



County of Los Angeles CHIEF EXECUTIVE OFFICE OPERATIONS CLUSTER

FESIA A. DAVENPORT
Acting Chief Executive Officer

DATE: September 30, 2020
TIME: 2:00 p.m. – 4:00 p.m.
LOCATION: **TELECONFERENCE CALL-IN NUMBER: (415)655-0001**
TELECONFERENCE ID: 927075833

To join via phone, dial 1(415)655-0001, then press 927075833#, then press # when prompted for attendee number ****IF DIALING IN PLEASE CALL IN AT 1:45 P.M. TO FACILITATE PARTICIPANT CHECK-IN**.**

YOU CAN ALSO JOIN THIS MEETING BY CLICKING ON THE FOLLOWING LINK:

[Join meeting](#)

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

AGENDA

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

1. **Call to order – Rick Velasquez/Gevork Simdjian**
2. **INFORMATIONAL ITEM(S):**
(5 minutes)
 - A) Board Letter:
ISSUANCE AND SALE OF LA COUNTY PUBLIC WORKS FINANCING AUTHORITY LEASE REVENUE BONDS, SERIES 2020 (LACMA BUILDING FOR THE PERMANENT COLLECTION PROJECT)
TTC – Keith Knox, Treasurer and Tax Collector
 - B) Board Letter:
EIGHT-YEAR LEASE OF DEPARTMENT OF PUBLIC SOCIAL SERVICES FOR OFFICE SPACE AT 5460 BANDINI BOULEVARD, BELL
CEO/RE/DPSS – Michael Navarro, Chief Program Specialist

CONTINUED ON PAGE 2

3. **PRESENTATION/DISCUSSION ITEMS:**

None available.

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

5. **Adjournment**

FUTURE AGENDA TOPICS

CALENDAR LOOKAHEAD:

LAFD – NEW SOLE SOURCE CONTRACT WITH KRONOS FOR
EMPLOYEES SCHEDULING SYSTEM SOLUTION UPGRADE

CEO/RE – CONVEYANCE OF SURPLUS PROPERTY FROM THE COUNTY
OF LOS ANGELES TO PARK RAMONA, INC. FOR FAIR MARKET VALUE-
APN: 8437-017-900- BALDWIN PARK

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	9/30/2020	
BOARD MEETING	10/13/2020	
DELEGATED AUTHORITY BOARD LETTER	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
SUPERVISORIAL DISTRICT AFFECTED	Second and Third Districts	
DEPARTMENT	Treasurer and Tax Collector	
SUBJECT	Issuance and Sale of Los Angeles Public Works Financing Authority Lease Revenue Bonds, 2020 Series A (LACMA Building for the Permanent Collection Project)	
PROGRAM	N/A	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
DEADLINES/ TIME CONSTRAINTS	10/13/2020 Board Agenda	
COST & FUNDING	Total cost: \$668 million (estimated total debt service)	Funding source: \$196 million of total estimated debt service to be paid by County General Fund and \$472 million to be paid by Museum Associates (the nonprofit public benefit corporation that operates LACMA) pursuant to the Funding Agreement with LACMA.
	TERMS (if applicable): Negotiated sale of the 2020 Series A Bonds (Bonds) with level debt service payments over a 30-year term commencing in 2021 and ending in 2050.	
	Explanation: The borrowing cost of the Bonds will depend on market conditions on the date of the sale. The Bonds will be issued as fixed-rated obligations with a maximum true interest cost not to exceed 5.0%. The principal amount of the Bonds will not exceed the maximum authorization of \$425 million.	
PURPOSE OF REQUEST	Approval of the above recommendations will authorize the issuance of the Bonds and the execution and delivery of all related documents. The Bonds will generate \$425 million of proceeds which will be used to: (i) refinance the \$125 million of outstanding commercial paper notes previously issued by the County to finance the County's contribution to the LACMA Project; and (ii) provide \$300 million of additional proceeds that will be used to fund the construction of the LACMA Project that will be repaid by Museum Associates.	
BACKGROUND (include internal/external issues that may exist)	On April 9, 2019 the LACMA Project was approved by your Board and consists of the demolition of four County-owned buildings and the replacement of these buildings with a single horizontal elevated gallery and art towers, which will cover LACMA's east campus and span across Wilshire Boulevard to the Spaulding lot owned by Museum Associates. The total LACMA Project cost of \$650 million will be paid by \$525 million in private donations fundraised by Museum Associates and \$125 million by the County contribution approved by your Board.	
DEPARTMENTAL AND OTHER CONTACTS	<ul style="list-style-type: none"> Keith Knox, Treasurer and Tax Collector, (213) 974-2101, kknox@ttc.lacounty.gov Elizabeth Buenrostro Ginsberg, Chief Deputy Treasurer and Tax Collector, (213) 974-0703, eginsberg@ttc.lacounty.gov Daniel Wiles, Assistant Treasurer and Tax Collector, (213) 974-7175, dwiles@ttc.lacounty.gov 	



KEITH KNOX
TREASURER AND TAX COLLECTOR

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 437, Los Angeles, California 90012
Telephone: (213) 974-2101 Fax: (213) 626-1812
ttc.lacounty.gov and propertytax.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

October 13, 2020

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

The Honorable Board of Directors
Los Angeles County Public Works Financing Authority
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**ISSUANCE AND SALE OF
LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY
LEASE REVENUE BONDS, 2020 SERIES A
(LACMA BUILDING FOR THE PERMANENT COLLECTION PROJECT)
(SECOND AND THIRD DISTRICTS) (4 VOTES)**

SUBJECT

The Treasurer and Tax Collector (TTC) is requesting authorization to issue the Los Angeles County Public Works Financing Authority (Authority) Lease Revenue Bonds, 2020 Series A (LACMA Building for the Permanent Collection Project) in an aggregate par amount not to exceed \$425 million. The proceeds from the sale of the 2020 Series A Bonds will be used to provide funding for the Los Angeles County Museum of Art (LACMA) new Building for the Permanent Collection (LACMA Project).

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the environmental impacts of construction of the new LACMA museum facility that would be financed by issuance and sale of the 2020 Series A Bonds were previously analyzed in an Environmental Impact Report (EIR) (SCH No. 2016081014) prepared pursuant to the California Environmental Quality Act

(CEQA), which this Board certified on April 9, 2019, and that there have been no changes to the LACMA Project or the circumstances under which the project is being undertaken that would require revisions to the EIR.

2. Adopt the resolution authorizing: a) the issuance and sale of the 2020 Series A Bonds on a tax-exempt basis with an aggregate par amount not to exceed \$425 million to provide funding for the LACMA Project; and b) the execution and delivery of various legal documents required to issue the 2020 Series A Bonds and complete the proposed transaction.
3. Ratify the public hearing related to the issuance of the 2020 Series A Bonds held by the TTC on October 7, 2020, in accordance with Section 6586.5 of the California Government Code.
4. Ratify the public hearing related to the issuance of the 2020 Series A Bonds held by the TTC on October 7, 2020, in accordance with Section 147(f) of the United States Federal Government Internal Revenue Code of 1986.

IT IS RECOMMENDED THAT YOUR BOARD, ACTING AS THE BOARD OF DIRECTORS OF THE LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY:

1. Adopt the resolution authorizing: a) the issuance and sale of the 2020 Series A Bonds on a tax-exempt basis with an aggregate par amount not to exceed \$425 million to provide funding for the LACMA Project; and b) the execution and delivery of various legal documents required to issue the 2020 Series A Bonds and complete the proposed transaction.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the above recommendations will authorize the issuance of the 2020 Series A Bonds and the execution and delivery of all related documents. The issuance of the 2020 Series A Bonds will generate \$425 million of proceeds which will be used to (i) refinance the \$125 million of outstanding commercial paper notes previously issued by the County to finance the County's contribution to the LACMA Project and (ii) provide \$300 million of additional proceeds that will be used to fund the construction of the LACMA Project, which will be repaid by Museum Associates.

The LACMA Project

On April 9, 2019, the LACMA Project was approved by your Board and consists of the demolition of four County-owned buildings and the replacement of these buildings with a single 347,500 square-foot building, designed by Pritzker prize winning architect Peter Zumthor. The new building, currently under construction, will consist of a single horizontal elevated gallery and seven art towers that support the elevated gallery, which will cover much of LACMA's east campus and span across Wilshire Boulevard to the Spaulding lot owned by Museum Associates, the nonprofit public benefit corporation that operates LACMA.

The four buildings, which have been demolished to facilitate construction of the LACMA Project, were located on LACMA's east campus. Three of the four buildings, the Ahmanson Building, Hammer Building, and Bing Center were constructed in 1965. The fourth building, the Art of the Americas Building, was completed in 1985. According to the building evaluation study prepared by the Owen Group in September 2014, the demolished buildings had experienced extensive water intrusion damage and were compromised by deteriorating and failing building and mechanical systems that exceeded their expected useful life and would have required a County expenditure of approximately \$246 million to fund a minimal level of repairs. The repairs would have been limited to visually apparent defects, and not include any upgraded systems that would have extended the useful life of the buildings. The replacement of the old buildings with a new museum facility is a cost-effective measure to address the problems with the old buildings. The total LACMA Project cost of \$650 million will be paid by \$525 million in private donations fundraised by Museum Associates and \$125 million by the County contribution approved by your Board.

Prior Board actions regarding the LACMA Project in April 2019, included approval of the LACMA Project; certification of the Final EIR for the LACMA Project; adoption of the Mitigation Monitoring and Reporting Program and Environmental Findings of Fact and Statement of Overriding Considerations; authorization of the demolition of the four buildings to be replaced; delegation of authority to the Chief Executive Officer (CEO) to execute agreements between the County and Museum Associates to facilitate the construction of the LACMA Project; authorization of the remainder of the County's \$125 million contribution to the LACMA Project; and delegation of authority to the CEO, or her designee, to negotiate and execute agreements and to take other necessary actions to facilitate the financing and construction of the LACMA Project. Prior Board actions regarding the LACMA Project in November 2014, included approval in concept of the funding plan by which the County would issue long-term lease revenue bonds in the total amount of \$425 million, \$125 million of which would be used to finance the County's contribution to the LACMA Project and \$300 million of which would be made available to Museum Associates, with Museum Associates responsible for the

repayment of debt service on the \$300 million. It is anticipated that construction will be completed late 2023 with occupancy in the middle of 2024.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This action supports the County's Strategic Plan Goal III.3: Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability by providing a cost-effective source of financing to fund the capital construction needs of the County.

FISCAL IMPACT/FINANCING

LACMA Project Funding Plan

As approved by the Board in April 2019, the total cost of the LACMA Project is \$650 million, which will be funded with \$525 million in private donations raised by Museum Associates and the County's contribution of \$125 million. The County's contribution to the LACMA Project, which was disbursed in 2019, is currently financed with short-term commercial paper notes issued through the LAC-CAL Lease Revenue Note Program (Note Program). The 2020 Series A Bonds will generate \$425 million of proceeds, including \$125 million to refinance the County's contribution on a long-term basis and \$300 million of new money proceeds to fund construction of the LACMA Project. To date, LACMA has raised \$525 million in private donations, of which it has collected approximately \$176 million. The remaining \$349 million in private donations will be collected over the next 15 years. LACMA will have sole responsibility for the payment of any project costs in excess of \$650 million. However, the construction costs of the LACMA Project are subject to a guaranteed maximum price construction contract with Clark Construction.

Based on current market conditions, the County expects to issue the 2020 Series A Bonds in an aggregate par amount of approximately \$[341] million and generate an additional \$[86] million of proceeds through bond premium. The total proceeds from the issuance of the 2020 Series A Bonds will be used to redeem and refinance \$125 million of outstanding commercial paper notes, fund a \$300 million deposit to the project fund used for the construction of the LACMA Project and pay approximately \$[2] million in estimated costs of issuance related to this transaction. Since LACMA is operated by Museum Associates, a private non-profit entity, the County will issue the 2020 Series A Bonds as 501(c)(3) bonds to comply with IRS regulations for tax-exempt financings.

The 2020 Series A Bonds will be issued through the Authority using a standard lease revenue structure issued on the County's credit, with the repayment of debt service secured by annual General Fund appropriations. However, pursuant to the terms of a funding agreement between Museum Associates and the County (Funding Agreement),

Museum Associates will be responsible for reimbursing the County for the annual debt service costs associated with the \$300 million new money portion of the 2020 Series A Bonds, with the County responsible for the repayment of debt service on its \$125 million contribution to the LACMA Project. Under the Funding Agreement, Museum Associates will be required to prefund annual debt service obligations by June 30 of the preceding fiscal year. Among the actions approved by your Board on April 9, 2019, the CEO was granted delegated authority to execute and carry out the terms of the Funding Agreement with Museum Associates to help ensure repayment of all debt service costs for the \$300 million new money portion of the 2020 Series A Bonds.

The Resolutions being presented to your Board require the 2020 Series A Bonds to be issued at a true interest cost not to exceed 5.0%. Given the current interest rate environment, the actual borrowing costs should be significantly lower and result in a true interest cost to the County of approximately [3.2%]. The TTC is recommending that the 2020 Series A Bonds be structured with level debt service payments over a 30-year amortization period commencing in 2021, with a final maturity in 2050. Based on the County's strong credit profile and current market conditions, the proposed structure will result in average annual debt service payments of approximately \$[22.2] million, and total debt service of approximately \$[668] million over the 30-year term. Pursuant to the terms of the Funding Agreement, the County General Fund would pay net annual and net total debt service costs of approximately \$6.5 million and \$[196] million, respectively, after reimbursement from LACMA. The actual interest cost to the County and the debt service payments will depend on market conditions on the sale date of the 2020 Series A Bonds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The 2020 Series A Bonds are being issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Section 6584 et seq. of the California Government Code. The County intends to issue the 2020 Series A Bonds through the Authority using a lease revenue financing structure. To facilitate the issuance of the 2020 Series A Bonds, the County will execute a bond indenture, site lease, sublease and various other lease and financing documents related to the transaction. To avoid the cost of capitalized interest during the construction of the LACMA Project, Museum Associates will lease certain Museum Associates owned real estate assets to the County that are located on LACMA's west campus, including the Broad Contemporary Art Museum, the Resnick Exhibition Pavilion, and the Pritzker Parking Garage (Museum Associates Assets). To provide security for the 2020 Series A Bonds during the construction phase of the LACMA Project, the County will lease the Museum Associates Assets and the County-owned Pavilion for Japanese Art (collectively, Leased Assets) to the Authority. The Authority will then sublease the Leased Assets back to the County. The 2020 Series A Bonds will be secured by annual base rental payments from the County to the

Authority, which are subject to annual appropriation by the Board. The County will then lease the Museum Associates Assets back to Museum Associates, which will continue to operate the Museum Associates Assets. Upon receipt of a certificate of temporary occupancy for the completed LACMA Project, authorized representatives of the County will have delegated authority to execute amendments to the financing leases and related subleases to release the Leased Assets and substitute the LACMA Project as security for the repayment of the 2020 Series A Bonds.

In order to facilitate construction of the LACMA Project, which will be partially constructed on LACMA's east campus, owned by the County, and partially constructed on a portion of the Spaulding lot, owned by Museum Associates, the County and Museum Associates have entered into ground lease agreements to enable the construction of the LACMA Project.

The series of lease and subleases are solely for the purposes of issuing the 2020 Series A Bonds and shall not modify any existing contracts or funding agreements between the County and Museum Associates. On April 9, 2019, the CEO was granted delegated authority to execute any necessary agreements to facilitate the financing and construction of the LACMA Project.

Financing Team

Given the relative complexity of a large lease-revenue bond financing, the TTC is recommending that the sale of the Bonds be conducted on a negotiated basis. Wells Fargo was selected by the TTC, with input from Museum Associates, to serve as the senior managing underwriter, with Montague DeRose and Associates appointed as the municipal advisor for this transaction. Additional firms from the County's pre-qualified Underwriter Pool will be appointed by the TTC to serve as co-managers prior to the sale date of the 2020 Series A Bonds. Hawkins Delafield & Wood was selected by County Counsel to serve as bond counsel and disclosure counsel.

ENVIRONMENTAL DOCUMENTATION

On April 9, 2019, the Board certified the Final EIR for the LACMA Building for the Permanent Collection (SCH No. 2016081014) pursuant to the California Environmental Quality Act (CEQA); adopted a Mitigation Monitoring and Reporting Program (MMRP), CEQA Findings of Fact, and a Statement of Overriding Considerations; and approved the LACMA project. The Final EIR analyzed the environmental impacts of demolishing the then-existing buildings on the LACMA campus and constructing the new museum building. The construction that would be financed by the 2020 Series A Bonds was, therefore, fully evaluated in the previously-certified Final EIR, and there have been no changes to the approved project or its circumstances that would result in any new

significant effects not discussed in the Final EIR or any significant environmental effects that would be more severe than shown in the Final EIR. Therefore, pursuant to Public Resources Code section 21166 and CEQA Guidelines section 15162, no further environmental documentation is required. The previously adopted CEQA Findings of Fact, Statement of Overriding Consideration and MMRP continue to apply to the current action.

On May 13, 2019, a lawsuit was filed in Los Angeles Superior Court challenging the Board's April 9, 2019, project approval on CEQA grounds. A hearing on the merits of lawsuit is currently scheduled for November 12, 2020. The existence of the lawsuit does not impact the Board's ability to proceed with issuing or selling the 2020 Series A Bonds.

Upon the Board's approval of the recommended actions, the County will file a Notice of Determination with the Registrar-Recorder/County Clerk in accordance with Section 21152(a) of the California Public Resources Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no direct impact on current services or projects in connection with the issuance of the 2020 Series A Bonds. The redemption of \$125 million of outstanding commercial paper notes issued to finance the County's contribution to the LACMA Project will free up capacity in the Note Program to finance other capital construction projects.

CONCLUSION

Upon approval of the attached Resolutions, it is requested that the Executive Officer of the Board return two originally executed copies to the Public Finance Office of the TTC.

Respectfully submitted,

KEITH KNOX
Treasurer and Tax Collector

Attachments

- c: Acting Chief Executive Officer
 Executive Officer, Board of Supervisors
 Auditor-Controller
 County Counsel

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	9/30/2020			
BOARD MEETING	10/13/2020			
DELEGATED AUTHORITY BOARD LETTER	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
SUPERVISORIAL DISTRICT AFFECTED	1 st			
DEPARTMENT	Department of Public Social Services (DPSS)			
SUBJECT	Approve a proposed lease for the continued use of 31,400 square feet of office space, 123 on-site parking spaces and 52 off-site parking spaces at 5460 Bandini Avenue, Bell.			
PROGRAM	Region VI Greater Avenue for Independence office (GAIN)			
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:			
DEADLINES/ TIME CONSTRAINTS	Existing lease is currently on a month-to-month holdover basis since January 2017 without penalty.			
COST & FUNDING	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;"> Total cost: The estimated total lease costs over the 8-year term is \$7,553,00 including projected electrical and parking costs. </td> <td style="width: 50%;"> Funding source: 82.88 percent subvended through State and Federal funds and 17.12 percent net County cost. </td> </tr> </table>		Total cost: The estimated total lease costs over the 8-year term is \$7,553,00 including projected electrical and parking costs.	Funding source: 82.88 percent subvended through State and Federal funds and 17.12 percent net County cost.
Total cost: The estimated total lease costs over the 8-year term is \$7,553,00 including projected electrical and parking costs.	Funding source: 82.88 percent subvended through State and Federal funds and 17.12 percent net County cost.			
	TERMS (if applicable): The base rent is subject to annual 3 percent increases and the off-site parking rent is potentially subject to increases capped at 3 percent per annum.			
	Explanation: Sufficient funding to cover the proposed rent, for the first year of the proposed lease term is included in the Fiscal Year (FY) 2020-21 Rent Expense budget and will be billed back to DPSS. DPSS has sufficient funding in its FY 2020-21 operating budget to cover the proposed rent, parking, and utility costs for the first year. Beginning in FY 2021-22, ongoing funding for costs associated with the proposed lease will be part of the budget for DPSS.			
PURPOSE OF REQUEST	Approval of the recommended actions will authorize and adequately provide the necessary office space for DPSS.			
BACKGROUND (include internal/external issues that may exist)	The proposed lease will provide DPSS the continued use of 31,400 square feet of office space, 123 on-site parking spaces and for 52 off-site parking spaces for the DPSS's Gain office.			
DEPARTMENTAL AND OTHER CONTACTS	Michael Navarro CEO- Real Estate Division 213-974-4364 Mnavarro@ceo.lacounty.gov			



County of Los Angeles **CHIEF EXECUTIVE OFFICE**

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

FESIA A. DAVENPORT
Acting Chief Executive Officer

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

October 13, 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 LEASE
DEPARTMENT OF PUBLIC SOCIAL SERVICES
5460 BANDINI BOULEVARD, BELL
(FIRST DISTRICT)
(3 VOTES)**

SUBJECT

Approval of a proposed eight-year lease to replace an existing lease to provide the Department of Public Social Services (DPSS) continued use of 31,400 square feet of office space, 123 on-site parking spaces, and 52 off-site parking spaces for DPSS' Region VI Greater Avenue for Independence office.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease is exempt from the California Environmental Quality Act (CEQA), for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Acting Chief Executive Officer, or her designee, to execute the proposed lease with United Siblings, LLC (Landlord), for approximately 31,400 square feet of office space, 123 on-site parking spaces, and 52 off-site parking spaces located at 5460 Bandini Boulevard, Bell for the continued occupancy by the Department of Public Social Services. The estimated maximum first year rental cost payable to the Landlord is \$777,384, plus estimated utility cost of \$80,000, for a total of approximately \$857,384 over the first year. The estimated total lease cost is \$7,553,000 over the eight-year term. The rental costs are 82.88 percent subvented through State and Federal funds and 17.12 percent net County cost.

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

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The DPSS Region VI Greater Avenue for Independence office (GAIN) has occupied the subject facility since 1989. The existing lease is currently on a month-to-month holdover basis without penalty since January 2017. The office is occupied by 199 employees including 13 co-located staff from other departments providing services to clients, and one security guard.

The proposed lease will allow DPSS to continue to provide services to residents in the East Los Angeles and adjacent communities. GAIN is a direct service program providing employment related services to CalWORKs participants. An average of 100 clients visit the existing GAIN office daily.

The existing facility is centrally located within DPSS' service area and in close proximity to public transportation. Relocation to a new building would require costly improvements.

Approval of the recommended actions will find that the proposed lease is exempt from CEQA and will allow DPSS to operate at the subject facility.

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 societal challenges – one person at a time. The proposed lease supports this goal with the continual occupancy of an existing, centrally located facility, that provides services and information to residents.

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

FISCAL IMPACT/FINANCING

Sufficient funding to cover the proposed rent for the first year of the proposed lease term is included in the Fiscal Year (FY) 2020-21 Rent Expense budget, and will be billed back to DPSS. DPSS has sufficient funding in its FY 2020-21 operating budget to cover the proposed rent, parking, and utility costs for the first year. Beginning in FY 2021-22, ongoing funding for costs associated with the proposed lease will be part of the budget for DPSS. The rental costs are 82.88 percent subvented through State and Federal funds and 17.12 percent net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

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

- Base rent is subject to 3 percent annual increases.
- The current base rent will increase upon commencement of the extended term from \$731,826 to \$764,904 per annum.
- The Landlord will perform tenant improvements at its sole cost and expense, which include but are not limited to new window coverings, new flooring and counters at the restrooms, employee break room and lobby, electrical repairs throughout the premises, new LED lighting at the parking lot, and other improvements further described in the lease.
- The Landlord is responsible for the operating and maintenance costs of the building, and the County is responsible for electrical costs. The County is not subject to the building's operating expense and property tax increases.
- The 123 on-site parking spaces are included in the rent.
- Increases to the initial \$12,480 rental cost of the 52 off-site parking spaces, if any, are capped at 3 percent per annum.
- The estimated \$80,000 annual cost of electricity is subject to utility rate increases.
- The aggregate cost associated with the proposed lease over the entire eight-year term is \$7,553,000 as shown on Attachment B.
- The County has the right to terminate the proposed lease at any time after the 84th month of the eight-year term, with 180 days' written notice.

- Holdover at the expiration of the proposed lease is permitted on the same lease terms and conditions except the monthly base rent during the holdover period will be at the base rent at the time of the lease expiration subject to all of the terms, covenants, and conditions of the lease including annual increases to the base rent and off-site parking rent payable under the lease terms.
- The proposed lease will be effective upon approval by the Board and full execution of the proposed lease.

The Chief Executive Office (CEO), conducted a market search of available office space for lease but was unable to identify any sites that could accommodate this requirement more economically. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$25.20 and \$27.84 per square foot per year. The base annual rental rate of \$26.91 per square foot per year for the proposed lease represents a rate that is within the market range for the area. Due to the tenant improvements needed should DPSS relocate to a new space, remaining in the proposed space is the most cost-effective choice. We recommend the proposed facility as the most suitable to meet the County's space requirements.

We have spoken with co-working office space companies about long-term leases and they have informed us that their co-working office space is not suited for long-term occupancy since it is not financially viable in comparison to the rental costs of traditional long-term office space.

Attachment C shows County-owned or leased facilities within the surveyed area, and there are no suitable County-owned or leased facilities available for this space requirement.

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

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

ENVIRONMENTAL DOCUMENTATION

This project is exempt from the California Environmental Quality Act (CEQA), as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, and Section 15301 of the State CEQA Guidelines (Existing Facilities). The proposed lease, which involves the leasing of existing office space with minor tenant improvements within an existing building, with no expansion of the 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 will continue to adequately provide the necessary office space for this County requirement. DPSS concurs with the proposed lease and recommendations.

The Honorable Board of Supervisors
October 13, 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 West Temple Street, 7th Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

FESIA A. DAVENPORT
Acting Chief Executive Officer

FAD:JMN:DPH:DL
JLC:MN:MAC:gw

Enclosures

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

DEPARTMENT OF PUBLIC SOCIAL SERVICES
5460 BANDINI BOULEVARD, BELL
Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A	
	A	Does lease consolidate administrative functions? ²			X	
	B	Does lease co-locate with other functions to better serve clients? ²	X			
	C	Does this lease centralize business support functions? ²			X	
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ² 182 sf per person due to the availability of existing space and increase in employees.		X		
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ² Yes, it exceeds the requirement at 5.57/1000 including the supplemental parking.	X			
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ²	X			
2.	<u>Capital</u>					
	A	Is it a substantial net County cost (NCC) program?		X		
	B	Is this a long-term County program?	X			
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X		
	D	If no, are there any suitable County-owned facilities available?		X		
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X	
	F	Is Building Description Report attached as Attachment C?	X			
	G	Was build-to-suit or capital project considered? ²		X		
3.	<u>Portfolio Management</u>					
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X			
	B	Was the space need justified?	X			
	C	If a renewal lease, was co-location with other County departments considered?	X			
	D	Why was this program not co-located?				
		1. ____ The program clientele requires a "stand alone" facility.				
		2. ____ No suitable County occupied properties in project area.				
		3. ____ No County-owned facilities available for the project.				
		4. ____ Could not get City clearance or approval.				
	D	5. ____ The Program is being co-located.				
		E	Is lease a full-service lease? ² The lease is a modified modified-gross lease. The Landlord is responsible for all operating costs except electricity which is separately metered and paid directly by the County.		X	
		F	Has growth projection been considered in space request?	X		
		G	¹ Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As approved by the Board of Supervisors 11/17/98						
² If not, why not?						

COMPARISON OF THE PROPOSED LEASE TO EXISTING LEASE

	Existing Lease: 5460 Bandini Boulevard, Bell	Proposed Lease 5460 Bandini Boulevard, Bell	Change
Area (Square Feet)	31,400 sq. ft.	31,400 sq. ft.	None
Term (years)	Eight years	Eight years	None
Annual Base Rent (Base rent includes 123 parking spaces)	Base Rent \$731,826 (\$23.31 per sq. ft. annually)	Total \$764,904 (\$24.36 per sq. ft. annually)	+\$33,078 annually
Annual Off-site Parking Costs	\$12,480 (\$240 per space for 52 parking spaces)	\$12,480 (\$240 per space for 52 parking spaces)	None
Total Annual Lease Costs payable to Landlord	\$744,306	\$777,384	+\$33,078 annually
Estimated Annual Electrical Costs	\$80,000	\$80,000	None
Base Rent rental rate adjustment	Annual CPI adjustments not to exceed 3 percent per annum with no minimum	Fixed 3 percent per annum.	None
Off-site Parking rental rate adjustments	None	Capped at 3 percent per annum if any.	+3 percent

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

5460 Bandini Boulevard
Department of Public Social Services

Leased Area	31,400	
Term	96 months/8 years	
Annual Adjustment	3%	
	Base Rent Per RSF	Base Rent Per RSF
Description	Per Month (\$)	Per Year (\$)
	\$2.03	\$24.36
	Parking Spaces	Rate Per Space
Additional Parking	52	\$20.00
Utilities	Estimated Cost Per Year	
	\$80,000	

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	Total 8 Year Rental Costs
Annual Base Rent Costs ¹	764,904	787,852	811,487	835,832	860,907	886,734	913,336	940,736	6,802,000
Annual Parking Costs ²	12,480	12,854	13,240	13,637	14,046	14,468	14,902	15,349	111,000
Estimated Utilities Costs ³	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	640,000
Total Estimated Annual Lease Costs ⁴	777,384	800,706	824,727	849,469	874,953	901,202	928,238	956,085	6,913,000
Total Estimated Annual Costs	857,384	880,706	904,727	929,469	954,953	981,202	1,008,238	1,036,085	7,553,000

¹ The base rent includes 3 percent (3%) annual increases.

² The annual parking costs includes an additional 52 parking spaces at \$20 per parking space per month. Increases to the initial \$12,480 rental cost of the 52 off-site parking spaces if any, are capped at 3 percent per annum.

³ This amount is based on the average of the last three year costs.

⁴ Total includes base rent and parking costs.

***The above-referenced rent of \$24.36, modified gross, has a full service gross equivalent rate of \$26.91, which is consistent with market comps.**

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

DEPARTMENT OF PUBLIC SOCIAL SERVICES

SPACE SEARCH – 5 MILE RADIUS FROM
5460 BANDINI BOULEVARD, BELL

LACO	Facility Name	Address	Ownership	Gross SQFT	Net SQFT	Vacant SQFT
3709	HUNTINGTON PARK COURTHOUSE	6548 MILES AVE, HUNTINGTON PARK 90255	OWNED	29,295	16,325	NONE
5466	PUBLIC LIBRARY-HUNTINGTON PARK LIBRARY	6518 MILES AVE, HUNTINGTON PARK 90255	OWNED	33,482	24,243	NONE
T409	HUNTINGTON PARK COURTHOUSE ANNEX	6548 MILES AVE, HUNTINGTON PARK 90255	OWNED	4,480	4,000	NONE
D030	PUBLIC LIBRARY-MAYWOOD CESAR CHAVEZ LIBRARY	4323 E SLAUSON AVE, MAYWOOD 90270	OWNED	3,362	2,881	NONE
A190	PUBLIC LIBRARY-BELL LIBRARY	4411 E GAGE AVE, BELL 90201	OWNED	4,863	3,515	NONE
4465	DF KIRBY CENTER-ADMINISTRATION BUILDING	1500 S MCDONNELL AVE, COMMERCE 90022	OWNED	18,169	10,117	NONE
B059	DISTRICT ATTORNEY-AUTO INSURANCE FRAUD UNIT	5901 E SLAUSON AVE, COMMERCE 90040	OWNED	6,840	6,500	NONE
Y460	DPSS-CUDAHY A/P DISTRICT OFFICE	8130 S ATLANTIC AVE, CUDAHY 90201	OWNED	30,873	24,212	NONE
A680	PUBLIC LIBRARY-CUDAHY LIBRARY	5218 SANTA ANA ST, CUDAHY 90201	OWNED	4,396	3,332	NONE
5934	PUBLIC LIBRARY-LELAND R WEAVER LIBRARY	4036 TWEEY BLVD, SOUTH GATE 90280	OWNED	19,461	16,955	NONE
F322	PW FLOOD-IMPERIAL YARD OFFICE	5525 E IMPERIAL HWY, SOUTH GATE 90280	OWNED	1,440	1,296	NONE
F325	PW FLOOD-IMPERIAL YARD OFFICE	5525 E IMPERIAL HWY, SOUTH GATE 90280	OWNED	2,600	2,340	NONE
F326	PW FLOOD-IMPERIAL YARD OFFICE	5525 E IMPERIAL HWY, SOUTH GATE 90280	OWNED	800	720	NONE
T405	AG COMM/WTs MEAS-SOUTH GATE R.I.F.A. TRAILER	5525 E IMPERIAL HWY, SOUTH GATE 90280	OWNED	504	461	NONE
6467	AG COMM/WTs MEAS-SOUTH GATE ADMINISTRATION	11012 GARFIELD AVE, SOUTH GATE	OWNED	21,902	15,325	NONE
D980	PUBLIC LIBRARY-HOLLYDALE LIBRARY	12000 GARFIELD AVE, SOUTH GATE 90280	OWNED	4,800	4,440	NONE
A308	PUBLIC LIBRARY-BELL GARDENS LIBRARY	7110 GARFIELD AVE, BELL GARDENS 90201	OWNED	5,000	4,213	NONE

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Lease for the Department of Public Social Services – 5460 Bandini Boulevard, Bell – First District

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

B. Determination of the Service Area – The existing office space has been occupied since 1989. The proposed extended term will provide DPSS the continued use of 31,400 square feet of office space, 123 on-site parking spaces and 52 off-site parking spaces for DPSS's GAIN program.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population:
- Need for proximity to existing County facilities: N/A
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services, i.e. MTA bus lines.
- Availability of affordable housing for County employees: N/A
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: None available that meet the departments programmatic office space needs.
- Compatibility with local land use plans: The City of Bell 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 initial annual \$764,904 base rent, including onsite parking, the \$12,480 off-site parking costs for 52 parking spaces and the estimated \$80,000 annual electrical cost, total approximately \$857,384 over the first year of the lease.

D. Analyze results and identify location alternatives

The Chief Executive Office (CEO), conducted a market search of available office space for lease but was unable to identify any sites that could accommodate this requirement more economically. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$25.20 and \$27.84 per square foot per year. The base annual rental rate of \$26.91 per square foot per year for the proposed lease represents a rate that is within the market range for the area. Due to the tenant improvements needed should the Department relocate to a new space, remaining in the proposed space is the most cost-effective choice. We recommend the proposed facility as the most suitable to meet the County's space requirements.

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

The proposed lease will provide adequate and efficient office space for DPSS employees and clients consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012. There are no available buildings in the area that meet Department requirements.

COUNTY OF LOS ANGELES

LEASE AGREEMENT

**DEPARTMENT OF SOCIAL SERVICES
TENANT DEPARTMENT**

UNITED SIBLINGS LLC – Landlord

**5460 BANDINI BOULEVARD
BELL, CA**

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

THIS LEASE ("Lease") is entered into as of the _____ day of _____, 2020 between the lessor, UNITED SIBLINGS LLC, a California limited liability company ("Landlord"), and the lessee, COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant").

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: United Siblings LLC
Dena Schechter
9460 Wilshire Boulevard, Suite 300
Beverly Hills, California 90212
Tel: 310-274-5291
Email: d-online@pacbell.net
- b. Tenant's Address for Notice: Board of Supervisors
Kenneth Hahn Hall of Administration
Room 383
500 West Temple Street
Los Angeles, California 90012

With a copy to:

Chief Executive Office
Real Estate Division
320 West Temple Street, 7th Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Fax Number: (213) 830-0926

- c. Premises: Approximately 31,400 rentable square feet in the Building (defined below) as legally described on Exhibit B attached hereto.
- d. Building: The Building located at:
5460 Bandini Boulevard
Bell, CA

It is currently assessed by the County Assessor as APN 6322-002-028 (the "Property")

- e. Term: Eight years ("Initial Term") commencing upon the full execution of the lease (the "Commencement Date"); and terminating at midnight on the day before the eighth anniversary of the Commencement Date (the "Termination Date"). 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 all in accordance with the Tenant's Acceptance of the Premises as defined in Section 4.1
- f. Projected Commencement Date: September 8, 2020
- g. Irrevocable Offer Expiration Date: September 8, 2020
- h. Base Rent: \$63,742 per month (which is based upon a rental rate of two-dollars and three cents (\$2.03) per square foot (adjustable only as provided in Section 2.2 and Section 5.2 hereof.) plus \$1,040 per month for an additional 52 offsite parking spaces, making the total base rent \$64,782 per month.
- i. Early Termination of Initial Term by Tenant: The Tenant may terminate the Initial Term of the Lease at any time after the 84th month by giving the Landlord 180 days advance written notice. (see section 4.4)
- j. Rentable Square Feet in the Premises: 31,400
- k. Use: The Premises together with all appurtenances belonging to, or in any ways appertaining, shall be used as governmental office space or for other government purposes during Normal Working Hours, after Normal Working Hours, and on weekends and holidays.
- l. Initial Departmental Use: Department of Public Social Services
- m. Parking Spaces: 123 onsite spaces plus 52 offsite spaces totaling 175 spaces.
- n. Normal Working Hours: Monday to Friday 6 am to 7 pm and Saturdays 9 am to 2 pm.

o. Asbestos Report: A report dated July 13, 2006 prepared by Professional Service Industries, Inc, a licensed California asbestos contractor.

p. Disabled Access Survey: To follow.

q. Seismic Report: January 8, 2009

1.2. Defined Terms Relating to Landlord's Work Letter: Intentionally Omitted

1.3. Exhibits to Lease: Exhibit A - Improvements
Exhibit B - Legal Descriptions.
(Executed concurrently with this Lease and incorporated herein by this reference): Exhibit C - Intentionally Omitted
Exhibit D - HVAC Standards
Exhibit E - Cleaning and Maintenance Schedule
Exhibit F - Grant Of Parking Easement

1.4. Landlord's Work Letter: Intentionally Omitted

1.5. Supplemental Lease Documents: Document I: Subordination, Non-Disturbance and Attornment Agreement
(Delivered to Landlord and incorporated herein by this reference): Document II: Tenant Estoppel Certificate
Document III: Community Business Enterprises Form
Document IV: Memorandum of Lease
Document V: Request for Notice

2. PREMISES

2.1. Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and within a portion of the property legally described in Exhibit B attached hereto.

2.2. Unless Tenant is already in possession of the Premises, Tenant shall have the right within 90 days of approval of this Lease by the Chief Executive Office or the Board of Supervisors of the County of Los Angeles ("Board of Supervisors") to field-measure and verify the exact footage of the Premises and/or the Building All measurements shall be taken in accordance with the methods of measuring rentable/gross and usable (net) area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996, as promulgated by the Building Owners and Management Association ("BOMA") International except that no penthouse mechanical room space shall be included in the measurement. Should this measurement be less than the square footage stated above, Tenant shall have the right to adjust such square footage and reduce the Base Rent in Section 1 accomplished by the mutual execution of a memorandum of understanding between the Landlord and the Tenant. Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no adjustment made to either the square footage or the Base Rent in the event the measured square footage exceeds the amount represented by Landlord. Should Landlord and Tenant not agree with respect to the results of the measurement conducted pursuant to this Subsection 2.2, Landlord shall appoint an independent firm or person

who is experienced in making such measurements whose determination with respect to which measurement is correct shall be final and binding upon the parties. Landlord and Tenant shall share equally in the fees of such firm.

3. COMMON AREAS

Tenant may use the following areas ("Common Areas") in common with Landlord and other tenants of the Building: the entrances, lobbies, elevators, 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 upon the full execution of the lease agreement and terminate on the Termination Date. Within 30 days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached as Exhibit C.

4.2. Termination Right

If the tenant improvements are not Substantially Complete, subject to Force Majeure delays as provided in Section 24 below, within 180 days of the Commencement Date, Tenant may thereafter, terminate this Lease effective upon the giving of written notice to Landlord and the parties shall have no further rights or obligations to one another hereunder. The term "Substantially Complete" as used in this Lease shall mean Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with Section 24 and Exhibit A of this lease (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises.

4.3. Early Possession

Tenant is currently in possession and will continue said possession.

4.4. Early Termination of Initial Term

The Tenant, but not the Landlord, may elect to terminate the Initial Term prior to the Termination Date by providing at least 180 days written notice to the Landlord, so long as the Tenant gives such written notice at any time after the 78th month of the Initial Term.

5. RENT

5.1. Base Rent

The first full calendar month's rent shall be due and payable within 30 days of the Commencement Date in the total amount shown in Section 1 hereof. A monthly installment in the same amount, subject to the adjustments due as described in the terms of this Lease, shall be

due and payable without demand on the first day of each calendar month and receivable within fifteen days of each month. Any fractional calendar month at the commencement or end of the Term shall be prorated on a daily basis.

\$63,742 schedule for the first twelve (12) months of the Term is as follows:

Months 1-12: ~~\$63,742.26~~ per month plus \$1,040 per month for 52 offsite parking spaces.

5.2. Rental Rate Adjustments

Annual Base Rent Increases. On the first anniversary of every annual anniversary date of the Commencement Date, the monthly Base Rent exclusive of parking rent will increase as follows (parking rent increases shall be subject to Section 21.1):

Second Year of Term	\$65,654.26
Third Year of Term	\$67,623.89
Fourth Year of Term	\$69,652.60
Fifth Year of Term	\$71,742.18
Sixth Year of Term	\$73,894.45
Seventh Year of Term	\$76,111.28
Eighth Year of Term	\$78,394.62

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 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 90 days written notice from Landlord or 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 this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. COMPLIANCE WITH LAW

Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon

Tenant or Landlord during the term hereof, including without limitation, the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises. Notwithstanding the foregoing, and unless Tenant is already in possession of the premises, Landlord will be provided an ADA report and Landlord hereby agrees to remediate the ADA deficiencies, if any, outlined in said report at its sole cost and expense.

9. DAMAGE OR DESTRUCTION

9.1. Damage

In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made 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 fifteen 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 proportionally to the extent that the Premises are unusable by Tenant until such time repair and restoration is completed. 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

In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days for any reason, subject to Force Majeure (as defined below in Section 24), then Tenant may terminate this Lease by giving written notice within ten days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became unusable. In the event Tenant, does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided 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, either Landlord or Tenant may terminate this Lease by giving notice to the other not more than 30 days after such destruction, in which case:

- a. Landlord shall have no obligation to restore the Premises;

- b. Landlord may retain all insurance proceeds relating to such destruction, and;
- c. This Lease shall terminate as of the date which is 30 days after such written notice of termination.

9.4. Default by Landlord

If Landlord is required to repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Tenant may, after providing Landlord with all appropriate and required notice as provided herein:

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

10. REPAIRS AND MAINTENANCE

10.1. Landlord Representations

Landlord represents as of the effective date of this Agreement to Tenant that:

- a. 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 reasonable good working order and condition;
- b. The Building and Premises comply with all covenants, conditions, restrictions and insurance underwriter's requirement; and
- c. The Premises, Building and Common Areas are free of the presence of Hazardous Materials (as hereinafter defined) and
- d. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation.
- e. Based upon a professional inspection of the Premises and the Building and the Asbestos Report that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Asbestos Report), Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos containing materials to the extent required by law and provide Tenant with an updated report from a licensed California Asbestos contractor to that effect unless Tenant is already in possession.
- f. 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.

g. 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 10.1.

10.2. Landlord Obligations

a. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed.

i. the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, foundations, roof, concealed plumbing, stairways, concealed electrical systems and telephone intra-building network cable;

ii. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Building

- iii. the Common Areas;
- iv. exterior windows of the Building;
- 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, or replacements of:

- i. the floor covering subject to subsection 10.2(c) (if such floor covering is carpeting it shall be replaced as needed, but not less often than after five years of use);
- ii. interior partitions;
- iii. doors, door frames and hardware;
- iv. the interior side of demising walls subject to subsection 10.2(c) (which shall be repainted as needed, but not less often than every five years;
- v. signage;
- vi. emergency exit signage and egress battery replacement; and
- vii. light fixtures, bulbs, tubes and ballasts.

c. After the 60th month of the initial Term, Tenant may relinquish its Early Termination option as set forth in Sections 1.1 and 4.4 in exchange for the Landlord's installation of new paint and carpet at the Landlord's sole expense pursuant to the finishes specified by the Tenant. In the event Tenant does not desire to have new paint and carpet, then the Early Termination option for the initial Term shall not be relinquished and shall remain available to the Tenant. Should Tenant desire to waive its Early Termination right in exchange for new carpet and paint, Tenant shall notify Landlord of its election by giving Landlord written notice executed by the Chief Executive Officer of Tenant, or her designee, on or before the 59th month of the initial Term. Nothing contained herein shall relieve the Landlord's duty to provide repairs to the floor covering and touch-up paint as needed throughout the initial Term and option terms, if any. Furthermore, the Landlord shall at all times be responsible for the replacement of matching carpet tiles when they are not cleanable or visibly worn.

10.3. Tenant Obligations

Without limiting Landlord's repair and maintenance obligations, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees or visitors and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall:

a. be made and performed by contractors or mechanics approved by Tenant, which consent shall not be unreasonably withheld or delayed,

b. be at least equal in quality, value and utility to the original work or installation, and

c. be in accordance with all applicable 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 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 fifteen days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten days, Tenant shall be entitled to deduct from Base Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

b. Tenant at its sole option, acting through the CEO, may request the Landlord to perform, supply and administer any repairs, replacement, or services that are the responsibility of the Tenant and reimburse Landlord for such costs.

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. In addition, if applicable, Landlord shall furnish HVAC at all times (i.e., twenty-four (24) hours per day, seven (7) days per week, three hundred sixty-five (365) days per year) to any mechanical rooms housing Tenant's computer servers and related equipment.

b. Electricity

Landlord shall furnish to the Premises the amount of electric current provided for in the Working Drawings (if applicable) but in any event not less than seven watts of electric current (connected load) per square foot of Rentable/gross 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. Tenant shall be responsible for the cost of the electricity consumed provided that there is a separate meter for the Premises exclusively occupied by the tenant, which shall be installed at the sole cost of Landlord.

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 and Sewer

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. Landlord shall be financially responsible for the water consumed within the Premises, landscaping, and all other water needs along with any associated sewer charges.

e. Janitorial

Landlord at its sole cost and expense shall provide janitorial service on five nights per week 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 day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building. If required, Landlord shall provide access cards or fobs to all Tenant employees for Building entry, elevators, and/or floor access, at Landlord's sole cost and expense.

g. Pest Control

Landlord at its sole cost and expense shall provide pest control services to the premises per the specifications set forth in Exhibit E attached hereto.

h. Refuse

Landlord is responsible for all refuse disposal and all associated costs related thereto.

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, gas, and common area power and lighting, power charges associated with the electric gate, and other utility rents and charges accruing or payable in connection with 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. Notwithstanding the above, Tenant agrees to pay, when due, all charges for the consumption of electricity in connection with the Premises during the term of this Lease or renewal, extension, or holdover thereof, provided the utilities are measured by a separate meter, which shall be installed at the sole cost of the Landlord. 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.

11.3. After-hours HVAC

Tenant acknowledges that the HVAC is controlled within the unit and available at all hours every day of the week, including weekends and holidays. There are no additional charges for after-hours HVAC usage as the Tenant is responsible for electric utility charges within the Premises exclusively occupied by the Tenant.

12. TAXES

Landlord, at its sole cost, shall pay, prior to delinquency, all real property taxes, assessments and special assessments which may be levied or assessed against the Premises or 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 installments of rent next due as a charge against the Landlord

13. LANDLORD ACCESS

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

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 if 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 30 days after written notice from Landlord specifying in detail the nature of the default; provided, however, if more than 30 days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

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.

15. LANDLORD DEFAULT

15.1. Remedies

In addition to the provisions for Landlord's default provided by Sections 9.4, 10.4, 19 and 21.2, 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 ten 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 ten 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 attorney' 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; and/or to terminate this Lease.

15.2. Waiver

Nothing herein contained shall relieve Landlord from its duty to affect 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 without notice where the failure promptly to cure such default would reasonably create or allow to persist an emergency condition or materially and adversely affect the operation of Tenant's business in

the Premises. In such case, Tenant may perform the necessary work through its Internal Services Department and deduct the cost of said work from the Base Rent next due.

16. ASSIGNMENT AND SUBLETTING

16.1. Assignment and Subletting

Tenant may 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: provided, however, 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 consent shall not be unreasonably withheld.

16.2. Sale

If Landlord sells or conveys the Property, then all liabilities and obligations of Landlord accruing under this Lease after the sale or conveyance shall be binding upon the new owner, and the transferor 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 Property, 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 Property (e.g., a recorded deed), or a letter from the transferor confirming that the Property 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
 - 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.

Notwithstanding the foregoing, Landlord's consent shall not be required for any Tenant Alteration that does not exceed a cost of \$5,000 and further satisfies all of the following criteria:

- a. complies with all applicable 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; and does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building.

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

17.2. End of Term

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

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 30 days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than 30 days nor later than 90 days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not

so notify Landlord within 30 days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated.

18.4. Restoration

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

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

The landlord shall indemnify, defend and hold harmless the Tenant from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including reasonable attorney and expert witness fees), arising from or connected with the Landlord's, its employee's, agents', or contractors' repair, maintenance and other acts and omissions arising from and/or relating to the Landlord's ownership of the Premises.

19.2. Tenant's Indemnity

The Tenant shall indemnify, defend and hold harmless the Landlord, from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including reasonable attorney and expert witness fees), arising from or connected with the Tenant's repair, maintenance and other acts and omissions arising from and/or relating to the Tenant's use of the Premises.

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 – LESSOR 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 Tenant and its Agents (defined below) has given Insured status under the Landlord's General Liability policy, shall be delivered to Tenant at the address shown below and provided prior to the start day 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 at any time.

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.

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:

Chief Executive Office
Real Estate Division
320 West Temple Street, 7th Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Fax Number: (213) 830-0926

Landlord also shall promptly notify Tenant of any third-party claim or suit filed against Landlord which arises from or relates to this Lease, and could result in the filing of a claim or lawsuit against Landlord and/or Tenant.

b. Additional Insured Status and Scope of Coverage

The Tenant, which is the County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively Tenant and its Agents), shall be provided additional insured status under Landlord's General Liability policy with respect to liability arising from or connected with the Landlord's acts, errors, and omissions arising from and/or relating to the Tenant's operations on and/or its ownership of the premises. Tenant's additional insured status shall apply with respect to liability and defense of suits arising out of the Landlord's acts or omissions. 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 herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions 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 may constitute a material breach of the Lease, in the sole discretion of the Tenant, upon which the Tenant may suspend or terminate this Lease, unless the Landlord provides written certificates of full coverage within the ten (10) days notice of cancellation.

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, upon which County immediately may withhold payments due to Landlord, and/or suspend or terminate this Lease. County, at its sole discretion, may obtain damages from Landlord resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Landlord, deduct the premium cost from sums due to Landlord or pursue Landlord reimbursement.

e. Insurer Financial Ratings

Insurance is to be provided by an insurance company authorized to do business in California and acceptable to the Tenant, with an A.M. Best rating of not less than AVII, 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 Tenant coverage.

g. Waiver of Subrogation

To the fullest extent permitted by law, the Landlord hereby waives its and its insurer(s) rights of recovery against Tenant under all required insurance policies for any loss

arising from or related to this Lease. The Landlord shall require its 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 Tenant deductible of 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. Applications of Excess Liability Coverage

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

k. Separation of Insureds

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

l. Tenant Review and Approval of Insurance Requirements

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.

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

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:	\$ 5 million
Products/Completed Operations Aggregate:	\$ 5 million
Personal and Advertising Injury:	\$ 2 million
Each Occurrence:	\$ 2 million

b. Landlord Requirements:

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

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:	\$ 5 million
Products/Completed Operations Aggregate:	\$ 5 million
Personal and Advertising Injury:	\$ 2 million
Each Occurrence:	\$ 2 million

ii. Commercial Property Insurance. Such insurance shall:

- Provide coverage for any improvements and betterments; 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.

- 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 Tenant and Landlord as their interests may appear.

20.4. Waiver of Subrogation

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

21. PARKING

21.1. Tenant's Rights

Tenant shall have the right to 123 parking stalls set forth in Section 1 without charge for the Term of this Lease. Said parking shall be located at the site of the Premises. No tandem parking shall be permitted 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 from time to time, provided that such procedures shall be uniformly applied to all Tenants. In addition, Tenant shall be provided an additional 52 offsite parking spaces for \$1,040 per month located at 4900 Eastern Avenue in the city of Commerce, CA as provided in the Grant Of Parking Easement, recorded as instrument number 99 2314407 attached hereto and marked as Exhibit F. Said parking cost shall be fixed for the remainder of this Lease and any extensions thereto excepting the event of an adjustment in accordance with the Grant Of Parking Easement. Should there be a parking rental rate adjustment, the increase payable by the Tenant shall be limited to a 3% per annum maximum adjustment. The Landlord shall pay any difference above the 3% cap until such time as the annual capped rate reaches the adjusted actual parking rate.

21.2. Remedies

Landlord acknowledges that it is a material term of this Lease that Tenant receive 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, due to the fault of the Landlord, (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation) Tenant may:

a. terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective 30 days thereafter or

b. Deduct from Base Rent thereafter accruing hereunder an amount each month equal to \$75 per parking space.

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

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, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials other than caused by Tenant. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this

Lease concerning the presence of Hazardous Materials in the Building or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

23. ESTOPPEL CERTIFICATES

Tenant shall, within 30 business days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Document II attached hereto in the Supplemental Lease Documents delivered to Landlord concurrently herewith (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. PERFORMANCE. TENANT IMPROVEMENTS

Landlord, within thirty (30) days after receipt of a duly executed copy of this Lease, shall commence, at its sole cost and expense, the tenant improvements as described below which shall include, but shall not be limited to, touch up paint as needed, new window treatments, and all other improvements stated in Exhibit A ("Improvements"), all to the satisfaction of Tenant, not to be unreasonably withheld. Landlord 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 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.

Landlord shall complete the Improvements to the Premises work within a reasonable period of time, no later than 180 days ("Completion Deadline") after the Commencement Date.

The Completion Deadline shall be delayed on a one-to-one basis for each day Landlord's Improvements is delayed by the following events ("Force Majeure"):

1. Change orders requested by Tenant or of any employees or agents of Tenant, or
2. Any Act of God which Landlord could not have reasonably foreseen and provided for, or
3. Any strikes, boycotts or like obstructive acts by employees or agents of Landlord or labor organizations which Landlord cannot overcome with reasonable effort and could not reasonably have foreseen and provided for, or
4. Any war or declaration of a state of national emergency, or

5. The imposition by government action or authority of restrictions upon the procurement of labor or materials necessary for the completion of the Building and/or Premises.

In the event Landlord should fail, neglect or refuse to commence work on Improvements to Premises as required by this Paragraph 24, or fail, neglect or refuse to pursue Improvements to Premises with reasonable diligence to completion, then Tenant at its sole discretion may perform or cause to be performed said Improvements and deduct the cost thereof from the installments of rent next due as a charge to the Landlord plus ten percent (10%) interest per annum.

The Premises shall meet all applicable City, County, State and Federal building codes, regulations and ordinances required for beneficial occupancy before the Improvements shall be deemed complete. If Tenant's Improvements are not Substantially Complete (as defined in Section 4.2) by the Completion Deadline, Tenant may, at its option:

cancel the Lease upon thirty (30) days written notice to Landlord; or upon thirty (30) days written notice to Landlord, assume the responsibility for providing the Improvements itself.

If Tenant elects to provide the Improvements itself, then:

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

Rent shall be reduced by Tenant's total expense in providing the Improvements, including any financing charges for capital and a reasonable amount for Tenant's administrative costs, and including without limitation interest at the rate of ten percent (10%). The rent reduction schedule shall be as mutually agreed between the parties or, if no such agreement is made, Tenant's total expense shall be fully amortized in equal monthly amounts over the remaining Lease term.

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 Document I, attached hereto in the Supplemental Lease Documents delivered to Landlord concurrently herewith and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included herein.

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 Document I in the Supplemental Lease Documents delivered to Landlord concurrently herewith within 30 days after the execution of this Lease.

26.3. Request for Notice

Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Document V in the Supplemental Lease Documents delivered to Landlord concurrently herewith.

26.4. Notice of Default

If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any Notice of Default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional ten 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).

28. SIGNAGE

Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances. This includes, but is not limited to, signage on the building.

29. QUIET ENJOYMENT

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

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 as 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.

30.4. Entire Agreement

This Lease and Supplemental Lease Documents 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

All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

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) 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 Document III, attached hereto in the Supplemental Lease Documents delivered to Landlord concurrently herewith.

30.12. Memorandum of Lease

If requested by Tenant, Landlord and Tenant shall execute and acknowledge a Memorandum of Lease in the form of Document IV in the Supplemental Lease Documents delivered to Landlord concurrently herewith, which Memorandum may be recorded by Tenant in the Official Records of Los Angeles County.

30.13 Counterparts; Electronic Signatures

This Lease and any other document necessary for the consummation of the transaction contemplated by this Lease may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Lease and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Lease had been delivered had been signed using a handwritten signature. Landlord and Tenant (i) agree that an electronic signature, whether digital or encrypted, of a party to this Lease is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intended to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Lease based on the foregoing forms of signature. If this Lease has been executed by electronic signature, all parties executing this document are expressly consenting under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act

("UETA")(Cal. Civ. Code § 1633.1, et seq.), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

31. AUTHORITY

Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal Board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease, and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Office of the County (the "Chief Executive Office") may take any administrative act on behalf of Tenant hereunder which has 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 with the implication, suggestion or statement that the Landlord's provision of the consideration may secure more favorable treatment for the Landlord in the award of the Lease or that Landlord's failure to provide such consideration may negatively affect the County's consideration of the Landlord's offer to lease. A Landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the Lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County

Manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the Landlord's submission being eliminated from consideration.

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, 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 Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.

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

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, including, but not limited to, preliminary space planning, legal review, and preparation and noticing for presentation to the


Chief Executive Officer, the Board of Supervisor's or Tenant Real Estate Management Commission of Los Angeles County, as applicable, 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.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

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

LANDLORD:

UNITED SIBLINGS, LLC,
a California limited liability company

By: 
Name: Dena Schechter
Its: Member

TENANT:

COUNTY OF LOS ANGELES
a body politic and corporate

Fesia A. Davenport,
Acting Chief Executive Officer

By: _____
David P. Howard
Assistant Chief Executive Officer

ATTEST:

DEAN C. LOGAN
Registrar-Recorder/County Clerk

By: _____
Deputy

APPROVED AS TO FORM

MARY C. WICKHAM
County Counsel

By: 
Deputy County Counsel

EXHIBIT A IMPROVEMENTS

1. General: Unless otherwise agreed, all work that could potentially affect staff and visitors, shall be done after normal business hours and on weekends and holidays

a. Replace 3 drinking fountains

b. Electrical Lighting Repairs

- ☐ Install new electronic ballasts and T-8 5000K lamps in 2225 – 4 lamp fixtures
- ☐ Install new electronic ballasts and T-8 5000K lamps in 85 – 3 lamp fixtures

c. Painting of existing Acoustical Ceiling tiles

- ☐ Paint all acoustical ceiling, including vent openings
- ☐ All adjacent areas to be protected
- ☐ Painting to be accomplished over weekends, holidays, or after normal business hours

d. Painting repairs both floors

- ☐ Main entry lobby
- ☐ Men's and women's restrooms (6)
- ☐ Gender neutral restrooms (2)
- ☐ Large meeting room on east side of 1st floor
- ☐ Back hallway and entry at east side of 1st floor
- ☐ Office #106
- ☐ Walls and columns in open work areas, not adjacent to the work stations
- ☐ Lactation room on the 2nd floor
- ☐ Stairway walls
- ☐ Color to match existing
- ☐ Strip and repaint 2 exterior metal doors
- ☐ All work accomplished on off hours

e. Replace window coverings throughout.

Manual MechoShade Urban Shade with 1600 series (3% open) fabric for all areas except South 2nd floor, which will receive 1100 series (1% open) fabric for better solar protection. Lunchroom to receive the 1600 series.

- A) 1st floor West Cubicle area including one office 25 Manual Mechoshades installed
- B) 1st and 2nd floor lobbies 11 Manual Mechoshades installed
- C) 2nd floor North 29 Manual Mechoshades installed
- D) 2nd floor south, includes 1 office and lunchroom 38 Manual Mechoshades installed

2. Exterior Parking Lot Lighting

Install 11 new LED 300 watt 5000K pole lights on existing poles to replace existing outdated and worn out lights.

3. First Floor

a. Lobby – Replace VCT flooring with new porcelain tile floor – apprx. 1,900sq. ft.

b. Women's Restroom

New ceramic tile at floor and walls - over existing; install ADA compliant threshold, if needed
Remove and replace toilet partitions including privacy strips

Remove and reinstall a new sink countertop with new Formica Brand Solid Surface material or other hard top material at Landlord's sole discretion
Remove and reinstall toilets
Replace lighting and rework fan
Supply and install new mirror
Add kick plate at the base of the entry door

c. Men's Restroom

New ceramic tile at floor and walls - over existing; install ADA compliant threshold, if needed
Remove and reinstall toilet partitions including privacy strips
Remove and replace sink counter with new Formica Brand Solid Surface material or other hard top material at Landlord's sole discretion
Remove and reinstall toilets and urinal
Replace lighting and rework fan
Supply and install new mirror
Add kick plates at the base of the entry door

d. Employee Break room/Lounge

2 - 6' base cabinets with Formica Brand laminate counter or other hard top material at Landlord's sole discretion.
1 - 6' upper wall case cabinet
New microwave (1)
New LVT floor in simulated wood
New sink/ faucet/ disposal

e. Conference Room

Approximately 240 linear ft. of 6" wide flat vinyl rub rail as wall protection – standard colors
Remove carpet and install new vinyl floor
(Standard Excelon VCT material or similar) at one conference room

f. New exterior door sweep and maintenance

g. Supply and install new 3'x6'-8" door with glass/speaker/pass thru at first floor lobby

h. Single restroom near conference room

Remove and reinstall wall hung sink and toilet
Remove existing wall covering and repaint
Supply and install new ceramic tile floor; install ADA compliant threshold, if needed

4. Second Floor

a. Women's Restroom

New ceramic tile at floor and walls - over existing; install ADA compliant threshold, if needed
Remove and replace toilet partitions including privacy strips
Remove and replace sink counter with new Formica Brand Solid Surface material or other hard top material at Landlord's sole discretion
Remove and reinstall toilets
Replace lighting and rework fan
Supply and install new mirror
Add kick plate at the base of the entry door

b. Men's Restroom

New ceramic tile at floor and walls - over existing; install ADA compliant threshold, if needed

Remove and replace toilet partitions including privacy strips

Remove and replace sink counter with new Formica Brand Solid Surface material or other hard top material at Landlord's sole discretion

Remove and reinstall toilets and urinal

Replace lighting and rework fan

Supply and install new mirror

Add kick plates at the base of the entry door

c. Employee Break Room / Lounge

20' base cabinets with new Formica Brand Solid Surface material or other hard top material at Landlord's sole discretion

20' upper wall case cabinet

New microwave

New LVT floor in simulated wood

New sink/faucet/disposal

Electric:

Install dedicated circuit outlet

Add 2 new counter outlets

d. Tint windows in SW corner for heat control

**EXHIBIT B
LEGAL DESCRIPTION**

The land referred to in this Commitment is situated in the City of Bell, County of Los Angeles, State of California, and is described as follows:

PARCEL A:

Parcel 1 of Parcel Map No. 106, in the City of Bell, County of Los Angeles, State of California, as per map recorded in Book 202 Pages 72 to 74 inclusive of Parcel Maps, in the Office of the County Recorder of said County.

EXCEPT therefrom all subsurface minerals and rights thereto, without the right to enter upon or use the surface thereof, as provided in the Deed recorded August 9, 1946 as Instrument No. 2857 in Book 23513 Page 240 of Official Records.

PARCEL B:

An easement for parking purposes as more particularly described in that certain Grant of Parking Easement executed by and between Newcrow IV, a California general partnership and Bristol Industrial, I, LLC, a Delaware limited liability company dated as of December 10, 1999, and recorded in the Official Records of Los Angeles County, California, on December 16, 1999 as Instrument No. 99-2314407.

APN: 6332-002-028

EXHIBIT C
COMMENCEMENT DATE MEMORANDUM
AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain lease ("Lease") dated _____, 20₁ between COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), and UNITED SIBLINGS LLC, a California limited liability company ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 5460 BANDINI BOULEVARD ("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 31,400 rentable/gross square feet of space; and

For clarification and the purpose of calculating future rental rate adjustments:

Months 1-12: \$63,742 per month plus \$1,040 per month for 52 offsite parking spaces.

Second Year of Term	\$65,654.26
Third Year of Term	\$67,623.89
Fourth Year of Term	\$69,652.60
Fifth Year of Term	\$71,742.18
Sixth Year of Term	\$73,894.45
Seventh Year of Term	\$76,111.28
Eighth Year of Term	\$78,394.62

IN WITNESS WHEREOF, this memorandum is executed this _____ day of _____,
20____.

Tenant:

COUNTY OF LOS ANGELES,
a body politic and corporate

Landlord:

UNITED SIBLINGS LLC,
a California limited liability company

By: _____
Name _____
Its _____

By: _____
Name _____
Its _____

EXHIBIT D
HEATING, VENTILATION, AND AIR CONDITIONING STANDARDS

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

EXHIBIT E
CLEANING AND MAINTENANCE SCHEDULE

1. DAILY (Monday through Friday)

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

- A. Floors washed and waxed in uncarpeted office area.
- B. High-reach areas, door frames and tops of partitions dusted.
- C. Upholstered furniture vacuumed, plastic and leather furniture wiped
- D. Picture moldings and frames dusted.
- E. Wall vents and ceiling vents vacuumed.
- F. Carpet professionally spot cleaned as required to remove stains.
- G. HVAC chiller water checked for bacteria, water conditioned as necessary.

4. QUARTERLY

- A. Light fixtures cleaned and dusted, but not less frequently than quarterly.
- B. Wood furniture polished.
- C. Draperies or mini-blinds cleaned as required, but not less frequently than quarterly.
- D. HVAC units serviced for preventative maintenance purposes, all filters changed.

5. SEMI-ANNUALLY

- A. Windows washed as required inside and outside but not less frequently than twice annually.
- B. All painted wall and door surfaces washed and stains removed.
- C. All walls treated with vinyl covering washed and stains removed.

6. ANNUALLY

- A. 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.
- B. 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.
- C. Touch-up paint all interior painted surfaces in a color and finish to match existing.

7. AS NEEDED

- A. 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.
- B. 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.
- C. Interior and exterior pest control inspections and remediation frequency is to be determined by a licensed exterminator and as needed.
- D. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. Carpet to be replaced as needed. The following schedule will be maintained for carpet cleaning:
 - i. heavy traffic areas as needed with a minimum frequency of bi-monthly [six (6) times per year];
 - ii. moderate traffic areas cleaned as needed with a minimum of once every six (6) months [two (2) times per year]; and
 - iii. 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. 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 need but no less than every five (5) years.

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

01/23/2000 15:25 100200000

PAGE 02/00

FIRST AMERICAN TITLE COMPANY

RECORDING REQUESTED BY

99 2314407

First American Title Company

AND WHEN RECORDED MAIL TO

Orack, Harrington & Sutcliffe LLP
777 South Figueroa Street, Suite 3200
Los Angeles, California 90017
Attn: Jim Grayson, Esq.

DA FEE Code 20 \$ 2.00

FEE \$ 64 U

Space above for Recorder's Use Only 20

GRANT OF PARKING EASEMENT

THIS GRANT OF PARKING EASEMENT (the "Agreement") is made this 25th day of December, 1999, by NEWCROW IV, a California general partnership ("Owner") to BRISTOL INDUSTRIAL I, LLC, a Delaware limited liability company ("Purchaser")

RECITALS

A. Concurrently with the execution and delivery hereof, Purchaser has acquired from Crow-Copley-Bell #1 Associates, a California general partnership ("Seller"), pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions by and among Seller, Crow-Copley-Commerce #1 Associates, a California general partnership, collectively as seller, and Bristol Group, Inc., a California corporation, as purchaser, dated July 28, 1999, as assigned by Bristol to Purchaser pursuant to that certain Assignment and Assumption of Purchase and Sale Agreement and Joint Escrow Instructions dated as of November 22, 1999 (as heretofore amended and assigned, the "Purchase Agreement"), fee title to certain real property in the City of Bell, County of Los Angeles, California, more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference ("Purchaser's Property")

B. Owner is the record owner of certain parcels of land near the Purchaser's Property and more particularly described on Exhibit "B" attached hereto and incorporated herein by this reference ("Owner's Property"). Owner previously provided to Seller a license to use up to one hundred and two (102) automobile parking spaces in the parking garage structure located on a portion of the Owner's Property pursuant to that certain Lease Agreement dated as of January 23, 1998, by and between Owner and Seller.

C. Owner desires to grant to Purchaser, and Purchaser desires to accept from Owner, an easement over the parking garage structure located on the Owner's Property and more particularly described on Exhibit "C-1" and depicted on Exhibit "C-2", both as attached hereto and incorporated herein by this reference ("Parking Garage") for parking of up to fifty-two (52) automobiles and the option to lease up to an additional fifty (50) parking spaces in the Parking

ST-17 PL-1
C1011 02/02 1 00000000

9831323-77

DOCUMENT I

SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT

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, California 90012

Space above for Recorder's Use

SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT

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

This Subordination, Non-disturbance and Attornment Agreement ("Agreement") is entered into as of the ____ day of _____, 201__ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), [*Insert name of Landlord*], ("Borrower") and [*Insert name of Lender*], ("Lender").

Factual Background

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

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

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

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

Agreement

Therefore, the parties agree as follows:

1. Subordination. The lien of the Deed of Trust and all amendments, modifications and extensions thereto shall be and remain at all times a lien on the Property 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, option to purchase the Property, or right of first offer to purchase the Property in the Lease, such provisions shall

not be affected or diminished by any such subordination, which is conditioned upon the non-disturbance agreement of Borrower and Lender in Section 3 of this Agreement.

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

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

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

5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower, 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 obligations under the Lease, unless the amendment or modification shall have been approved in writing by the Lender, 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: _____

Attn: _____

To Tenant: County of Los Angeles
Chief Executive Office
Real Estate Division
320 W. Temple Street, 7th Floor
Los Angeles, California 90012
Attention: Director of Real Estate

7. **Miscellaneous Provisions.** This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Agreement shall be conducted in the County of Los Angeles, State of California. This Agreement is the entire Agreement between the Lender and Tenant and may only be modified by a written amendment executed by Lender and Tenant.

APPROVED AS TO FORM

MARY C. WICKHAM
County Counsel

By: _____
Deputy

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate

SACHI A. HAMAI
Chief Executive Officer

By: _____
Director of Real Estate Division

BORROWER: *[Insert name of borrower]*

By: _____
Name: _____
Title: _____

LENDER: *[Insert name of Lender],*

By: _____
Name: _____
Title: _____

DOCUMENT II
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. Except as specified in the Lease, Tenant has no option or right to renew, extend or cancel the Lease.

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

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

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

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

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

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

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

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

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

COUNTY OF LOS ANGELES

By: _____
Director of Real Estate

APPROVED AS TO FORM

Mary C. Wickham
County Counsel

By: _____
Deputy

**DOCUMENT III
COMMUNITY BUSINESS ENTERPRISE FORM**

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

Firm Name	United Siblings LLC
Address	9460 Wilshire Blvd #300 Beverly Hills, Ca 90212
Contact Name	Dena or Noah Schechter
Telephone No.	310 274 5291
Total # of Employees	NONE
Business Structure*	LLC

*Corporation, Partnership, etc.

MINORITY/WOMEN PARTICIPATION IN FIRM

	OWNERS	ASSOCIATE PARTNERS
Black/African American		
Hispanic/Latin		
Asian American		
Portuguese American		
A. Indian/Alaskan		
All Others	2	
TOTAL	2	
Women*	1	

*Should be included in counts above and reported separately)

PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

	TOTAL # OF OWNERS	% OF OWNERSHIP
Black/African American		
Hispanic/Latin American		
Asian American		
Portuguese American		
American Indian/Alaskan Native		
All Others	2	100
TOTAL	2	100
Women*	1	50

*Should be included in counts above and reported separately

CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

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

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

WE DO NOT WISH TO PROVIDE

Initial

Initial here if applicable	
----------------------------	--

SIGNED:

Devin Richards
Member

TITLE:

DATE:

DOCUMENT IV
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, California 90012
Attention: Director of Real Estate

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

MEMORANDUM OF LEASE

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

Landlord and Tenant hereby enter a Lease of certain property (the "Lease") 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 a certain unrecorded Lease between Landlord and Tenant dated _____, 20____.

[Tenant has the option to extend the term of the Lease for a period of ____ () years, subject to the terms and conditions of 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:

UNITED SIBLINGS LLC, a California
limited liability company

TENANT:

COUNTY OF LOS ANGELES, a
public body corporate and politic

By:

By:

Its:

Its:

**DOCUMENT V
REQUEST FOR NOTICE**

**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, California 90012
Attention: Director of Real Estate

REQUEST FOR NOTICE

(UNDER SECTION 2924b CIVIL CODE)

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

Date of Recording of Deed of Trust

Instrument Number of Deed of Trust

Trustor

Trustee

Beneficiary

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

LENDER:

By: _____
SIGNEE'S NAME

Its: _____

MUST USE CURRENT NOTARY FORM