>The DA conducts prosecutions for criminal offenses. The office space provides both a support function and a direct service to the public.</p>	
<b>DEPARTMENTAL AND OTHER CONTACTS</b>	<p>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

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

April 21, 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:

**EIGHT-YEAR LEASES  
PUBLIC DEFENDER  
AND DISTRICT ATTORNEY  
300 SOUTH PARK AVENUE, POMONA  
(FIRST DISTRICT)  
(3 VOTES)**

**SUBJECT**

Approval of two proposed leases to provide the Public Defender and District Attorney with continued use of 18,298 rentable square feet of office space and up to 73 on-site parking spaces.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed leases are exempt from the California Environmental Quality Act (CEQA), for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute two proposed leases with Pomona Office Tower, LLC (Landlord), for approximately 18,298 square feet of office space, and up to 73 on-site parking spaces at 300 South Park Avenue, Pomona, to be occupied by the Public Defender (PD) and District Attorney (DA). The maximum first year cost for both leases is estimated to be \$467,376. The total rent and parking cost payable to the Landlord under both of the proposed leases is estimated to be \$4,275,000 over the eight-year lease terms. The lease costs for both leases will be 100 percent net County cost. The break down of rent for these two leases is as follows:

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

- a) A proposed lease for PD, of approximately 10,207 square feet of office space, to include up to 41 on-site parking spaces at 300 South Park Avenue, Pomona. The maximum first year rent and parking cost is estimated to be \$260,808. PD's total lease cost is \$2,385,000 over the eight-year term, which is comprised of the \$2,258,000 rental cost and estimated \$127,000 parking cost.
  - b) A proposed lease for DA, for approximately 8,091 square feet of office space, and up to 32 on-site parking spaces at 300 South Park Avenue, Pomona. The maximum first year rent and parking cost is \$206,568. DA's total lease cost is \$1,890,000 over the eight-year term, which is comprised of the \$1,790,000 rental cost and estimated \$100,000 parking cost.
3. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the terms of the proposed leases and to take other actions necessary and appropriate to implement and effectuate the terms of the proposed leases, including, without limitation, exercising early termination rights, and the right of first offer to lease additional premises.

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

The County has leased these premises at 300 South Park Avenue, Pomona, since 2011 for PD and 2008 for DA. PD and DA currently occupy space under separate leases. The lease for PD expired on April 30, 2019, and has since been on a month-to-month holdover basis, with a monthly base rent being increased 25 percent over the monthly base rent immediately preceding holdover. The lease for DA expired on February 15, 2020, and has been on a month-to-month holdover basis, with a monthly base rent being increased 25 percent over the monthly base rent immediately preceding holdover. Both departments desire to enter into new separate eight-year leases. The costs associated with each lease are itemized in Attachment B.

PD currently houses a branch office in the building, which provides felony, misdemeanor, and juvenile representation to individuals for cases at the Pomona Courthouse. DA currently provides both a support and a direct service to the public along with conducting prosecutions for criminal offenses.

The existing facility adequately meets the space needs of PD and DA. The location is freeway accessible and will accommodate approximately 62 employees with sufficient parking. Both departments desire to continue leasing at this location and the proposed leases will allow them to continue their respective operations without interruption of services.

Approval of the recommended actions will find that the proposed Lease is exempt from CEQA and will allow the PD and DA to continue to operate at the subject facility.

### **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 leases will support this goal by allowing PD and DA to continue their operations without interruption of service.

The proposed leases are in conformance with the Asset Management Principles as 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 PD and DA. The PD and DA have sufficient funding 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 leases will be part of the budget for each department. These costs are 100 percent net County cost.

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

In addition to the terms described herein, the proposed leases include the following provisions:

- The Landlord will be responsible for all the operating and maintenance costs associated with the premises, including janitorial costs.
- The right to terminate the proposed leases at the last day of the 12<sup>th</sup> month and the last day of the 60<sup>th</sup> month with at least nine months prior written notice, subject to payment of a termination fee.
- The proposed leases contain 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 12 months following expiration of the lease term. 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.
- Both of the proposed leases give the County a right of first offer to lease additional contiguous space in the building. If Landlord intends to offer such space or receives a third party offer to lease such space, 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 Landlord’s notice.

- The proposed leases shall be effective upon approval by the Board and commence upon full execution by the parties.

#### Public Defender Lease Terms

- The first year base rental cost for PD is not to exceed \$244,968, or \$24.00 annually per square foot, with annual rental adjustments of 4 percent per annum.
- Total parking costs are estimated to be \$15,840 per year based on PD's right to purchase 26 stalls at prevailing rates (currently \$30 per stall per month), 15 additional stalls at 120 percent of prevailing rates (currently \$36 per stall per month).
- The Landlord will provide PD with a base tenant improvement allowance of \$153,105 (\$15 per square foot).
- The aggregate cost of the proposed lease for PD over the eight-year term, including rent expense and estimated parking costs would be approximately \$2,385,000. Attachment B provides an overview of the total proposed lease cost for PD.
- The Landlord has conducted a remeasurement of the existing premises, in accordance with industry standards, which has resulted in an increase of 388 square feet in the total amount of rentable square footage from 9,819 rentable square feet (which includes 319 square feet of separate storage space) to 10,207 rentable square feet.

#### District Attorney Lease Terms

- The first year base rental cost for DA is not to exceed \$194,184, or \$24 annually per square foot, with annual rental adjustments of 4 percent per annum.
- Total parking costs are estimated to be \$12,384 per year based on DA's right to purchase 20 stalls at prevailing rates (currently \$30 per stall per month) and 12 additional stalls at 120 percent of prevailing rates (currently \$36 per stall per month).
- The Landlord will provide DA with a base tenant improvement allowance of \$121,365 (\$15 per square foot).
- The aggregate cost of the proposed lease for DA over the eight-year term, including rent expense and estimated parking costs would be approximately \$1,890,000. Attachment B provides an overview of the total proposed lease cost for DA.

- The Landlord has conducted a remeasurement of the existing premises, in accordance with the latest industry standards, which has resulted in an increase of 1,153 in the total amount of rentable square footage from 6,938 rentable square feet to 8,091 rentable square feet.

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 rate for a comparable lease in this area is between \$22.80 and \$29.40 per square foot. The base annual rental rate of \$24 per square foot per year is within the average market rate for the area.

Research has been completed to evaluate the option of utilizing co-working space as an alternate location for the PD and DA programs. There are no co-working providers in Pomona.

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 programs.

The Department of Public Works has inspected the facility and found it seismically suitable for County occupancy. Notification letters to the City of Pomona have been sent pursuant to Government Code Section 25351. County Counsel has reviewed the attached proposed leases and has approved them as to form.

The proposed leases will continue to provide appropriate office locations for the Departments' existing programs which is consistent with the County's facility location policy, as adopted by the Board of Supervisors on July 24, 2012, and further outlined in Attachment D.

## **ENVIRONMENTAL DOCUMENTATION**

These projects are 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 leases, which involve 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, they 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 they may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

The Honorable Board of Supervisors

April 21, 2020

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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 leases will adequately provide the necessary office space for the County requirements. PD and DA concur with the proposed lease 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,

SACHI A. HAMAI  
Chief Executive Officer

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

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
District Attorney  
Public Defender

**PUBLIC DEFENDER AND DISTRICT ATTORNEY**  
**300 SOUTH PARK AVENUE, POMONA**  
**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? <sup>2</sup> <b>It is 295 sq.ft per person. The Landlord remeasured the square footage of the building, which increased the square footage of the premises and the per person total.</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? The rental costs for PD and DA are 100 percent net County costs.		X		
B	Is this a long-term County program?		X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?			X	
D	If no, are there any suitable County-owned facilities available?			X	
E	If yes, why is lease being recommended over occupancy in County-owned space?				X
F	Is Building Description Report attached as Attachment C?		X		
G	Was build-to-suit or capital project considered? <b>The County already occupies a portion of 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? <sup>2</sup>		X		
D	Why were these programs not co-located?				X
	1. ___ The program clientele requires a "stand alone" facility/offices.		X		
	2. ___ No suitable County occupied properties in project area.				
	3. ___ No County-owned facilities available for the project.				
	4. ___ Could not get City clearance or approval.				
	5. ___ The Program is being co-located.				
E	Is lease a full service lease?		X		
F	Has growth projection been considered in space request?		X		
G	Has the Dept. of Public Works completed seismic review/approval? <sup>1</sup>		X		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98					
<sup>2</sup> If not, why not?					

**PUBLIC DEFENDER  
OVERVIEW OF THE PROPOSED LEASE COSTS**

<b>300 S. Park Ave, Pomona Suites 900 &amp; 901</b>	<b>Existing Leases</b>	<b>Proposed Lease</b>	<b>Change</b>
Area (Square Feet)	9,819 total sq. ft.	10,207 sq.ft.	+388 sq. ft.
Term (years)	Currently in holdover on expired 5-year County lease (expired – 4/30/19 on month to month)	8 years	+3 years
Annual Base Rent <sup>(1)</sup>	\$214,816.92	\$244,968 (\$24.00 per sq. ft. annually)	+\$30,151.08 annually
Annual TI Reimbursement	N/A	N/A	N/A
Parking <sup>(2)</sup>	Included in rent	\$15,840/yr	+\$15,840
Rental rate adjustment	Annual CPI increase capped at 3 percent per year	Annual 4 percent per year.	+1%
Cancellation Provision	At or after the 54 <sup>th</sup> month with 6 months' prior written notice	At the end of the 12 <sup>th</sup> and 60 <sup>th</sup> months with at least 9 months' prior written notice	Expanded Termination Rights

- (1) The existing and proposed leases are both gross, with the landlord responsible for paying all costs associated with operations, building maintenance and repairs.
- (2) The proposed lease requires that the County pay prevailing rates (currently \$30 per parking space per month) (2.5/1000) and may pay for an additional 1.5/1000 at 120 percent of prevailing rates (currently \$36 per parking space per month).
- (3) Remeasuring the existing premises resulted in an increase in square footage.



## OVERVIEW OF THE PROPOSED BUDGET LEASE COST

Public Defender  
300 S. Park Avenue, Suite 900 & 901

Leased Area (sq.ft.)	10,207	
Term (months)	96	
Annual Rent Adjustment	4.00%	
	<b>Cost Per RSF</b>	<b>Cost Per RSF</b>
	<b>Per Month</b>	<b>Per Year</b>
Base Rent	\$2.00	\$24.00
	<b>Cost Per Space</b>	<b>Cost Per Space</b>
	<b>Per Stall</b>	<b>Per Year</b>
Parking (26 parking spaces)	\$30	\$360
Additional Parking (15 parking spaces)	\$36	\$432
Total Parking (41 parking spaces)		

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	Total 8 Year Rental Costs
<b>Annual Base Rent Costs <sup>1</sup></b>	244,968	254,767	264,958	275,556	286,578	298,042	309,963	322,362	<b>2,258,000</b>
<b>Parking Costs <sup>2</sup></b>	15,840	15,840	15,840	15,840	15,840	15,840	15,840	15,840	<b>127,000</b>
<b>Total Annual Lease Costs</b>	<b>260,808</b>	<b>270,607</b>	<b>280,798</b>	<b>291,396</b>	<b>302,418</b>	<b>313,882</b>	<b>325,803</b>	<b>338,202</b>	<b>2,385,000</b>

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

<sup>2</sup> The parking costs includes 26 parking spaces at the prevailing market rate (\$30 per parking space per month) and an additional 15 spaces at 20% of the prevailing rate (\$36 per parking space per month) for a total of 41 parking spaces. Prevailing rate may increase over the term of the lease.

\*Calculation note: For budget purposes, all numbers are rounded up to ensure sufficient funds available to pay the specified expense.

**DISTRICT ATTORNEY  
OVERVIEW OF THE PROPOSED LEASE COSTS**

<b>300 S. Park Ave, Pomona Suites 725,760, 770, 795</b>	<b>Existing Lease</b>	<b>Proposed Lease</b>	<b>Change</b>
Area (Square Feet)	6,938 sq.ft.	8,091 sq.ft.	+1,153 sq.ft.
Term (years)	Currently in holdover on expired 5-year County lease (expired – 2/15/2020 on month to month)	8 years	+3 years
Annual Base Rent <sup>(1)</sup>	\$153,299.76	\$194,184 (\$24.00 per sq. ft. annually)	+\$2,559.30 annually
Annual TI Reimbursement	N/A	N/A	N/A
Parking <sup>(2)</sup>	Included in rent	\$12,384	+\$12,384
Rental rate adjustment	Annual CPI increase capped at 3 percent per year	Annual 4 percent per year	+1 percent
Cancellation Provision	At any time after the 36 <sup>th</sup> month, with 4 months' prior written notice	At the end of the 12 <sup>th</sup> and 60 <sup>th</sup> months with at least 9 month's prior written notice	Expanded Termination Rights

- (1) The existing and proposed leases are both gross, with the landlord responsible for paying all costs associated with operations, building maintenance and repairs.
- (2) The proposed lease requires that the County pay prevailing rates (currently \$30 per parking space per month) (2.5/1000) and may pay for an additional 1.5/1000 at 120 percent of prevailing rates (currently \$36 per parking space per month).
- (3) Remeasuring the existing premises resulted in an increase in square footage.

## OVERVIEW OF THE PROPOSED BUDGET LEASE COST

District Attorney  
300 S. Park Avenue, Suites 725, 760, 770 & 795

Leased Area (sq.ft.)	8,091	
Term (months)	96	
Annual Rent Adjustment	4.00%	
	<b>Cost Per RSF</b>	<b>Cost Per RSF</b>
	<b>Per Month</b>	<b>Per Year</b>
Base Rent	\$2.00	\$24.00
	<b>Cost Per Space</b>	<b>Cost Per Space</b>
	<b>Per Stall</b>	<b>Per Year</b>
Parking (20 parking spaces)	\$30	\$360
Additional Parking (12 parking spaces)	\$36	\$432
Total Parking (32 Parking spaces)		

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	
<b>Annual Base Rent Costs <sup>1</sup></b>	194,184	201,952	210,030	218,431	227,168	236,255	245,705	255,533	<b>1,790,000</b>
<b>Parking Costs <sup>2</sup></b>	12,384	12,384	12,384	12,384	12,384	12,384	12,384	12,384	<b>100,000</b>
<b>Total Annual Lease Costs</b>	<b>206,568</b>	<b>214,336</b>	<b>222,414</b>	<b>230,815</b>	<b>239,552</b>	<b>248,639</b>	<b>258,089</b>	<b>267,917</b>	<b>1,890,000</b>

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

<sup>2</sup> The parking costs includes 20 parking spaces at the prevailing market rate (\$30 per parking stall per month) and an additional 12 spaces at 20% of the prevailing rate (\$36 per parking stall per month) for a total of 32 parking spaces. Prevailing rate may increase over the term of the lease.

\*Calculation note: For budget purposes, all numbers are rounded up to ensure sufficient funds available to pay the specified expense.



**SPACE SEARCH – 3 MILE RADIUS  
300 SOUTH PARK AVENUE, POMONA**

LACO	Name	Address	Proprietor	Owner-ship	Property Use	Gross SqFt	Net SQFT	Vacant
A019	Air Operations 24 - Hr Multi - Mission Squad	1889 Mckinley Ave La Verne 91750	Fire Department	Leased	Office	9,600	9,432	NONE
0216	Sheriff - Metrolink Unit	1615 W Mckinley Ave La Verne 91750	Sheriff	Leased	Office	-	-	NONE
A052	DPSS - Pomona In-Home Supportive Srvc (IHSS)	360 E Mission Blvd Pomona 91766	Public Social Services	Leased	Office	17,616	16,735	NONE
0556	Sheriff - Aero/Parks Bureau - Office	1911 Mckinley Ave La Verne 91750	Sheriff	Leased	Office	2,400	1,680	NONE
A238	DCSS - Pomona	3179 W Temple Ave Pomona 91768	Child Support Services	Leased	Office	50,756	48,218	NONE
A670	DCFS - Corporate Center	801 Corporate Ctr Dr Pomona 91768	Children and Family Services	Leased	Office	49,414	46,945	NONE
A686	Sheriff - Metrolink Unit (Pomona)	2558 Supply St. Pomona 91767	Sheriff	Contract	Office	1,200	1,200	NONE
A563	Alternate Public Defender - Pomona Office	101 W Mission Blvd Pomona 91766	Alternate Public Defender	Leased	Office	2,744	2,607	NONE
C051	DC&FS Children's Advocacy Center Pomona	363 S Park Ave Pomona 91766	Children and Family Services	Gratis	Office	1,200	1,140	NONE
10208	BOS 1st District Field Office	2245 N Garey Ave Pomona 91767	Board of Supervisors	Leased	Office	1,257	1,257	NONE
5309	Pomona Courthouse - South	400 Civic Ctr Plaza Pomona 91766	Chief Executive Office	Superior Courts	Office	207,830	116,679	NONE
4135	Brckett Field - Administration Building - 1	1615 W Mckinley Ave La Verne 91750	Public Works	Owned	Office	9,393	2,389	NONE
5946	Frank G. Bonelli Regional Park - Boat Inspection Office	120 Via Verde San Dimas 91773	Parks and Recreation	Owned	Office	755	664	NONE
5941	Frank G. Bonelli Regional Park - Ag Comm/Wts & Meas - Office/Comfort Station #3	120 Via Verde San Dimas 91773, 250 Via Verde San Dimas 91773	Parks and Recreation	Owned	Office	764	282	NONE
X561	Frank G. Bonelli Regional Park - Regional Park Headquarters Building	120 Via Verde San Dimas 91773	Parks and Recreation	Owned	Office	2,646	1,322	NONE
A370	DPSS - Pomona (GROW)	416 N Garey Ave Pomona 91768	Public Social Services	Leased	Office	5,000	4,823	NONE
T059	Bonelli - Park Services Bureau Sub - Station Trailer	120 Via Verde San Dimas 91773	Sheriff	Owned	Office	1,391	1,041	NONE
A036	Probation - Pomona Valley Area Office	1660 W Mission Blvd Pomona 91766	Probation	Leased	Office	21,680	17,618	NONE
D602	DPSS - Pomona WS District Office	2040 W Holt Ave Pomona 91768	Public Social Services	Owned	Office	54,265	39,418	NONE
A359	DPSS - Pomona GAIN Region III Sub-office	2255 N Garey Ave Pomona 91768	Public Social Services	Leased	Office	19,500	18,525	NONE
A300	District Attorney - Pomona Intervally Office Building	300 S Park Ave Pomona 91766	District Attorney	Leased	Office	16,757	15,920	NONE
F437	PW Flood - Puddingstone Office	150 E Puddingstone Dr San Dimas 91773	Public Works	Owned	Office	240	216	NONE

## FACILITY LOCATION POLICY ANALYSIS

**Proposed lease renewal:** Lease agreements for DA and PD – 300 South Park Avenue, Pomona – First District.

**A. Establish Service Function Category – Direct Service Programs**

**B. Determination of the Service Area** –The proposed lease will allow PD and DA to continue their respective functions housed in the building and continue operations without interruption.

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

- Need for proximity to service area and population: PD and DA need to be in this service area. This location meets the service area criteria and remains in an appropriate area.
- Need for proximity to existing County facilities: PD and DA are both located in the building, facilitating the sharing of facility resources.
- 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 bus lines.
- 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 is no space available in existing County-owned buildings to meet the departments service needs.

- Compatibility with local land use plans: The proposed use is consistent with the building's use, zoning, and not in conflict with the goals of the City of Monterey Park. 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 first year aggregate annual maximum costs associated with both of the proposed leases are \$467,376 which includes base rent of \$439,152 and estimated parking costs of \$28,224. The rental costs for PD and DA are 100 percent net County cost.

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

Based upon the space and service needs of the departments, 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 annual average rental rate for a comparable lease in this area is between \$22.80 and \$29.40 per square foot. The base annual rent of \$24 per square foot per year for the proposed lease renewal is within the average market rate for the area.

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

The renewal of the subject lease agreements for both departments will continue to provide suitable space for their respective programs, which is consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012. The lease renewals will allow the departments to provide continuity of operations. The cost to move to another location would require additional TIs that would probably further increase overall costs.

**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE**

**LEASE AGREEMENT**

**COUNTY OF LOS ANGELES – Tenant**

**for**

**Public Defender**

**POMONA OFFICE TOWER, LLC - Landlord**

**Property Address: 300 S. PARK AVENUE**

**SUITES 900 & 901**

**POMONA, CA 91766**



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## **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 POMONA OFFICE TOWER, LLC, a Delaware 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:	POMONA OFFICE TOWER, LLC 300 S. Park Avenue, 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 10,207 rentable square feet located on the ninth (9 <sup>th</sup> ) floor of the Building commonly known as Suites 900 and 901

	(defined below), as shown on <u>Exhibit A</u> attached hereto.
d. Building:	The building located at 300 S. Park Avenue, Pomona, CA 91766, which is currently assessed by the County Assessor as APN 8341-006-022, together with any related land, improvements, parking facilities, common areas, driveways, sidewalks and landscaping (the "Building");
e. Term:	Eight (8) years, commencing upon mutual execution of the Lease (the "Commencement Date"), and terminating at midnight on the day before the eighth (8th) 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:	\$20,414.00 per month (which is based upon a rental rate of \$2.00 per rentable square foot, adjustable only as provided in Section 5 hereof). Base Rent for the first (1st) year of the Term shall be \$244,968.00 (adjustable as provided in Section 5 hereof).
i. Early Termination	Pursuant to Section 4.2
j. Rentable Square Feet in the Premises:	10,207 square feet
k. Initial Departmental Use:	Office use for the Public Defender, 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

	<p>two and one half (2.5) unreserved stalls per 1,000 rentable square feet of the Premises per month (which allocation is currently 26 parking spaces) at the Building's prevailing rates, which are currently \$30.00 per stall per month, subject to change, and additional stalls above the permitted ratio on a month-to-month basis at one hundred twenty percent (120%) of the Building's prevailing rates, which adjusted rates are currently \$36.00 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 41 parking spaces).</p> <p>Tenant shall have the right to pay for its' 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 February 14, 2011 prepared by Masek Consulting Services, Inc., a California certified Asbestos consultant.
o. Seismic Report	A report dated January 27, 2003 prepared by the Department of Public Works.
p. Disabled Access Survey	A report dated January 23, 2020 prepared by a licensed California architect.

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

a. Tenant Improvement Allowance:	\$153,105.00 (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 Work Letter Notice:	<p>POMONA OFFICE TOWER, LLC  300 S. Park Avenue, 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:	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>	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
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 two-time right (each, a "Termination Option") to terminate the Lease effective as of either (i) the last day of the twelfth (12th) month of the Term, or (ii) the last day of the sixtieth (60th) month of the Term (each, an "Early Termination Date"), by giving no less than nine (9) months prior written notice to Landlord of such intent ("Termination Notice"). If Tenant timely and properly exercises a Termination Option, the Lease shall expire on the applicable Early 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 Early Termination Date except for any obligations or liabilities that explicitly survive termination as set forth in the Lease. In the event that a 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 defined in the Work Letter) (the "Termination Fee"). For purposes of calculating the Termination Fee, the costs described above shall be amortized over the ninety-six (96) 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, or other transferee of Tenant's interest in this Lease) and only if the originally named Tenant occupies the entire Premises as of the date it exercises a Termination Option in accordance with the terms of this section. Notwithstanding the foregoing, Tenant acknowledges and agrees that Landlord shall not pay any Tenant Improvement Costs (as such term is defined in the Work Letter) or any other costs arising under the Work Letter unless and until Tenant's Termination Option to terminate the Lease effective as of the last day of the twelfth (12th) month of the Term expires or is otherwise waived by Tenant.

## 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 shall be as follows:

<i>Year of Term</i>	<i>Monthly Installment of Base Rent</i>	<i>Rate per Rentable Square Foot</i>
1	\$20,414.00	\$2.00
2	\$21,230.56	\$2.08
3	\$22,079.78	\$2.16

4	\$22,962.97	\$2.25
5	\$23,881.49	\$2.34
6	\$24,836.75	\$2.43
7	\$25,830.22	\$2.53
8	\$26,863.43	\$2.63

## 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 prevailing rates are currently \$175.00 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. Notwithstanding the foregoing, Landlord's consent shall not be required for any assignment, subletting, or other transfer of this Lease by Tenant to any County of Los Angeles Department or Division.

## 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 or relates to this Lease, and in Landlord's reasonable judgment is likely to result in 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 ("Insurance Notice") may constitute a material breach of the Lease, in the sole 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.

I. 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 and one half (2.5) monthly unreserved parking spaces for each one thousand (1,000) rentable square feet of Tenant's leased Premises, which allocation is currently twenty-six (26) unreserved parking spaces, for the Term of this Lease at the Building's prevailing parking rates, which are currently \$30.00 per unreserved space per month, subject to change. Tenant may lease additional parking spaces on a month to month basis at one hundred twenty percent (120%) of the Building's prevailing parking rates, which adjusted rates are currently \$36.00 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 per one thousand (1,000) rentable square feet of Tenant's leased Premises, which total number is currently forty-one (41) 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 have the right to install, at Landlord's sole cost and expense, up to two (2) lines per 1,000 RSF of the Premises on the Building's directory 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") and 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-Controller's Employee Fraud Hotline at (800) 544-6861. Failure to report such solicitation may result in the Landlord's submission 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 shall not be deemed to be a space that "becomes available" 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.

**LANDLORD'S WORK LETTER**

**For**

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

**COUNTY OF LOS ANGELES, as Tenant**

**For**

**Public Defender**

**LANDLORD: POMONA OFFICE TOWER, LLC**

**Property Address: 300 S. PARK AVENUE**

**SUITE 900 & 901**

**POMONA, CA 91766**

## LANDLORD'S WORK LETTER

This Work Letter supplements the Lease Agreement (the "Lease") dated \_\_\_\_\_, 20\_\_, executed concurrently herewith, by and between POMONA OFFICE TOWER, LLC, a Delaware limited liability company, as Landlord, and COUNTY OF LOS ANGELES, a body corporate and politic, 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>   | \$153,105.00 (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>                                  | POMONA OFFICE TOWER, LLC<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<br>Addendum B: Tenant Improvements   |

## **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. Notwithstanding the foregoing to the contrary, Tenant acknowledges and agrees that Landlord shall not pay any Tenant Improvement Costs or any other costs arising

under this Work Letter unless and until Tenant's Termination Option to terminate the Lease effective as of the last day of the twelfth (12th) month of the Term pursuant to Section 4.2 of the Lease expires or is otherwise waived by Tenant.

**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 Pomona, 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:

POMONA OFFICE TOWER, LLC,  
a Delaware 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 9, 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	\$

**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE**

**LEASE AGREEMENT**

**COUNTY OF LOS ANGELES – Tenant**

**for**

**District Attorney**

**POMONA OFFICE TOWER, LLC - Landlord**

**Property Address: 300 S. PARK AVENUE**

**SUITES 725, 760, 770 & 795**

**POMONA, CA 91766**



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## **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 POMONA OFFICE TOWER, LLC, a Delaware 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:	POMONA OFFICE TOWER, LLC 300 S. Park Avenue, 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 8,091 rentable square feet located on the seventh (7 <sup>th</sup> ) floor of the Building commonly known as Suites 725, 760, 770 and

	795 (defined below), as shown on <u>Exhibit A</u> attached hereto.
d. Building:	The building located at 300 S. Park Avenue, Pomona, CA 91766, which is currently assessed by the County Assessor as APN 8341-006-022, together with any related land, improvements, parking facilities, common areas, driveways, sidewalks and landscaping (the "Building");
e. Term:	Eight (8) years, commencing upon mutual execution of the Lease (the "Commencement Date"), and terminating at midnight on the day before the eighth (8th) 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:	\$16,182.00 per month (which is based upon a rental rate of \$2.00 per rentable square foot, adjustable only as provided in Section 5 hereof). Base Rent for the first (1st) year of the Term shall be \$194,184.00 (adjustable as provided in Section 5 hereof).
i. Early Termination	Pursuant to Section 4.2
j. Rentable Square Feet in the Premises:	8,091 square feet
k. Initial Departmental Use:	Office use for the District Attorney, 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

	<p>two and one half (2.5) unreserved stalls per 1,000 rentable square feet of the Premises per month (which allocation is currently 20 parking spaces) at the Building's prevailing rates, which are currently \$30.00 per stall per month, subject to change, and additional stalls above the permitted ratio on a month-to-month basis at one hundred twenty percent (120%) of the Building's prevailing rates, which adjusted rates are currently \$36.00 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 shall have the right to pay for its' 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 February 14, 2011 prepared by Masek Consulting Services, Inc., a California certified Asbestos consultant.
o. Seismic Report	A report dated January 27, 2003 prepared by the Department of Public Works.
p. Disabled Access Survey	A report dated February 26, 2020 prepared by a licensed California architect.

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

a. Tenant Improvement Allowance:	\$121,365.00 (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 Work Letter Notice:	<p>POMONA OFFICE TOWER, LLC  300 S. Park Avenue, 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:	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>	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
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 two-time right (each, a "Termination Option") to terminate the Lease effective as of either (i) the last day of the twelfth (12th) month of the Term, or (ii) the last day of the sixtieth (60th) month of the Term (each, an "Early Termination Date"), by giving no less than nine (9) months prior written notice to Landlord of such intent ("Termination Notice"). If Tenant timely and properly exercises a Termination Option, the Lease shall expire on the applicable Early 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 Early Termination Date except for any obligations or liabilities that explicitly survive termination as set forth in the Lease. In the event that a 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 defined in the Work Letter) (the "Termination Fee"). For purposes of calculating the Termination Fee, the costs described above shall be amortized over the ninety-six (96) 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, or other transferee of Tenant's interest in this Lease) and only if the originally named Tenant occupies the entire Premises as of the date it exercises a Termination Option in accordance with the terms of this section. Notwithstanding the foregoing, Tenant acknowledges and agrees that Landlord shall not pay any Tenant Improvement Costs (as such term is defined in the Work Letter) or any other costs arising under the Work Letter unless and until Tenant's Termination Option to terminate the Lease effective as of the last day of the twelfth (12th) month of the Term expires or is otherwise waived by Tenant.

## 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 shall be as follows:

<i>Year of Term</i>	<i>Monthly Installment of Base Rent</i>	<i>Rate per Rentable Square Foot</i>
1	\$16,182.00	\$2.00
2	\$16,829.28	\$2.08
3	\$17,502.45	\$2.16

4	\$18,202.55	\$2.25
5	\$18,930.65	\$2.34
6	\$19,687.88	\$2.43
7	\$20,475.39	\$2.53
8	\$21,294.41	\$2.63

**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 prevailing rates are currently \$175.00 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. Notwithstanding the foregoing, Landlord's consent shall not be required for any assignment, subletting, or other transfer of this Lease by Tenant to any County of Los Angeles Department or Division.

## 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 or relates to this Lease, and in Landlord's reasonable judgment is likely to result in 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 ("Insurance Notice") may constitute a material breach of the Lease, in the sole 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.

I. 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 and one half (2.5) monthly unreserved parking spaces for each one thousand (1,000) rentable square feet of Tenant's leased Premises, which allocation is currently twenty (20) unreserved parking spaces, for the Term of this Lease at the Building's prevailing parking rates, which are currently \$30.00 per unreserved space per month, subject to change. Tenant may lease additional parking spaces on a month to month basis at one hundred twenty percent (120%) of the Building's prevailing parking rates, which adjusted rates are currently \$36.00 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 per one thousand (1,000) rentable square feet of Tenant's 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 have the right to install, at Landlord's sole cost and expense, up to two (2) lines per 1,000 RSF of the Premises on the Building's directory 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") and 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-Controller's Employee Fraud Hotline at (800) 544-6861. Failure to report such solicitation may result in the Landlord's submission 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 shall not be deemed to be a space that "becomes available" 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.

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

LANDLORD:

POMONA OFFICE TOWER, LLC,  
a Delaware 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 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 POMONA OFFICE TOWER, LLC, a Delaware limited liability company ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 300 S. Park Ave, Pomona, CA 91766 ("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; and
- 5) Landlord has paid a commission in the amount of \$\_\_\_\_\_ to Tenant pursuant to Section 30.3 of the Lease.



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

Tenant:

COUNTY OF LOS ANGELES,  
a body corporate and politic

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

Landlord:

POMONA OFFICE TOWER, LLC,  
a Delaware limited liability company

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

# PAYMENT VOUCHER

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

PV Leasing, accdb, Report Name: 000000-000000 17-18

\* Leave Blank except for 13th Accounting Period.

## **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. Lavatories, toilets and toilet rooms to have proper ventilation.
- 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. Interior pest control to be conducted

after-hours and through advanced notification prior to work commencing, and with proper ventilation to reduce fumes in the work area.

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"), POMONA OFFICE TOWER, LLC, a Delaware 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: POMONA OFFICE TOWER, LLC  
300 S. Park Ave, Suite 810  
Pomona, CA 91766  
Attn: Property Manager

With a copy to:

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

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: POMONA OFFICE TOWER, LLC,  
a Delaware 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 (Partners, Associate Partners, Managers, Staff, etc.)</b>						
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	Owners, Partners and		Managers		Staff	
	All O.P. &	Women	All	Women	All Staff	Women
Black/African American						
Hispanic/Latin American						
Asian American						
Portuguese American						
American Indian/Alaskan						
All Others						
<b>II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM</b>						
1. Type of Business Structure: (Corporation, Partnership, Sole Proprietorship, Etc.) _____						
2. Total Number of Ownership/Partners: _____			<b>III. MINORITY/WOMEN-OWNED FIRM CERTIFICATION</b>			
3. Provide the percentage of	All Empl	Wome	Is your firm currently certified as a minority owned business firm by the: State of California? <input type="checkbox"/>			
Black/African			Yes <input type="checkbox"/> No <input type="checkbox"/>			
Hispanic/Latin			City of Los Angeles? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>			
Asian American			<b>Section D. OPTION TO PROVIDE REQUESTED INFORMATION</b>			
Portuguese American			<input type="checkbox"/> We do not wish to provide the information required in this form.			
American			Firm Name: _____			
All Others			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 POMONA OFFICE TOWER, LLC, a Delaware 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:

POMONA OFFICE TOWER, LLC,  
a Delaware 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**

**District Attorney**

**LANDLORD: POMONA OFFICE TOWER, LLC**

**Property Address: 300 S. PARK AVENUE**

**SUITE 725, 760, 770 & 795**

**POMONA, CA 91766**

## LANDLORD'S WORK LETTER

This Work Letter supplements the Lease Agreement (the "Lease") dated \_\_\_\_\_, 20\_\_, executed concurrently herewith, by and between POMONA OFFICE TOWER, LLC, a Delaware 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>   | \$121,365.00 (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>                                  | POMONA OFFICE TOWER, LLC<br>300 S. Park Ave, Suite 810<br>Pomona, CA 91766<br>Attn: Property Manager  |
|   | With a copy to:   |
|   | 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<br>Addendum B: Tenant Improvements   |

## **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. Notwithstanding the foregoing to the contrary, Tenant acknowledges and agrees that Landlord shall not pay any Tenant Improvement Costs or any other costs arising

under this Work Letter unless and until Tenant's Termination Option to terminate the Lease effective as of the last day of the twelfth (12th) month of the Term pursuant to Section 4.2 of the Lease expires or is otherwise waived by Tenant.

**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 Pomona, 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:

POMONA OFFICE TOWER, LLC,  
a Delaware 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 7, 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>	4/8/2020	
<b>BOARD MEETING</b>	4/21/2020	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	1	
<b>DEPARTMENT</b>	CEO; DHS; DHR; DCBA	
<b>SUBJECT</b>	Approve the proposed five-year renewal lease amendment for approximately 36,515 square feet of office space, some storage, and 120 parking spaces at 222 S. Hill Street, Los Angeles.	
<b>PROGRAM</b>	Office of Diversion and Re-entry section of DHS. Existing DHR units. Existing units of the CEO and DCBA until move to the Hall of Records (HOR) anticipated to be in April, 2020.	
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
<b>DEADLINES/ TIME CONSTRAINTS</b>	Existing lease is currently on month-to-month holdover since January 2019.	
<b>COST &amp; FUNDING</b>	Total cost: \$6,438,049 total lease rental and parking over 5 years.	Funding source: Rental costs for DHS it is funded by Diversion revenue and the CEO, DHR, and DCBA are 100 percent net County cost.
	TERMS (if applicable): The proposed base rent is subject to annual Consumer Price Index (CPI) increases capped at 3 percent. Off-site parking costs for 52 spaces are \$220 per space per month, or \$137,280 annually. 68 parking spaces on-site are included in the lease.	
	Explanation: Funding for the proposed lease(s) is included in the Fiscal Year 2019-2020. Rent Expense budget and will be billed back to the departments as necessary.	
<b>CO-WORK SPACE ASSESSMENT</b>	RED personnel spoke with the ISD co-working office space contact, Patrick Grunbok of WeWork at 310-971-3334, about long-term leases and he informed us that their co-work office space is not suited for long-term occupancy as it is not financially viable for long term occupancy in comparison to rental costs of traditional long term office space uses, especially for office space needs of this size.	
<b>PURPOSE OF REQUEST</b>	Approval of the recommended action will authorize and adequately provide the necessary office space for the DPH and DHR. The other two departments, the CEO and DCBA are in the process of relocating to HOR.	
<b>BACKGROUND (include internal/external issues that may exist)</b>	The proposed lease will allow DHR the ability to continue, and DHS to commence, its operations at this existing County office at 222 S. Hill Street, Los Angeles, in proximity to the ongoing constituencies served and the Hahn Hall of Administration. The existing CEO and DCBA offices will vacate the building upon completion of TI's at the HOR.  The re-lease for DPH will have \$10 per square foot as a Base Tenant Improvement (TI) allowance, i.e., \$353,970 included in the lease for carpet, paint and minor upgrades.	
<b>DEPARTMENTAL AND OTHER CONTACTS</b>	Name, Title, Phone # & Email:  Michael Navarro CEO- Real Estate Division 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 21, 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 AMENDMENT  
DEPARTMENT OF HEALTH SERVICES  
CHIEF EXECUTIVE OFFICE  
DEPARTMENT OF HUMAN RESOURCES  
CONSUMER AND BUSINESS AFFAIRS  
222 SOUTH HILL STREET, LOS ANGELES  
(FIRST DISTRICT)  
(3 VOTES)**

**SUBJECT**

Approval of a proposed five-year lease amendment consolidating three existing leases into one lease that shall provide the Department of Health Services with use of 16,769 rentable square feet and the Chief Executive Office, the Department of Human Resources, and the Department of Consumer and Business Affairs with the continued use of 18,628 rentable square feet for a total of 35,397 of rentable square feet of office space, and 120 parking spaces.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed lease amendment is exempt from the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed five-year lease amendment with CRJ, LLC a California limited liability company (Landlord), at 222 South Hill Street, Los Angeles, for approximately 35,397 square feet of office space and parking, at an annual first year rental cost not to exceed \$1,199,190. The following departments will be responsible for their percentage share of the lease payments as follows: Department of Health Services (DHS) -

\$569,070 (16,769 square feet); Chief Executive Office (CEO) - \$282,720 (8,368 square feet); Department of Human Resources (DHR) - \$282,720 (8,368 square feet); and Department of Consumer and Business Affairs (DCBA) - \$64,680 (1,892 square feet). The rental costs for DHS, CEO, DHR, and DCBA are 100 percent net County cost.

3. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed lease amendment, and to take actions necessary and appropriate to implement the proposed lease amendment, including, without limitation, early termination rights and exercising any options to reduce space.

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

The County currently has three existing leases at 222 South Hill Street, Los Angeles, which collectively cover a suite on the second floor, the entire third, fourth, and fifth floors, and the sixth floor with exception of the common area. These three leases are currently on month-to-month holdover with no penalty. The existing primary lease space has been in continuous use since March 2000, when it was initially built-out for County use. The facility provides office space in close proximity to existing management and administrative support operations at the Kenneth Hahn Hall of Administration.

During the County's tenancy, the facility has primarily housed offices on the third and fourth floors for the CEO, Real Estate Division, which recently moved to the Hall of Records (HOR). Teams within the CEO's Strategic Integration Branch currently occupy the fifth floor and the DCBA currently occupies a suite on the second floor. Both groups are currently planned to move to the HOR once their new space is built-out and ready for occupancy. The CEO and DCBA offices will be backfilled by DHS Population Health Management upon vacancy and the rental costs associated with their space will then be assumed by DHS. DHR occupies space on the sixth floor for its Mediation Services and County Equity Investigation units and intends to remain at this location. The proposed lease amendment will consolidate all the existing premises into the primary lease.

The Office of Diversion and Reentry (ODR) of DHS has backfilled the recently vacated office space on the third floor and plans to backfill the recently vacated office space on the fourth floor. ODR, as the proprietor department under the proposed backfill scenario, was created by the Board in September 2015. Its mission is to develop and implement County-wide criminal justice diversion for persons with mental and/or substance use disorders, to provide reentry support services based on individuals' needs, and to reduce youth involvement within the justice system. ODR collaborates with community-based agencies to leverage resources, improve systems, and to ultimately enhance the health and social outcomes of justice-involved populations.

Entering into this new, consolidated lease of the facility, will allow the current departments to continue their operations without interruption. Backfilling the recently vacated space provides ODR with needed space, while avoiding the expense of major tenant improvements (TI) at an alternative location.

Approval of the recommended action will find that the proposed lease amendment is exempt from CEQA.

We have conferred with co-working office space companies about office space for the applicable programs and they have informed us that their co-working office space does not have available space to accommodate the required space needs.

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

The Countywide Strategic Plan Goal 1 - *"Make Investments That Transform Lives"* - provides that we will aggressively address society's most complicated social, health, and public safety challenges. We want to be a highly responsive organization capable of responding to complex social challenges – one person at a time. The proposed lease amendment supports this goal with a facility that provides proper accommodations for office space, in a conveniently located facility with adequate space for employees, collaborators, and clients. The proposed lease amendment 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 be billed back to DHS, CEO, DHR, and DCBA as applicable. DHS, CEO, DHR, and DCBA have sufficient funding in their FY 2019-20 operating budget to cover these costs for the first year. Beginning in FY 2020-21, ongoing funding for the proposed lease amendment will continue to be part of the budget for the departments. The rental costs for DHS, CEO, DHR, and DCBA are 100 percent net County cost.

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

In addition to the terms previously stated, the proposed lease amendment also contains the following provisions:

- The total cost for the first year of the proposed lease, including rent and parking, is \$1,199,190. This cost would be allocated between the departments as follows: DHS - \$569,070; CEO - \$282,720; DHR - \$282,720; and DCBA - \$64,680, if evaluated on an annual basis. The aggregate cost over the five-year term is estimated at approximately \$6,438,049, which includes annual rent increases for the office space based on the Consumer Price Index (CPI) capped at 4 percent per annum. Attachment B provides an overview of the proposed rental costs.

- The base rent for office space in the first year of the extension term is approximately \$30 per square foot on an annual basis. The County will have complete control over of the entire sixth floor, so the 287 square foot common area is now included in the overall square footage.
- The proposed lease amendment includes 120 parking spaces, of which 68 spaces are included in the rental rate, and 52 will be charged at \$220 per space per month, for a total annual cost of \$137,280. Parking will be allocated, as needed, to the departments.
- The Landlord is responsible for all operating and maintenance expenses associated with the premises.
- A cancellation provision that allows the County, to reduce or terminate the proposed lease space any time after the 36<sup>th</sup> month of the proposed lease amendment term, with 180 days prior written notice, without penalty.
- The Landlord shall provide a base TI allowance of up to \$10 per square foot of office space, i.e., \$353,970, for minor improvements to the premises including carpet, paint, and related upgrades.
- The proposed lease amendment will become effective, and the new term and rent will commence upon full execution of the lease amendment.

The CEO conducted a market search within the project area to determine the availability of comparable office space options. Based upon a review of available industry data, it was established that the annual rental range for similar space is between \$31.20 and \$46.20 per square foot per year. In comparison, the base rent of \$30 per square foot per year for the proposed lease amendment, excluding parking, is below the market range for the 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 this requirement.

The Department of Public Works inspected this facility and found it suitable for the County's occupancy. A notification letter to the City of Los Angeles has been sent as required by Government Code Section 25351. County Counsel has reviewed the attached proposed lease amendment and approved it as to form.

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

## **ENVIRONMENTAL DOCUMENTATION**



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 CURRENT SERVICES (OR PROJECTS)**

The proposed lease amendment will continue to adequately provide the necessary office space for this County requirement. DHS, CEO, DHR, and DCBA concur with the proposed recommendations.

The Honorable Board of Supervisors  
April 21, 2020  
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## **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 W. Temple Street, 7th Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

SACHI A. HAMAI  
Chief Executive Officer

SAH:FAD:DPH:DL  
JLC:MN:NH:gw

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Consumer and Business Affairs  
Health Services  
Human Resources

**DEPARTMENTS OF HEALTH SERVICES/CHIEF EXECUTIVE OFFICE/  
HUMAN RESOURCES/CONSUMER AND BUSINESS AFFAIRS  
222 SOUTH HILL STREET, 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?			<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>Ratio is approx. 260 sf per person due to existing conference rooms, file areas and offices.</b>		<b>X</b>	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? <sup>2</sup> <b>3.5/1000 – based on availability.</b>		<b>X</b>	
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?	<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?		<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 (aka "Space Search")?	<b>X</b>		
G	Was build-to-suit or capital project considered? <sup>2</sup> <b>County already occupies facility and a capital project was not considered.</b>		<b>X</b>	
<b>3.</b>	<b><u>Portfolio Management</u></b>			
A	Did departments utilize CEO Space Request Evaluation (SRE)? <b>DHS - two backfill programs</b>	<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?	<b>X</b>		
D	Why was this program not co-located?			<b>X</b>
	1. ____ The program clientele requires a "stand alone" facility.			
	2. <b><u>X</u></b> No suitable County occupied properties in project area.			
	3. ____ No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. ____ The Program is being co-located.			
E	Is lease a full-service lease?	<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?				

**COMPARISON OF PROPOSED LEASE AMENDMENT AND EXISTING LEASE**

<b>222 S. Hill Street, Los Angeles</b>	<b>Existing Lease(s)</b>	<b>Proposed amendment</b>	<b>Change</b>
Area (Square Feet)	Office: 35,110sf	Office: 35,397sf*	Office: +287sf
Term (years)	Five years (1/12/2014-1/13/2019) currently on month-to-month holdover	Five years	None
Annual Base Rent	\$906,088	\$1,061,910	+\$155,822
Annual Parking Cost	\$31,200 (20 on-site parking passes at \$130/mo.)	\$137,280 (52 off-site spaces at \$220/mo.)	+\$106,080
Cancellation	County after 36 months with 180 days' notice	County after 36 months with 180 days' notice	None
Rental adjustment	Annual CPI increases capped at 5 percent	Annual CPI increases capped at 4 percent	-1 percent

\*increase in square footage pertains to absorption of common area for all of sixth floor.

## OVERVIEW OF THE PROPOSED LEASE AMENDMENT COST

222 South Hill Street

Office Space (sq.ft.)	35,397	
Term (months)	60	
Annual Rent Adjustment	CPI 4% Cap	
Base Rent	Cost Per RSF Per Month	Cost Per RSF Per Year
	\$2.50	\$30
Parking (120 total - 52 offsite parking spaces and 68 on-site included)	Cost Per Space Per Month	Cost Per Space Per Year
	\$220	\$2,640

	1st Year	2nd Year	3rd Year	4th Year	5th Year	Total 5 Year Rental Costs
<b>Annual Base Rent Costs <sup>1</sup></b>	1,061,910	1,104,387	1,148,562	1,194,505	1,242,285	<b>5,751,649</b>
<b>Parking Costs <sup>2</sup></b>	137,280	137,280	137,280	137,280	137,280	<b>686,400</b>
<b>Subtotal Annual Lease Costs</b>	<b>1,199,190</b>	<b>1,241,667</b>	<b>1,285,842</b>	<b>1,331,785</b>	<b>1,379,565</b>	<b>6,438,049</b>

<sup>1</sup> Annual base rent includes rent increases based on the Consumer Price Index (CPI) capped at 4 percent per annum.

<sup>2</sup> The cost per parking space is approximately \$220 per month and \$2640 per year.

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

ATTACHMENT C

**DEPARTMENT OF HEALTH SERVICES/CHIEF EXECUTIVE OFFICE  
DEPARTMENT OF HUMAN RESOURCES/CONSUMER AND BUSINESS AFFAIRS  
SPACE SEARCH – FIVE-MILE RADIUS OF HALL OF ADMINISTRATION**

LACO	Name	Address	Ownership	Gross SQFT	Net SQFT	Vacant
A405	BOS/Arts Commission - Wilshire - Bixel Building	1055 Wilshire Blvd Ste. 800 Los Angeles 90017	Leased	9,906	9,410	NONE
A675	DA - Metro Court/DCFS Metro North/ERCP/Call Center	1933 S Broadway Los Angeles 90007	Leased	148,483	141,059	NONE
A683	Service Integration Pilot Project	1910 Magnolia Ave Los Angeles 90007	Leased	1,035	984	NONE
A216	DPSS - Appeals & State Hearings	811 Wilshire Blvd Suite 1118 Los Angeles 90017	Leased	5,665	5,439	NONE
A046	Sheriff - City Terrace Substation	4100 City Terrace Dr Los Angeles 90063	Leased	1,076	1,022	NONE
A205	DMH - Skid Row Management Team	420 E 3rd St. Los Angeles 90013	Leased	8,526	8,100	NONE
A588	Sheriff's AB 109 Parole Compliance Team	301 S Central Ave Los Angeles 90013	Leased	3,100	2,945	NONE
B915	Star Skid Row Office	238 E 6th St. Los Angeles 90014	Leased	1,882	1,788	NONE
A578	Auditor - Shared Services Initiative	3470 Wilshire Blvd Los Angeles 90010	Leased	21,500	20,425	NONE
A627	County Admin Offices - LA World Trade Center	350 S Figueroa St. Los Angeles 90071	Leased	68,314	65,511	NONE
A632	Office of Inspector General	312 S Hill St. Grand Central Market Los Angeles 90012	Leased	9,782	9,293	NONE
A369	DCFS - Headquarters Annex	501 Shatto Pl Los Angeles 90020	Leased	17,751	15,976	NONE
A384	Ag Comm/Wts & Measures - Downtown Market Office	1320 E Olympic Blvd Los Angeles 90021	Leased	776	776	NONE
A413	Human Resources - Wilshire Square Two Building	3333 Wilshire Blvd Los Angeles 90010	Leased	85,991	72,804	NONE
A425	DCFS - Headquarters Building	425 Shatto Pl Los Angeles 90020	Leased	81,912	77,816	NONE
A336	Sheriff - Wilshire Centre Building	3055 Wilshire Blvd Los Angeles 90010	Leased	7,755	7,115	NONE
A360	DPSS - Metro North AP/Cal Works District Office	2601 Wilshire Blvd Los Angeles 90057	Leased	62,000	60,140	NONE
A429	CEO - Real Estate Division/Service Integration	222 S Hill St. Los Angeles 90012	Leased	34,737	30,798	NONE
A424	DPSS - Equitable Plaza Building	3435 Wilshire Blvd Los Angeles 90010	Leased	65,871	62,577	NONE
A532	PH Health - Wilshire Metroplex Building	3530 Wilshire Blvd Los Angeles 90010	Leased	113,027	101,920	NONE
B426	DMH - Adult Systems of Care - FSP	426 S San Pedro St. Los Angeles 90013	Leased	6,500	6,175	NONE
B922	DPSS - Wilshire Special District Office	2415 W 6th St. Los Angeles 90057	Leased	46,228	42,065	NONE
B695	PH – Immunization & Environ Health/Mental Health	695 S Vermont Ave Los Angeles 90010	Leased	125,622	118,605	NONE

## FACILITY LOCATION POLICY ANALYSIS

**Proposed sublease renewal:** Lease amendment for existing offices for DHS, the CEO, DHR and DCBA offices at 222 S. Hill Street, Los Angeles – First Supervisorial District.

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

**B. Determination of the Service Area** – The proposed lease amendment will provide a lease extension for DHS, CEO, DHR and DCBA programs.

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

- Need for proximity to service area and population: Continuing need for existing operation in the greater downtown region in support of existing County operations.
- Need for proximity to existing County facilities: Close to Kenneth P. Hahn Hall of Administration and other County facilities and collaborators.
- Need for proximity to Los Angeles Civic Center: Close to existing County programs.
- Economic Development Potential: N/A
- Proximity to public transportation: The facility is located near the 110 and 101 freeways, the Dash public transit line as well as local bus routes and Metro stations.
- 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 accommodate the Departmental needs. This office works closely with functions at the Hall of Administration and has been in continuous use by the CEO since March 2000.
- Compatibility with local land use plans: The City of Los Angeles has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.
- Estimated acquisition/construction and ongoing operational costs: The amended base rental cost of \$1,061,910 will be subject to ongoing annual increases based on CPI capped at 4 percent for the extension term, plus annual parking cost of \$137,280, for a total of \$1,199,190.

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

Based upon the space and service needs of the impacted programs, CEO surveyed the service area and was unable to identify any other alternative sites in the surveyed area that could accommodate this same requirement.

Based upon a review of available industry data, we have established that the annual rental range for similar space including parking costs is between \$31.20 and \$46.20 per square foot per year on a full-service gross basis. In comparison, the base rental rate of \$30 per square foot per year, full-service gross, including parking, for the proposed lease represents a rate within the market range for the area. Attachment C indicates County-owned and leased facilities within the surrounding service area and there are no County-owned or leased facilities available for the programs.

#### **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 applicable DHS, CEO, DHR and DCBA programs within the indicated service area. The proposed amendment conforms with the Asset Management Principles outlined in Attachment A. The consolidation of services for these programs 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 of Supervisors on July 24, 2012.



**AMENDMENT NO. 1 TO COUNTY LEASE NO. 78107  
222 SOUTH HILL STREET, LOS ANGELES**

This Amendment No. 1 to Lease No. 78107 ("Amendment No. 1" or "Amendment") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2020, by and between CRJ, LLC, a California limited liability company ("Landlord"), and the COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant").

**RECITALS:**

WHEREAS, Landlord and Tenant entered into that certain Lease Agreement dated January 14, 2014 ("Lease No. 78107", hereinafter referred to as the "Original Lease") for approximately 30,905 rentable square feet in a building commonly known as 222 South Hill Street, Los Angeles, California ("Original Premises"), for a term of five (5) years;

WHEREAS, Landlord and Tenant entered into that certain Lease Agreement dated August 1, 2017 ("Lease No. L-1278", hereinafter referred to as the "Suite 600 Lease") for approximately 3,832 rentable square feet in a building commonly known as 222 South Hill Street, Los Angeles, California ("Suite 650 Premises"), for a term of eighteen (18) months;

WHEREAS, Landlord and Tenant entered into that certain Lease Agreement dated September 1, 2017 ("Lease No. L-1279", hereinafter referred to as the "Suite 650 Lease") and thereafter amended on February 23, 2018, for approximately 1,491 rentable square feet in a building commonly known as 222 South Hill Street, Los Angeles, California ("Suite 650 Premises");

WHEREAS, the original five (5) year Term of the Original Lease expired on January 13, 2019 and Original Lease continues in Holdover on month-to-month basis;

WHEREAS, the original eighteen (18) months Term of the Suite 600 Lease expired on January 13, 2019 and Suite 600 Lease continues in Holdover on month-to-month basis;

WHEREAS, the amended Term of the Suite 650 Lease expired on February 28, 2020 and Suite 650 Lease continues in Holdover on month-to-month basis;

WHEREAS, the storage space will no longer be a part of the leased Premises under this Lease Amendment;

WHEREAS, Landlord and Tenant desire to amend the Original Lease, for the purpose of combining the Original Premises, Suite 600 Premises (Lease No. L-1278), and Suite 650 Premises (Lease No. L-1279), for a new total which will consist of 29,787, 3,832, and 1,491 rentable square feet, respectively, and 287 square feet of common area, for a new combined total of approximately 35,397 rentable square feet, extend the Term of the Original Lease, adjust the rent, and effectuate certain improvements; and,

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements hereinafter contained, Landlord and Tenant hereby covenant and agree to amend the Original Lease as follows:

1. PREMISES. Section 1.1(c) of the Original Lease is hereby deleted in its entirety and replaced with the following paragraph:

(c) Premises: Approximately 35,397 rentable square feet in the Building (defined below) as shown on Exhibit A attached hereto.

2. PREMISES. Paragraph 2(a) of the Original Lease is hereby deleted in its entirety and replaced with the following paragraph:

(a) Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 of approximately 35,397 rentable square feet of office space consisting of approximately 1,892 rentable square feet on the second floor, approximately 8,401 rentable square feet on the third floor, approximately 8,368 rentable square feet on the fourth floor, approximately 8,368 rentable square feet on the fifth floor, and approximately 8,368 rentable square feet on the sixth floor.

3. EXTENSION OF TERM. Landlord and Tenant acknowledge that the Tenant's original term of the Original Lease for the Premises expired on January 13, 2019, and that the Original Lease is currently valid and in Holdover, as allowed under Section 7 of the Original Lease, on a month-to-month Term. Notwithstanding anything to the contrary in the Original Lease, Section 1.1(e) of the Original Lease is hereby amended to extend the Original Lease term for another five (5) years commencing upon the Effective Date of this Amendment No. 1 (the "Extension Commencement Date") and terminating five (5) years thereafter, ("Lease Expiration Date") subject to earlier termination as provided in the Original Lease, as hereby amended. The period of time commencing on the Extension Commencement Date and terminating on the Lease Expiration Date shall be referred herein as the "Extension Term".

4. RENT. As of the Extension Commencement Date, the Base Rent as set forth in Section 1.1(i) of the Original Lease is amended as follows: Eighty-Eight Thousand Four Hundred Ninety-Two Dollars and 50/100 (\$88,492.50) per month (i.e., \$2.50 per square foot per month), herein after referred to as the "Extension Term Basic Rent". Parking for Fifty-Two (52) off-site spaces are provided at Eleven-Thousand Four Hundred Forty Dollars and 00/100 (\$11,440.00) per month for the Extension Term.

5. RENT. As of the Extension Commencement Date, Section 5 of the Original Lease shall be amended, whereby the following paragraphs shall be added to the Original Lease:

(e) Rent Adjustment Extension Term. At the beginning of the 13th month of the Extension Term (the "Extension Term Rent Adjustment Date") and on every anniversary of the Extension Term Adjustment Date thereafter, Base Rent shall be adjusted to the New Monthly Base Rent by applying the CPI Formula set forth below. The "Extension Term Basic Index" shall be the Base Index published for the month the Extension Term commences.

(f) CPI Formula. The Base Index means the Consumer Price Index for all Urban Consumers for the Los Angeles-Long Beach-Anaheim, CA area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Extension Term Base Rent multiplied by a fraction, the numerator being the Base Index published for the month

immediately preceding the month the adjustment is to be effective ("New Base Index"), and the denominator being the Base Index. If the Base Index is changed so that the Base Index differs from that used as of the Commencement Date of the Lease, the Base Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics.

If the Base Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

(g) Illustration of CPI Formula. The formula for determining the New Monthly Base Rent shall be as follows:

$$\frac{\text{New Base Index}}{\text{Extension Term Basic Index}} \times \$88,492.50 \left( \begin{smallmatrix} \text{Extension Term} \\ \text{Basic Rent} \end{smallmatrix} \right) = \begin{smallmatrix} \text{New Monthly} \\ \text{Base Rent} \end{smallmatrix}$$

(h) Limitations on CPI Adjustment. In no event shall the New Monthly Base Rent adjusted by CPI Formula result in increase that is more than four percent (4%) annually. In no event shall the New Monthly Base Rent be adjusted by the CPI Formula to result in a lower New Monthly Base Rent than was payable during the previous year.

6. COMMENCEMENT DATE. Paragraph 1.1(g) of the Original Lease is hereby amended and following paragraph shall be added to the end of Paragraph 1.1(g):

The Extension Commencement Date shall be the date Amendment No. 1 is approved by the Los Angeles County Board of Supervisors and fully executed by the parties.

7. EARLY TERMINATION NOTICE DATE. Paragraph 1.1(j) of the Original Lease is hereby deleted in its entirety and replaced with the following paragraph:

At or any time after the last day of the 36th full calendar month of the Extension Term with 180 days prior written notice to Landlord by Tenant as provided in Section 4(c) hereof.

8. TENANT IMPROVEMENTS. Notwithstanding anything to the contrary in the Original Lease, Section 1.2, Base Tenant Improvement Allowance, is replaced in its entirety with the following: Within 60 days of the Extension Commencement Date, Landlord, with Tenant's prior approval shall provide a Base Tenant Improvement Allowance of up to \$10 per rentable square foot of the office space (i.e., \$353,970) for minor improvements to the Premises including carpet, paint and related upgrades as needed upon a mutually agreed period of time from the Extension Commencement Date. The Landlord shall construct the Tenant Improvements in the manner set forth in the Landlord's Work Letter executed by the Landlord and Tenant in accordance with the Original Lease.

9. PARKING. The first paragraph of Section 20(a), Parking, of the Original Lease is hereby deleted in its entirety and replaced with the following paragraph:

(a) Tenant's Rights. Tenant shall have the right to the number of parking stalls set forth in Section 1 without charge for the Term of this Lease described as follows: twelve (12) exclusive off-street parking stalls in the Building Second Floor, and fifty-six (56) non-exclusive off-street stalls in the Building Levels Second, P-1 and P-2 for a total of sixty-eight (68) parking spaces on-site. Tenant shall also have the right to the number of non-exclusive parking stalls set forth in this Section for the Term of this Lease described as follows: fifty-two (52) off-street in-and-out parking spaces in an off-site parking lot adjacent to the building or within the Times Mirror building located on South Broadway. No tandem parking shall be permitted, and Tenant shall be entitled to full in/out privileges. Tenant is not given the right to leave vehicles parked overnight without prior written consent. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all other parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees, and permittees of the Building.

10. **PARKING SPACES.** Section 1.1(n) of the Original Lease is hereby deleted in its entirety and replaced with the following paragraph:

(n) Parking Spaces: 120 parking spaces as defined in Section 20.

11. **RIGHT TO REDUCE THE PREMISES.** The first paragraph of Section 34, Right to Reduce the Premises, of the Original Lease is hereby deleted in its entirety and replaced with the following paragraph:

At or any time after the last day of the 36th full calendar month of the Extension Term, Tenant, upon 180 days prior written notice by the Chief Executive Office to Landlord shall have the right to reduce a portion of the leased Office Space of the Premises.

12. **CASP INSPECTION.** The Original Lease shall be amended to insert as a new Section 35 the following paragraphs:

**CASP INSPECTION.** In accordance with California Civil Code Section 1938, Landlord hereby states that the Premises and the Common Areas: [Check the appropriate box]

☐ Have undergone inspection by a Certified Access Specialist (a "CASP") and have been determined to meet all applicable construction related accessibility standards pursuant to California Civil Code Section 55.53. Landlord shall provide Tenant with a copy of the CASp inspection report and a current disability access inspection certificate for the Premises within seven (7) days after the execution of this Lease.

☐ Have undergone inspection by a Certified Access Specialist and have not been determined to meet all applicable construction related accessibility standards pursuant to California Civil Code Section 55.53. Landlord has provided Tenant with a copy of the CASp inspection report at least 48 hours prior to the

execution of this Lease. 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.

☒ 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.

Landlord agrees to indemnify and hold harmless Tenant from all damages, costs, and expenses, which result from a material breach of Landlord's representations contained in this Section 35.

13. All undefined terms when used herein shall have the same respective meanings as set forth in the Original Lease, as amended, unless expressly provided otherwise in this Amendment No. 1. Each of the signatories for the Landlord covenants, warrants and guarantees that it has the power and authority to execute this Amendment No. 1 upon the terms and conditions stated herein, and agrees to indemnify and hold harmless Tenant from all damages, costs, and expenses, which result from a breach of this representation.

14. Notwithstanding anything to the contrary herein, except as specifically amended or modified herein, each and every term, covenant, and condition of the Original Lease as amended hereby is ratified and shall remain in full force and effect. Landlord represents and warrants as of the date hereof that (a) no defenses or offsets exist to the enforcement of the Original Lease by Landlord, (b) neither Tenant nor Landlord is in default in the performance of the Original Lease or any provisions contained therein, (c) neither Tenant nor Landlord has committed any breach of the Original Lease, nor has any default occurred which, with the passage of time or the giving of notice or both, would constitute a default or a breach by Tenant or Landlord under the Original Lease. In the event of a conflict between the Original Lease and the prior amendments to the Original Lease and this Amendment No. 1, the terms of this Amendment No. 1 shall control.


*[Signature Page Immediately Follows]*

IN WITNESS WHEREOF, the Landlord's duly authorized representative, and Tenant's duly authorized representative, have executed this Amendment No. 1 to Lease No. 78107 or caused it to be executed, on the Effective Date first above written.

**LANDLORD:**

**CRJ, LLC**

a California Limited Liability Company

By:   
Name: NATSUO KAWANA  
Its: MANAGING MEMBER

**TENANT:**

**COUNTY OF LOS ANGELES,**  
a body politic and corporate

SACHI A. HAMAI  
Chief Executive Officer

By: \_\_\_\_\_  
DEAN LEHMAN  
Senior Manager, Real Estate Division

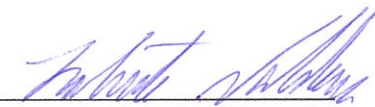
**ATTEST:**

DEAN C. LOGAN  
Registrar-Recorder/County Clerk

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

**APPROVED AS TO FORM:**

MARY C. WICKHAM  
County Counsel

By:   
Deputy