



FESIA A. DAVENPORT  
Acting Chief Executive Officer

## County of Los Angeles Health and Mental Health Services

**DATE:** Wednesday, November 18, 2020  
**TIME:** 10:00 a.m.

**DUE TO CLOSURE OF ALL COUNTY BUILDINGS,  
MEETING WILL BE HELD BY PHONE.  
TO PARTICIPATE IN THE MEETING, PLEASE CALL AS FOLLOWS:  
DIAL-IN NUMBER: 1 (323) 776-6996  
CONFERENCE ID: 479494149#**

**THIS TELECONFERENCE WILL BE MUTED FOR ALL CALLERS. PLEASE DIAL \*6 TO  
UNMUTE YOUR PHONE WHEN IT IS YOUR TIME TO SPEAK.**

### AGENDA

Members of the Public may address the Health and Mental Health Services Meeting on any agenda item. Three (3) minutes are allowed for each item.

- I. Call to order
- II. **NOTICE OF CLOSED SESSION – (Set for 9:30 am)**  
**CS-1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**  
Government Code Section 54956.9(a)  
Anthony Tanon vs. County of Los Angeles  
Los Angeles Superior Court Case No. BC 649913  
Department of Health Services
- III. **Information Item(s)** (Any Information Item is subject to discussion and/or presentation at the request of two or more Board offices):
  - a. **CEO:** Delegate Authority to the Acting Chief Executive Officer to Extend the Term of the Contract with Information and Referral Federation of Los Angeles County, Incorporated DBA 211 LA County, for a Maximum of 18 Months, and Increase the Maximum Contract Sum
- IV. **Presentation Item(s):**
  - a. **CEO:** Eight-Year Lease Department of Mental Health at 1045 West Redondo Beach Boulevard, Gardena

- b. **CEO:** Eight-Year Lease Department of Health Services at 10430 Slusher Drive, Santa Fe Springs
- c. **CEO:** Ten-Year Lease Department of Public Health, Department of Public Social Services and Department of Children and Family Services at 9320 Telstar Avenue, El Monte
- d. **ISD/DHS:** Roybal CHC Restroom Refurbishment Project – Establish and Approve Capital Project and Approve Appropriation Adjustment
- e. **DPW/DHS:** LAC+USC Women & Children’s Hospital Demolition – Approve Project, Award Service Contract, Authorize use of Job Order Contract, Authorize Issuance of Short-term Notes and Related Actions
- f. **DPW/DHS:** LAC+USC Restorative Care Village Projects, Recuperative Care Center and Residential Treatment Programs – Approval of Construction Change Orders
- g. **DPW/DHS:** Olive View Campus Recuperative Care Center and Residential Treatment Programs – Approve Construction Change Orders, Approve Revised Project Budget and Related Actions
- h. **DMH:** Approval To Extend The Term Of 29 Existing Fee-For-Service Medi-Cal Acute Psychiatric Inpatient Hospital Service Agreements And Two Sole Source Indigent Acute Psychiatric Inpatient Hospital Services Agreements

V. Items Continued from a Previous Meeting of the Board of Supervisors or from the Previous Agenda Review Meeting

VI. Items not on the posted agenda for matters requiring immediate action because of an emergency situation, or where the need to take immediate action came to the attention of the Department subsequent to the posting of the agenda

VII. Public Comment

VIII. Adjournment



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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

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

December 8, 2020

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

Dear Supervisors:

**DELEGATE AUTHORITY TO THE ACTING CHIEF EXECUTIVE OFFICER TO  
EXTEND THE TERM OF THE CONTRACT WITH INFORMATION AND REFERRAL  
FEDERATION OF LOS ANGELES COUNTY, INCORPORATED DBA  
211 LA COUNTY, FOR A MAXIMUM OF 18 MONTHS, AND INCREASE THE  
MAXIMUM CONTRACT SUM BY UP TO \$14,244,847  
(ALL DISTRICTS - 3 VOTES)**

## **SUBJECT**

Authorize the Acting Chief Executive Officer (CEO), or her designee, to extend the County's current Information and Referral (I&R) Services agreement (Agreement) with 211 LA County for an initial three-month period (January 1, 2022 through March 31, 2022), with an option for month-to-month extensions, if needed (April 1, 2022 through June 30, 2023). Also, authorize the Acting CEO to increase the contract sum for the extension period, and to augment the current disaster services budget of the Agreement.

## **IT IS RECOMMENDED THAT THE BOARD:**

1. Delegate authority to the Acting CEO, or her designee, to execute an amendment to increase the total contract sum of the Agreement by an additional \$75,000 for disaster services, as needed, throughout the term of the Agreement.
2. Delegate authority to the Acting CEO, or her designee, to execute an amendment to extend the term of the Agreement for an initial period of three months from January 1, 2022 through March 31, 2022, with an option to extend month-to-month, if needed, through June 30, 2023. The cost for the maximum 18 months of this

extension is \$14,169,847. Approval of the two recommended actions will result in a total increase of \$14,244,847 to the contract, increasing the maximum contract sum to \$36,128,184.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

### **Disaster Services**

211 LA County, among other general I&R services, assists in providing critical and timely disaster response and recovery information to residents, as needed. Due to the long-lasting COVID-19 pandemic and the pervasive wildfire season that now threatens Los Angeles County year-round, an increase to the disaster services budget of the Agreement is being requested to ensure these services will not be interrupted.

In coordination with the CEO Office of Emergency Management (OEM), 211 LA County helps disseminate important updates from response organizations, such as disaster location, evacuation areas, emergency assistance from community-based organizations, and more. During the transition to recovery after any disaster, 211 LA County assists the County in collecting important data from impacted residents, such as survivor contact information, insurance status, impacts to jobs and businesses, and other details that are needed by the County in order to pursue State and Federal assistance.

### **Extension of the Agreement**

The CEO is preparing a Request for Proposals (RFP) to be released in the second quarter of Fiscal Year (FY) 2020-21. The RFP will be used to solicit a new, multi-year I&R services contract to replace the existing contract before it expires on December 31, 2021. The extension period is being requested to ensure that the County has sufficient time to complete contract negotiations with the selected proposer.

Approval of the recommended actions will ensure that critical I&R services are not interrupted while the CEO completes the solicitation process to award a new multi-year contract for I&R services.

### **211 LA County Contract**

On December 3, 2019, the Board of Supervisors (Board) authorized the CEO to execute the Agreement with 211 LA County for a total maximum contract sum of \$18,674,208. The Agreement provides health and human services, and general and specialized I&R services through the 2-1-1 dialing code. The current Agreement will expire on December 31, 2021.

Services rendered include:

1. Ensuring callers are directly connected to a service provider who can address their needs (*warm hand-offs*) on all crisis, abuse, and neglect calls, including those for the departments of Children and Family Services (DCFS) Child Abuse Hotline; Workforce Development, Aging and Community Services (WDACS) Elder Abuse Hotline; Mental Health (DMH) ACCESS Hotline; and the Safely Surrendered Baby Hotline.
2. Assisting residents with unincorporated community services/code enforcement requests and conducting similar *warm hand-offs* to appropriate departmental representatives.
3. Providing I&R Program services to constituents seeking assistance through the America's Job Centers of California, Area Agency on Aging, and LA Found Hotlines, all funded by WDACS.
4. Making emergency information and resources available to the public whenever the County's Emergency Operations Center is activated, or a significant emergency is impacting the County.
5. Delivering services through special projects, such as: DCFS' Family Reunification Housing Subsidy Initiative; DCFS' Early Education Enrollment and Care Coordination; WDACS' Anti-Hate Campaign; CEO's Homeless Initiative Countywide Outreach System; DMH's Community Schools Initiative; CEO's Census 2020; and CEO's Coronavirus Public Health Emergency.

The Board delegated authority to the CEO to execute amendments to the Agreement and increase the contract sum by up to 10 percent of the original contract maximum. On January 29, 2020, the CEO executed Amendment Number One to update WDACS' Anti-Hate Campaign and add the Census 2020 special project, which increased the maximum contract sum to \$18,957,875. On March 17, 2020, the CEO executed Amendment Number Two to add the COVID-19 Public Health Emergency special project (COVID-19 Special Project), which increased the maximum contract sum to \$20,108,689. On June 11, 2020, the CEO executed Amendment Number Three to extend the COVID-19 Special Project, which increased the maximum contract sum to \$20,541,629.

On September 1, 2020, the CEO exercised the delegated authority from the Board to approve a Board letter authorizing an increase of \$1,341,708 to the total contract sum. The CEO then executed Amendment Number Four to further extend the COVID-19 Special Project, which increased the maximum contract sum to \$21,883,337.

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

The recommended action is consistent with all three goal areas of the County Strategic Plan: Goal No. 1 - *Make Investments That Transform Lives*: 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; Goal No. 2 - *Foster Vibrant and Resilient Communities*: Our investments in the lives of County residents are sustainable only when grounded in strong communities. We want to be the hub of a network of public-private partnering entities supporting vibrant communities; and Goal No. 3 - *Realize Tomorrow's Government Today*: Our increasingly dynamic and complex environment challenges our collective abilities to respond to public needs and expectations. We want to be an innovative, flexible, effective, and transparent partner focused on public service and advancing the common good.

### **FISCAL IMPACT/FINANCING**

The six participating County departments and the CEO have agreed to continue funding the additional 18-month extension period of the 211 LA County Agreement for a contract sum of \$14,169,847. This would be at the same cost of the current contract. The additional funding for CEO OEM is included in CEO's FY 2020-21 Final Adopted Budget. Both increases would result in a total increase of \$14,244,847 to the contract, increasing the maximum contract sum to \$36,128,184. The attachment details the County's allocation of funding per contract year, per participating department, for core I&R services, as well as the special projects of the Agreement.

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

Pursuant to Section 26227 of the Government Code, the Board may appropriate and fund programs deemed by the Board to be necessary to meet the social needs of the population of the County, including but not limited to, the areas of health, law enforcement, public safety, rehabilitation, welfare, education, legal services; and the needs of financially, physically, mentally challenged, and aged persons.

In 1980, the Board adopted the first contract with 211 LA County (then known as Info Line) to provide I&R Program services to all County residents. On October 16, 2003, the California's Public Utilities Commission designated 211 LA County as the sole provider of 2-1-1 I&R Program services to the County.

The Honorable Board of Supervisors  
December 8, 2020  
Page 5

**IMPACT ON CURRENT SERVICES**

All I&R services provided under the current contract will continue without interruption or changes. All crisis services, such as Elder Abuse, Child Abuse, and Mental Health crisis needs will continue to be provided twenty-four (24) hours a day, seven (7) days a week.

Respectfully submitted,

FESIA A. DAVENPORT  
Acting Chief Executive Officer

FAD:JMN:TJM  
EDT:GS:km

Enclosure

c: Executive Office, Board of Supervisors  
County Counsel  
Children and Family Services  
Health Services  
Mental Health  
Public Health  
Public Social Services  
Workforce Development, Aging and Community Services

## PRICING SCHEDULE

<i>Core I&amp;R Services Participating Departments</i>	<i>Year 1 (2020)</i>	<i>Year 2 (2021)</i>	<i>Year 3 (2022)</i>	<i>Year 4 (2023)</i>	<i>Total</i>
Chief Executive Office - Countywide Emergency Hotline	\$ 63,158	\$ 75,000	\$ 31,579	\$ 31,579	\$ 201,316
Chief Executive Office - Unincorporated Help Line	\$ 197,131	\$ 197,131	\$ 197,131	\$ 98,566	\$ 689,959
Department of Children and Family Services	\$ 242,836	\$ 242,836	\$ 242,836	\$ 121,418	\$ 849,926
Workforce Development, Aging and Community Services	\$ 1,174,520	\$ 1,174,520	\$ 1,174,520	\$ 587,260	\$ 4,110,820
Department of Mental Health	\$ 242,836	\$ 242,836	\$ 242,836	\$ 121,418	\$ 849,926
Department of Health Services	\$ 242,836	\$ 242,836	\$ 242,836	\$ 121,418	\$ 849,926
Department of Public Health	\$ 242,836	\$ 242,836	\$ 242,836	\$ 121,418	\$ 849,926
Department of Public Social Services	\$ 5,222,958	\$ 5,222,958	\$ 5,222,958	\$ 2,611,479	\$ 18,280,353
Total	\$ 7,629,111	\$ 7,640,953	\$ 7,597,532	\$ 3,814,556	\$ 26,682,152

<i>Special Projects</i>	<i>Year 1 (2020)</i>	<i>Year 2 (2021)</i>	<i>Year 3 (2022)</i>	<i>Year 4 (2023)</i>	<i>Total</i>
DCFS - Early Education Enrollment and Care Coordination	\$ 232,179	\$ 232,179	\$ 232,179	\$ 116,090	\$ 812,627
DCFS - Family Reunification Housing Subsidy Initiative	\$ 224,598	\$ 224,598	\$ 224,598	\$ 112,299	\$ 786,093
WDACS - Anti-Hate Campaign	\$ 314,244	\$ 321,729	\$ 321,729	\$ 160,865	\$ 1,118,567
CEO - Homeless Initiative Countywide Outreach System	\$ 60,000	\$ 60,000	\$ 60,000	\$ 30,000	\$ 210,000
DMH - Community Schools Initiative	\$ 992,084	\$ 1,000,000	\$ 1,000,000	\$ 500,000	\$ 3,492,084
CEO - Census 2020	\$ 101,200	\$ 0	\$ 0	\$ 0	\$ 101,200
CEO - Coronavirus Public Health Emergency	\$ 2,925,462	\$ 0	\$ 0	\$ 0	\$ 2,925,462
Total	\$ 4,849,767	\$ 1,838,506	\$ 1,838,506	\$ 919,253	\$ 9,446,032

<b>Grand Total</b>	<b>\$ 12,478,878</b>	<b>\$ 9,479,459</b>	<b>\$ 9,436,038</b>	<b>\$ 4,733,809</b>	<b>\$ 36,128,184</b>
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## BOARD LETTER FACT SHEET

Agenda Review Date:

Board Meeting Date:

Sup. Dist. / SPA No.:

DEPARTMENT:

SUBJECT:

**I. PUBLIC BENEFIT** (precise description, mandated or non-mandated)

**II. RECOMMENDED ACTIONS** (summarized)

**III. COST AND FUNDING SOURCES**

Cost:

Funding:

**IV. BACKGROUND** (critical and/or insightful)

**V. POTENTIAL ISSUE(S)**

**VI. DEPARTMENT & COUNTY COUNSEL CONTACTS**



# County of Los Angeles **CHIEF EXECUTIVE OFFICE**

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Third District

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Fourth District

KATHRYN BARGER  
Fifth District

December 8, 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 MENTAL HEALTH  
1045 WEST REDONDO BEACH BOULEVARD, GARDENA  
(SECOND DISTRICT)  
(3 VOTES)**

**SUBJECT**

Approval of a proposed new eight-year lease for 24,022 square feet of office space, and 96 on-site parking spaces for the Department of Mental Health (DMH) South Bay Mental Health Clinic, Full-Service Partnership and Wellness Center.

**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 Gardena Professional Medical Plaza, LP (Landlord), for approximately 24,022 square feet of office space and 96 on-site parking spaces, located at 1045 West Redondo Beach Boulevard, Suite 300, Gardena, CA 90247, to be occupied by DMH. The estimated maximum first year base rental cost is \$714,895. The estimated total lease cost is \$11,010,000 over the eight-year term, including low voltage cost to be paid by DMH directly to ISD. The costs will be 100 percent funded by Mental Health Services Act funds, and other State and Federal funding sources.

3. Authorize the Acting Chief Executive Officer, or her designee, to reimburse the Landlord up to \$2,402,200 for County's Tenant Improvement (TI) contribution, if paid in a lump sum, or \$3,145,000 if amortized over eight years at 7 percent interest per annum.
4. Authorize the Director of DMH to contract with and direct the Internal Services Department (ISD), in coordination with the Acting Chief Executive Officer, or her designee, for the acquisition and installation of telephone, data, and low-voltage systems (Low Voltage Items) at a total cost not to exceed \$1,129,111, or \$1,277,000 if amortized over five years at 6 percent interest per annum. The cost for the Low Voltage Items is in addition to the rental costs and County's TI contribution payable to the Landlord.
5. Authorize and direct the Acting Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the terms of the proposed lease and to take actions necessary and appropriate to implement the proposed lease.

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

The proposed 24,022 square feet of office space, and 96 on-site parking spaces, at 1045 West Redondo Boulevard, Suite 300 in Gardena (Premises) will allow DMH to relocate and consolidate three Mental Health programs which are currently located in separate locations. The three offices to be consolidated include the South Bay Mental Health Clinic (SBMHC) located at 2311 West El Segundo Boulevard in Hawthorne, the South Bay Full-Service Partnership (SBFSP) located at 14623 Hawthorne Boulevard in Lawndale, and the South Bay Wellness Center (SBWC) located at 1300 West 155<sup>th</sup> Street in Gardena.

The lease at 2311 West El Segundo Boulevard in Hawthorne, has been on holdover as of March 5, 2017. The County had a long-standing tenancy at that building beginning December 1, 1988. Subsequently, the County adopted seismic guidelines and the building no longer meets the County standards, thereby the County was unable to renew the lease until addressed by the landlord. DMH has occupied the 14623 Hawthorne Blvd. in Lawndale, location since September 5, 2007, and has been on holdover since January 16, 2016, due to pending lease negotiations. The lease at 1300 West 155<sup>th</sup> Street in Gardena site expired October 31, 2020, is in holdover. The three leases will be terminated once DMH moves into the proposed Premises.

The programs are directly operated, community mental health programs serving clients in the northern portion of the South Bay Region. Direct client services are provided at the SBMHC and the SBWC sites; both have frequent client visitors, while the SBFSP provides primarily field-based services. All sites have administrative office functions.

The County proposes to consolidate and co-locate the programs within one facility, to allow more integrated and coordinated care, with smoother transitions between different levels of service to clients, and more timely and effective service delivery. The Premises will house 78 staff, including budgeted staff, interns, volunteers, and security staff.

The relocation will allow the existing programs to operate out of a newer facility with adequate parking for staff and visitors. The current SBMHC location has ongoing crime and safety concerns, and DMH prefers a site on a major thoroughfare, with a public transportation corridor, that is more accessible to the community. The current SBMHC location also did not have sufficient parking to accommodate staff and visitors, creating logistical challenges. The proposed Premises are on a major boulevard, served by public transportation, ensuring access to low or no-income consumers. The new location is approximately three miles south east from the current SBMHC location, and within a half-mile of the SBWC location. The SBFSP, which is mostly field based, is located 4.4 miles west of the proposed site.

The proposed facility will adequately meet the space needs of DMH. The location is freeway accessible in proximity to the 110 freeway and will accommodate staff and visitors with sufficient parking.

Approval of the recommended actions will find that the proposed lease is exempt from CEQA and will allow DMH to operate at the proposed 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. This proposed lease supports this goal through a consolidated office that will integrate and coordinate care, which will provide more comprehensive services to their clients. The office accommodations will be centrally located, with adequate parking accommodations for visitors and staff.

The proposed lease is consistent with the Strategic Asset Management Plan Goal 2 – Strengthen Connection between Service Priorities and Asset Decisions and Key Objective 4 – Guide Strategic Decision-Making. The proposed lease will advance the Board goal and objective by consolidating three DMH programs into one office to provide better service to the community from one central location. The consolidation of offices will achieve economies of scale during the build-out process as well as during the term of the lease. The County can lower its administrative costs by working with one property management company as opposed to multiple companies and minimize duplication of efforts of internal program operations.

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

### **FISCAL IMPACT/FINANCING**

Sufficient funding to cover the proposed lease and County TI reimbursement costs 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 DMH. DMH has sufficient funding in its FY 2020-21 operating budget to cover the proposed rent, County TI costs, and Low-Voltage Items 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 DMH. The costs will be 100 percent funded by Mental Health Services Act funds and other State and Federal funding sources. The costs for the Low Voltage Items will be paid by DMH directly to ISD, and, are not part of the proposed lease.

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

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

- Base rent includes parking and is subject to fixed annual rental adjustments of 4 percent per annum.
- Total TI costs are expected to be \$3,242,970. The Landlord will provide a base TI allowance of \$840,770 or \$35 per square foot, as part of the base rent.
- The County will reimburse the Landlord up to \$2,402,200 (\$100 per square foot), as the County's lump sum TI contribution, or make payments amortized over eight years, with an interest rate of 7 percent, for a fully amortized amount not to exceed \$3,145,000.

- The Landlord is responsible for all exterior and interior operating and maintenance costs associated with the premises, including utilities and janitorial costs. The County has no responsibility for any operating and maintenance costs, except for any security services within the Premises.
- The proposed lease includes 96 on-site parking spaces at no additional cost to the County.
- The aggregate cost associated with the proposed lease over the entire term is \$11,010,000, as shown on Enclosure B.
- The County does not have the right to terminate the proposed lease early.
- The proposed lease contains a holdover provision. Beginning on the fourth month of holdover, the monthly base rent during the holdover period will increase by 25 percent of the base rent at the time of the lease expiration. The County's tenancy will be terminable upon 30 days' notice from either party.
- Upon termination of the County's tenancy, the County will be responsible to pay the landlord for the removal of any furniture, fixtures, and equipment remaining on the premises.
- The proposed lease will be effective upon approval by the Board and full execution of the proposed lease, but the term and rent will commence upon completion of the TIs by Landlord and acceptance of the Premises by the County.

The Chief Executive Office (CEO) issued a flyer soliciting proposals for available space from landlords, brokers, and other owner representatives, for this space need, through the Board's Executive Office website, and the CEO-Real Estate County website. The recommended facility was identified through this process. A market search of available office space for lease was conducted but no space was identified in the survey area 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 \$27.00 and \$31.20 per square foot per year. The base annual rental rate of \$29.76 per square foot per year, for the proposed lease represents a rate within the market range for the area. We recommend the proposed facility as the most suitable to meet the County's space requirements.

CEO has communicated with co-working office space companies regarding office space for the applicable programs and they have informed the CEO that their co-working office space does not have available space for long-term occupancy to accommodate the required space needs. In addition, co-working office space is not financially viable in comparison to rental costs of traditional long-term office space.

Enclosure C shows all County-owned or leased facilities within the surveyed areas and there are no County-owned or leased facilities available for this space requirement.

The Department of Public Works has inspected the facility and found it suitable for County occupancy. Construction of the TIs will be completed in compliance with relevant building and construction laws and regulations, including the Americans with Disabilities Act.

The required notification letter to the city of Gardena has been sent in accordance with Government Code Section 25351. County Counsel has reviewed the enclosed lease and has approved it as to form.

The proposed lease will provide a suitable office location for DMH's direct service and administrative programs within the South Bay Region, which is consistent with the County's facility location policy, as adopted by the Board on July 24, 2012, and further outlined in Enclosure D.

### **ENVIRONMENTAL DOCUMENTATION**

This project is exempt from CEQA, as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities). 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 adequately provide the necessary office space and parking spaces for this County requirement. DMH concurs with the proposed lease and recommendations.

**CONCLUSION**

It is requested that the Executive Office of the Board return one certified copy of the Minute Order and an adopted-stamped copy of this 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:FC:gw

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Internal Services  
Mental Health

**DEPARTMENT OF MENTAL HEALTH**  
**1045 WEST REDONDO BEACH BOULEVARD, GARDENA**  
**Asset Management Principles Compliance Form<sup>1</sup>**

<b>1.</b>	<b><u>Occupancy</u></b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
A	Does lease consolidate administrative functions?		X		
B	Does lease co-locate with other functions to better serve clients?		X		
C	Does this lease centralize business support functions?		X		
D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>The lease exceeds the guideline at approximately 308 square feet per person which includes reception area, conference room, lunchroom, file room, storage/file room and server room.</b>			X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline?		X		
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?		X		
<b>2.</b>	<b><u>Capital</u></b>				
A	Is it a substantial net County cost (NCC) program? The rental costs will be 100 percent funded by Mental Health Services Act funds and other State and Federal funding sources			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 Enclosure C?		X		
G	Was build-to-suit or capital project considered?			X	
<b>3.</b>	<b><u>Portfolio Management</u></b>				
A	Did department utilize CEO Space Request Evaluation (SRE)?		X		
B	Was the space need justified?		X		
C	If a renewal lease, was co-location with other County departments considered? <sup>2</sup>				X
D	Why was this program not co-located with other County departments?				X
	1. ____ The program clientele requires a "stand alone" facility.				
	2. ____ No suitable County occupied properties in project area.				
	3. ____ No County-owned facilities available for the project.				
	4. ____ Could not get City clearance or approval.				
	5. ____ The Programs are being co-located.				
E	Is lease a full-service lease?		X		
F	Has growth projection been considered in space request?		X		
G	Has the Dept. of Public Works completed seismic review/approval? <sup>1</sup>		X		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98					
<sup>2</sup> If not, why not?					

## OVERVIEW OF PROPOSED LEASE BUDGETED COSTS

<b>1045 West Redondo Beach Boulevard Gardena</b>	<b>Proposed Lease</b>
Area (square feet)	24,022
Term	8 years
First Year Annual Base Rent <sup>(1)</sup>	\$714,895 (\$29.76 per sq. ft. annually)
Base TI Allowance (non-reimbursable)	\$ 840,770 (\$35 per sq. ft)
County TI Contribution (reimbursable) <sup>(2)</sup>	\$2,402,200 (\$100 per sq. ft.)
Total First Year Lease Costs <sup>(3)</sup>	\$1,107,906
Rental Adjustment	4 percent fixed annually
Parking (included in Rent)	96 parking spaces
Option to Renew	N/A

<sup>(1)</sup> The proposed lease is full-service gross, with the landlord responsible for paying all costs associated with building maintenance, operations and utilities. Note: The lease allows after-hours HVAC use at a cost of \$90 per hour, rate is subject to change.

<sup>(2)</sup> The proposed lease allows the County to repay additional reimbursable TIs over 8 years at 7 percent interest. (\$2,402,000 over 8 years at 7 percent equates to monthly payments of \$32,751/month or \$393,011/year)

<sup>(3)</sup> Annual rent (\$714,895) + County reimbursable TI payments (\$393,011)/year = \$1,107,906  
The proposed project will also have Low Voltage Costs which are paid directly by the Department to ISD. The costs above only reflect costs associated with the lease (rent and tenant Improvement reimbursement). If you add the Low voltage costs in year 1 (\$419,896) to lease costs (\$1,107,906) = \$1,527,801 in year 1.

## OVERVIEW OF THE PROPOSED BUDGETED LEASE AND RELATED COSTS

**Department of Mental Health (DMH)**  
**1045 West Redondo Beach Boulevard, Gardena**

Leased Area (sq. ft.)	24,022		
Term (months)	96 months		
Annual Rent Adjustment	4%		
Base Rent	Cost Per RSF Per Month (\$)	Cost Per RSF Per Year (\$)	
	\$2.48	\$29.76	
Low Voltage (Labor Cost + TESMA Cost)	Labor Cost (Lump Sum Payment)	TESMA (Lump Sum Cost)	TESMA (Amortized Cost)
	\$205,661	\$923,450	\$1,071,173
Tenant Improvement	Lump Sum	Amortized	
	\$2,402,200	\$3,144,088	

	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 <sup>1</sup>	714,895	743,491	773,231	804,160	836,326	869,779	904,570	940,753	6,588,000
Low Voltage Costs <sup>2</sup>	419,896	214,235	214,235	214,235	214,235	0	0	0	1,277,000
Tenant Improvement Costs <sup>3</sup>	393,011	393,011	393,011	393,011	393,011	393,011	393,011	393,011	3,145,000
<b>Total Annual Lease Costs</b>	<b>1,527,801</b>	<b>1,350,736</b>	<b>1,380,476</b>	<b>1,411,405</b>	<b>1,443,571</b>	<b>1,262,790</b>	<b>1,297,581</b>	<b>1,333,764</b>	<b>11,010,000</b>

<sup>1</sup> Base rent includes annual 4 percent step increases.

<sup>2</sup> The low voltage costs will be paid as follows: The ISD labor costs (205,661) will be paid via a lump sum payment. The TESMA labor and materials costs (923,450) will be financed over 5 years at 6% interest rate per annum paid by the department.

<sup>3</sup> Tenant Improvement costs will be amortized over 8 years (County has the option to also pay via a lump sum payment) at seven percent (7%).

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

**DEPARTMENT OF MENTAL HEALTH  
SPACE SEARCH – 3 MILE RADIUS  
1045 WEST REDONDO BEACH BOULEVARD, GARDENA**

<b>LACO</b>	<b>Name</b>	<b>Address</b>	<b>Ownership Type</b>	<b>Gross Sq Ft</b>	<b>Vacant</b>
X419	Probation Centinela Office/PW - Building & Safety	1320 W Imperial Hwy Los Angeles 90044	Owned	30000	None
0346	Lennox Constituent Service Center	4343 Lennox Blvd Lennox 90304	Owned	8261	None
4803	Kornblum School	3620 El Segundo Blvd Hawthorne 90250	Gratis Use	72	None
4804	Zela Davis School	13435 S Yukon Ave Hawthorne 90250	Gratis Use	72	None
4805	Prairie Vista Middle School	13600 S Prairie Ave Hawthorne 90250	Gratis Use	72	None
4806	Bud Carson Middle School	13838 S Yukon Ave Hawthorne 90250	Gratis Use	72	None
A760	DC&FS - Children's Advocacy Center - Washington High	10860 S Denker Ave Los Angeles 90047	Gratis Use	0	None
A557	DCSS - Adult Protective Services	4300 W 120th St. Hawthorne 90250	Leased	23000	None
A614	DPSS - Southwest Spec District (Vermont Villa	1819 Charlie Sifford Drive Los Angeles 90047, 1819 W 120th St. Los Angeles 90047	Leased	88546	None
4403	South Services Agency - Administration Building	360 W El Segundo Blvd Los Angeles 90061	Owned	2584	None
A551	DPSS - WFP&I & South Reg IV IHSS/Adult Services	12000 Hawthorne Blvd Hawthorne 90250	Leased	132996	None
A338	DCFS - Compton West (SPA 6)	11539 S Hawthorne Blvd Hawthorne 90250	Leased	31832	None
0069	PW Road - Div #232 Maintenance Yard Office	4055 W Marine Ave Lawndale 90260	Owned	800	None
T517	South Services Agency - Park Reservation Office	360 W El Segundo Blvd Los Angeles 90061	Owned	1144	None
B710	PW - Inc City Office (Lawndale)	14717 Burin Ave Lawndale 90260	Gratis Use	80	None

## **FACILITY LOCATION POLICY ANALYSIS**

**Proposed new lease:** An eight-year lease for the Department of Mental Health (DMH) – 1045 West Redondo Beach Boulevard, Suite 300, Gardena– Second District.

**A. Establish Service Function Category** – DMH provides direct services programs in the South Bay region.

**B. Determination of the Service Area** – The proposed lease will allow DMH to consolidate three direct service programs into one location, located within Service Planning Area 8. The site is located on a major thoroughfare, with access to public transportation and is easily accessible by freeway as it is within close proximity to Interstates 110 and 91.

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

- Need for proximity to service area and population: The proposed facility is in proximity to the communities of Hawthorne, Gardena, El Segundo, Lawndale, Inglewood, and sections of the City of Los Angeles, including Westchester. It is also close to unincorporated areas, including Lennox and Athens Park. The DMH SBMHC and Wellness Center must be located within the communities they serve. This site meets the service area criteria and is located within an appropriate area.
- Need for proximity to existing County facilities: DMH works collaboratively with other County and State programs including: DPSS, the Social Security Administration and the Department of Health Services (DHS). The DHS Torrance Health Center is situated within a 4-mile proximity, at 711 Del Amo Boulevard, Torrance. DPSS has Region V South offices in Compton, 7 miles away, and there is a Social Security Administration office at 20000 Mariner Avenue, Torrance, within 8 miles.
- Need for proximity to Los Angeles Civic Center: N/A. The current site needs to serve clients in the South Bay area. The location is 13 miles from downtown Los Angeles.
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services including the city of Gardena's GTrans bus lines 2, 3 and line 4 (Harbor Gateway Transit Center) with a connection to the Metro Green Line station, and proximity to the Interstate 110 and 91 Freeways.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.

- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There is no space available in existing County-owned buildings to meet the District's service needs.
- Compatibility with local land use plans: The proposed use is consistent with the building's use, zoning, and not in conflict with the goals of the city of Gardena. The Department of Public Works inspected the facility and found it suitable for County occupancy. A notification letter has been sent pursuant to Government Code Section 25351.
- Estimated acquisition/construction and ongoing operational costs: The initial annual maximum costs associated with the proposed lease are \$1,527,801, which includes base rent of \$714,895, i.e. \$29.76 per square foot per month, inclusive of parking, up to \$393,011 in additional TI costs, and \$419,896 in low-voltage costs. The costs will be 100 percent funded by Mental Health Services Act funds and other State and Federal funding sources

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

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

Based upon a review of available industry data, we have established that the annual rental range for similar space including parking costs is between \$27.00 and \$31.20 per square foot, per year. In comparison, the base rental rate of \$29.76 per square foot per year, including parking, for the proposed lease represents a rate within the market range for the area.

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

The proposed subject lease agreement for DMH will provide adequate and efficient office space for 78 employees and clients consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012. There are no available buildings in the area that meet Department requirements.

**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE**

**LEASE AGREEMENT**

**COUNTY OF LOS ANGELES - Tenant**

**GARDENA PROFESSIONAL MEDICAL PLAZA, L.P. – Landlord**

**1045 W REDONDO BEACH BOULEVARD**

**SUITE 300**

**GARDENA, CALIFORNIA 90247**

## TABLE OF CONTENTS

	<b>Page</b>
1. BASIC LEASE INFORMATION .....	1
1.1 Terms.....	1
1.2 Defined Terms Relating to Landlord's Work Letter .....	4
1.3 Exhibits to Lease .....	5
1.4 Landlord's Work Letter .....	5
2. PREMISES .....	6
2.1 Lease of Premises .....	6
3. COMMON AREAS.....	6
4. COMMENCEMENT AND EXPIRATION DATES .....	6
4.1 Term .....	6
4.2 Termination Right .....	7
4.3 Early Entry .....	7
5. RENT.....	7
5.1 Base Rent.....	7
5.2 Base Rent Adjustments .....	8
6. USES.....	8
7. HOLDOVER .....	9
8. COMPLIANCE WITH LAW .....	9
9. DAMAGE OR DESTRUCTION.....	9
9.1 Damage .....	9
9.2 Tenant Termination Right .....	10
9.3 Damage In Last Year .....	10
9.4 Default By Landlord .....	10
10. REPAIRS AND MAINTENANCE .....	11
10.1 Landlord Representations.....	11
10.2 Landlord Obligations.....	12
10.3 Tenant Obligations.....	13
10.4 Tenant's Right to Repair .....	13
11. SERVICES AND UTILITIES .....	14
11.1 Services .....	14
11.2 Utilities .....	16
12. TAXES.....	16
13. LANDLORD ACCESS .....	16
14. TENANT DEFAULT .....	17
14.1 Default .....	17
14.2 Termination.....	17
14.3 No Effect on Indemnity.....	17
15. LANDLORD DEFAULT .....	17
15.1 Remedies.....	17
15.2 Waiver.....	18
15.3 Emergency.....	18
16. ASSIGNMENT AND SUBLETTING .....	19
16.1 Assignment and Subletting .....	19
16.2 Sale.....	19

17.	ALTERATIONS AND ADDITIONS.....	20
17.1	Landlord Consent .....	20
17.2	End of Term .....	20
18.	CONDEMNATION .....	20
18.1	Controlling Terms .....	20
18.2	Total Taking .....	21
18.3	Partial Taking.....	21
18.4	Restoration .....	21
18.5	Award.....	22
18.6	Waiver of Statute .....	22
19.	INDEMNIFICATION.....	22
19.1	Landlord's Indemnity.....	22
19.2	Tenant's Indemnity.....	22
20.	INSURANCE .....	23
20.1	Waiver.....	23
20.2	General Insurance Provisions – Landlord Requirements.....	23
20.3	Insurance Coverage Types And Limits .....	26
20.4	Landlord Requirements.....	27
21.	PARKING .....	27
21.1	Tenant's Rights .....	27
21.2	Remedies.....	28
22.	ENVIRONMENTAL MATTERS.....	28
22.1	Hazardous Materials.....	28
22.2	Landlord Indemnity .....	29
23.	ESTOPPEL CERTIFICATES.....	30
24.	TENANT IMPROVEMENTS .....	30
25.	LIENS .....	30
26.	SUBORDINATION AND MORTGAGES .....	30
26.1	Subordination and Non-Disturbance .....	30
26.2	Existing Deeds of Trust.....	30
26.3	Notice of Default .....	31
27.	SURRENDER OF POSSESSION .....	31
28.	SIGNAGE .....	31
29.	QUIET ENJOYMENT .....	32
30.	GENERAL .....	32
30.1	Headings.....	32
30.2	Successors and Assigns.....	32
30.3	Brokers .....	32
30.4	Entire Agreement.....	32
30.5	Severability .....	33
30.6	Notices.....	33
30.7	Governing Law and Venue .....	33
30.8	Waivers.....	33
30.9	Time of Essence .....	33
30.10	Consent .....	33
30.11	Community Business Enterprises .....	34

30.12	Memorandum of Lease .....	34
30.13	Counterparts .....	34
31.	AUTHORITY .....	34
32.	ACKNOWLEDGEMENT BY LANDLORD .....	35
32.1	Consideration of GAIN Program Participants.....	35
32.2	Solicitation of Consideration .....	35
32.3	Landlord Assignment .....	35
33.	IRREVOCABLE OFFER.....	37

## **EXHIBITS**

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

## **LANDLORD'S WORK LETTER**

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

COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ between GARDENA PROFESSIONAL MEDICAL PLAZA, L.P., a California limited partnership ("Landlord"), and COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant" or "County").

Landlord and Tenant agree:

**1. BASIC LEASE INFORMATION**

**1.1 Terms**

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

a. Landlord's Address for Notice:	GARDENA PROFESSIONAL MEDICAL PLAZA, L.P. 9800 S. La Cienega Blvd., Suite 200 Inglewood, CA 90301 Attn: Property Manager  With a copy to:  3470 Wilshire Boulevard, Suite 700 Los Angeles, CA 90010 Attn: Legal Department
b. Tenant's Address for Notice:	County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate  With a copy to:  County of Los Angeles Office of the County Counsel 648 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, CA 90012-2713

	Attention: Property Division
c. Premises:	Approximately 24,022 rentable square feet located on the entire third (3rd) floor of the Building (defined below), as shown on <u>Exhibit A</u> attached hereto.
d. Building:	The building located at 1045 W Redondo Beach Boulevard, Gardena, California, 90247, which is currently assessed by the County Assessor as APN 6114-028-050, commonly known as Gardena Professional Medical Plaza, together with any related land, improvements, parking facilities, common areas, driveways, sidewalks and landscaping (the "Building");
e. Term:	Eight (8) years, commencing thirty (30) days after the date of Tenant's Acceptance of the Premises, as defined in Section 4.1 (the "Commencement Date"), and terminating at midnight on the day before the eighth (8th) annual anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
f. Projected Commencement Date:	July 1, 2020
g. Irrevocable Offer Expiration Date: (see Section 33)	November 30, 2019
h. Base Rent:	\$59,574.56 per month (which is based upon a rental rate of \$2.48 per rentable square foot, adjustable only as provided in Section 5 hereof). Base Rent for the first (1st) year of the Term shall be \$714,894.72 (adjustable as provided in Section 5

	hereof).
i. Early Termination	N/A
j. Rentable Square Feet in the Premises:	24,022 square feet
k. Initial Departmental Use:	Clinic and General office use, or any other lawful governmental purpose not incompatible with other uses in the Building, subject to Section 6.
l. Parking Spaces:	Four (4) unreserved monthly parking spaces for each one thousand (1,000) rentable square feet of Tenant's leased Premises, which allocation is currently ninety-six (96) unreserved parking spaces, as provided in Article 21.
m. Normal Working Hours:	7:00 a.m. to 6:00 p.m. Monday through Friday and 9:00 a.m. to 1:00 p.m. Saturdays, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed), and to the extent of utilities or services provided by union members engaged at the Building, such other holidays observed by such unions.
n. Asbestos Report:	A report dated November 7, 2019 prepared by Masek Consulting Services Inc., a licensed California Asbestos contractor.
o. Seismic Report	A report dated April 30, 2019 prepared by the Los Angeles County Department of Public Works.
p. Disabled Access Survey	A report dated May 15, 2020 prepared by Brandow & Johnston.

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

a. Tenant Improvement	\$840,770.00 (which is based upon the rate
-----------------------	--

Allowance:	of \$35.00 per rentable square foot)
b. Tenant's TI Contribution:	\$2,402,200.00 (which is based upon the rate of \$100.00 per rentable square foot)
c. Change Request Contingency	[Intentionally Omitted]
d. Tenant Improvement Amortization Rate and Change Request Amortization Rate:	Seven percent (7 %) per annum
e. Tenant's Work Letter Representative:	_____
f. Landlord's Work Letter Representative:	Property Manager and/or an assigned staff member of Landlord
g. Landlord's Address for Work Letter Notice:	<p>GARDENA PROFESSIONAL MEDICAL PLAZA, L.P.  9800 S. La Cienega Blvd., Suite 200  Inglewood, CA 90301  Attn: Property Manager</p> <p>With a copy to:</p> <p>3470 Wilshire Boulevard, Suite 700  Los Angeles, CA 90010  Attn: Legal Department</p>
h. Tenant's Address for Work Letter Notice:	<p>County of Los Angeles  Chief Executive Office - Real Estate Division  320 West Temple Street, 7th Floor  Los Angeles, CA 90012  Attention: Director of Real Estate</p>

<p>1.3     <u>Exhibits to Lease</u></p>	<p>Exhibit A - Floor Plan of Premises  Exhibit B - Commencement Date Memorandum and Confirmation of Lease Terms  Exhibit C - Form of Payment Voucher  Exhibit D - HVAC Standards  Exhibit E - Cleaning and Maintenance Schedule  Exhibit F - Subordination, Non-Disturbance and Attornment Agreement  Exhibit G - Tenant Estoppel Certificate  Exhibit H - Community Business Enterprises Form  Exhibit I - Memorandum of Lease</p>
<p>1.4     <u>Landlord's Work Letter</u>   (Executed concurrently with this Lease and incorporated herein by this reference):</p>	<p>Landlord's Work Letter  Addendum A:    Base Building Improvements  Addendum B:    Tenant Improvements  Addendum C:    Form of Preliminary and Final TI Cost Statement</p>

## **2. PREMISES**

### **2.1 Lease of Premises**

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

## **3. COMMON AREAS**

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

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

### **4.1 Term**

The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within thirty (30) days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing a Commencement Date Memorandum and Confirmation of Lease Terms in the form attached hereto as Exhibit B. The Commencement Date shall begin thirty (30) days after the date of Tenant's Acceptance of the Premises. The term "Tenant's Acceptance of the Premises" as used in this Lease shall mean the date upon which the Tenant Improvements and the Premises are Substantially Complete, Tenant has inspected the Premises, and Tenant has accepted the Tenant Improvements and the Premises. The term "Substantial Completion" as used in this Lease shall mean compliance with all of the following:

- a. The shell and core of the Building are complete and in compliance with all applicable laws and codes, and all of the building systems are operational to the extent necessary to service the Premises; provided, however, that any non-compliance with applicable laws and codes, excepting ADA compliance, parking, and common areas, that does not materially affect Tenant's use of the Premises shall not delay the Commencement Date;
- b. Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease and Landlord's Work Letter (if any), including the installation of modular furniture systems, if so required (except minor punch list items

which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises;

- c. Landlord has obtained a certificate of occupancy for the Building, or a temporary certificate of occupancy for that portion of the Building that includes all of the Premises, or its equivalent;
- d. Tenant has been provided with the number of parking privileges and spaces to which it is entitled under this Lease; and
- e. If Landlord is responsible for the installation of telecommunications systems, then such systems shall be completely operational.

#### 4.2 Termination Right

If the Commencement Date has not occurred within one hundred eighty (180) days after the Projected Commencement Date, subject to Tenant Delays or Force Majeure Delays, as provided in Landlord's Work Letter executed concurrently herewith, then Tenant may thereafter, at any time before the Commencement Date occurs, 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.

#### 4.3 Early Entry

Tenant shall be entitled to enter the Premises not less than thirty (30) days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Such early entry shall be subject to all provisions hereof, including Section 19.2, but shall not advance the Termination Date, and Tenant shall not pay Base Rent nor any other charges for such early entry period. In no event shall Tenant's early entry interfere with the tenant improvement work to be performed pursuant to the Work Letter.

### 5. RENT

#### 5.1 Base Rent

Tenant shall pay Landlord the Base Rent stated in Section 1 during the Term hereof within fifteen (15) days after (a) the Commencement Date, and (b) the first day of each calendar month thereafter, provided that prior to the Commencement Date, Landlord must file with the Auditor of the County of Los Angeles a payment voucher for the Base Rent attributable to the initial month(s) of the Term up to and including June of the first year during the Term, and annually thereafter, on or before June 15 of each subsequent calendar year, for the Base Rent attributable to the following twelve (12) months (i.e., beginning July 1). Landlord shall submit such payment vouchers in the same form as Exhibit C attached hereto, along

with a completed IRS form W-9 and evidence of insurance in compliance with Section 20.1. If Landlord fails to timely file any payment voucher as required pursuant to this Section 5.1, then Tenant shall not be required to pay Base Rent to Landlord until fifteen (15) days after Landlord files such payment voucher for the applicable period. Base Rent for any partial calendar month during the Term shall be prorated in proportion to the number of days during the Term within such calendar month.

## 5.2 Base Rent Adjustments

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

<i>Year of Term</i>	<i>Monthly Installment of Base Rent</i>	<i>Rate per Rentable Square Foot</i>
1	\$59,574.56	\$2.48
2	\$61,957.54	\$2.58
3	\$64,435.84	\$2.68
4	\$67,013.28	\$2.79
5	\$69,693.81	\$2.90
6	\$72,481.56	\$3.02
7	\$75,380.82	\$3.14
8	\$78,396.06	\$3.26

## 6. USES

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

**7. HOLDOVER**

If Tenant remains in possession of the Premises or any part thereof after the expiration of the term of this Lease, such occupancy shall be a tenancy which is terminable only upon thirty (30) days written notice from Landlord or thirty (30) days written notice from the Chief Executive Officer of Tenant at the last monthly Base Rent payable under this Lease (as such Base Rent may be adjusted from time to time in accordance with Article 5 above), plus any other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease. All options, rights of first refusal, concessions and discounts, if any, granted under this Lease shall be deemed terminated and of no force or effect during such holdover period. In the event of Tenant holdover, the monthly installment of Base Rent, beginning on the fourth month of holdover, shall be increased to one hundred twenty-five percent (125%) of the Base Rent payable for the month immediately preceding the expiration or termination of the then existing Term 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 ("Applicable Laws"). Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including but not limited to the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises. Tenant shall not use the Premises, or permit the Premises to be used, in any manner which: (a) violates any Applicable Law; or (b) causes or is reasonably likely to cause damage to the Building or the Premises; or (c) violates any Building rules or regulations promulgated by Landlord and applicable to all tenants in the Building.

**9. DAMAGE OR DESTRUCTION**

**9.1 Damage**

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

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

#### 9.2 Tenant Termination Right

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

#### 9.3 Damage In Last Year

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

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

#### 9.4 Default By Landlord

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

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

## **10. REPAIRS AND MAINTENANCE**

### **10.1 Landlord Representations**

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

In accordance with California Civil Code Section 1938, Landlord hereby states that the Premises and the Common Areas"" have not undergone inspection by a Certified Access Specialist. A Certified Access Specialist (CASp) can inspect the subject

premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

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

#### 10.2 Landlord Obligations

- a. 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 intra-building telephone network cables;
  - ii. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Building;
  - iii. the Common Areas;
  - iv. exterior windows of the Building; and
  - v. elevators serving the Building.
- b. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to:

- i. the floor covering (if such floor covering is carpet tiles it shall be replaced as needed as a result of damage such as frays, tears, or holes, and like damage);
- ii. painting interior partitions (which shall be repainted as needed);
- iii. doors;
- iv. the interior side of demising walls (which shall be repainted as needed);
- v. Building standard signage (but excluding any other Tenant signage); and
- vi. emergency exit signage and battery replacement

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

### 10.3 Tenant Obligations

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

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

### 10.4 Tenant's Right to Repair

- a. If Tenant provides written notice (or oral notice in the event of an emergency, such as damage or destruction to or of any portion of the Building structure and/or the Building systems, and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and if Landlord fails to provide such action within a reasonable period of time given

the circumstances after the giving of such notice, but in any event not later than five (5) business days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten (10) days, Tenant shall be entitled to deduct from Base Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 15.

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

## **11. SERVICES AND UTILITIES**

### **11.1 Services**

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

Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes

to a standard comparable to other first-class buildings and not less than the standard set forth in Exhibit D attached hereto. If Tenant needs HVAC outside of Normal Working Hours, Tenant shall provide no less than forty-eight (48) hours' prior notice to Landlord and pay as additional rent the costs of after-hour HVAC at the Building's prevailing rates without mark-up, which prevailing rates are currently \$90.00 per hour, subject to change.

b. Electricity

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

c. Elevators

Landlord shall furnish freight and passenger elevator services to the Premises during Normal Working Hours. During all other hours, Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis, and, by prior arrangement with Landlord's building manager, freight elevator service.

d. Water

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

e. Janitorial

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

f. Access

Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven (7) day per week, twenty-four (24) hour per day basis, subject to compliance

with such reasonable security measures as shall from time to time be in effect for the Building, unless closure of the Premises is required due to maintenance, repair, safety concerns, destruction, condemnation, or other reasons necessary for the restriction of access to such area.

g. Pest Control

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

11.2 Utilities

Landlord agrees to pay, at its sole cost, when due, all charges for the use of the sewer, effluent treatment (when and if imposed by any governmental authority), all water, sprinkler standby charges, electricity, gas, heating and common area power and lighting, trash removal service, fire/life safety systems, charges associated with the HVAC, and other utility rents and charges accruing or payable in connection with the Premises and the Common Areas during the Term of this Lease or any renewal, extension, or holdover thereof, whether the same are pro-rated or measured by separate meters. In the event Landlord fails or refuses to pay any or all of such charges when due, Tenant may give Landlord ten (10) calendar days prior written notice and thereafter pay directly such charges and deduct the payments from the next installments of rent due as a charge against the Landlord.

**12. TAXES**

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

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

**13. LANDLORD ACCESS**

Tenant shall permit Landlord and its agents to enter the Premises during Normal Working Hours upon prior written notice (which may be in the form of an email communication) for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or the Premises, Base Rent shall be prorated based upon the percentage of the

Premises or the Building rendered unusable and not used by Tenant. Notwithstanding the foregoing, Landlord shall have the right at any and all times, without prior notice, to enter the Premises in the event of an emergency.

## **14. TENANT DEFAULT**

### **14.1 Default**

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

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

### **14.2 Termination**

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

### **14.3 No Effect on Indemnity**

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

## **15. LANDLORD DEFAULT**

### **15.1 Remedies**

In addition to the provisions for Landlord's default provided by Sections 9.4, 10.4, 19, 21.2 and 32.3, Landlord shall be in default ("Landlord

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

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

#### 15.2 Waiver

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

#### 15.3 Emergency

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

## **16. ASSIGNMENT AND SUBLETTING**

### **16.1 Assignment and Subletting**

Tenant may 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, that (i) Tenant shall notify Landlord within five (5) business days of such assignment, subletting or other transfer, (ii) the assignee or sublessee's use shall not interfere with or violate any other tenant's use (including exclusive uses), or contractual rights; and (iii) no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease.

### **16.2 Sale**

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

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

- a. Written evidence of the transfer of the Building (e.g., a recorded deed), or a letter from the transferor confirming that the Building was transferred to the new owner.
- b. A signed letter including the following information:
  - i. Name and address of new owner or other party to whom Base Rent should be paid;
  - ii. Federal tax ID number for new owner;
  - iii. Name of contact person and contact information (including phone number) for new owner; and
  - iv. Proof of insurance.

- c. A W-9 form for new owner

## **17. ALTERATIONS AND ADDITIONS**

### **17.1 Landlord Consent**

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

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

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

### **17.2 End of Term**

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

## **18. CONDEMNATION**

### **18.1 Controlling Terms**

If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor"

shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

#### 18.2 Total Taking

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

#### 18.3 Partial Taking

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

#### 18.4 Restoration

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

#### 18.5 Award

The Award (as defined below) shall be divided between Landlord and Tenant as their respective interests may appear. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises.

#### 18.6 Waiver of Statute

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

### **19. INDEMNIFICATION**

#### 19.1 Landlord's Indemnity

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

#### 19.2 Tenant's Indemnity

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

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

**20.1 Waiver**

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

**20.2 General Insurance Provisions – Landlord Requirements**

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

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

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

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

Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Landlord identified in the Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding twenty-five thousand (\$25,000.00) dollars, and list any Tenant required endorsement

forms. Notwithstanding the foregoing, financial ratings need not be shown on the Certificates but shall be provided separately.

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

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

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

Landlord also shall promptly use reasonable efforts to notify Tenant of any third party claim or suit filed against Tenant and known to Landlord which arises from or relates to this Lease, and in Landlord's reasonable judgment is likely to result in the filing of a claim or lawsuit against Landlord and/or Tenant.

b. Additional Insured Status and Scope of Coverage

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

c. Cancellation of or Changes in Insurance

Landlord shall provide the Tenant with, or Landlord's insurance policies shall contain a provision that the Tenant shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to the Tenant at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance ("Insurance Notice")

may constitute a material breach of the Lease, in the sole discretion of the Tenant. Should Landlord or its insurers fail to provide the required Insurance Notice within thirty (30) days of written notice from Tenant that it did not receive the required Insurance Notice, Tenant may suspend or terminate this Lease.

d. Failure to Maintain Insurance

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

e. Insurer Financial Ratings

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

f. Landlord's Insurance Shall Be Primary

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

g. Waiver of Subrogation

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

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

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

i. Claims Made Coverage

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

j. Application of Excess Liability Coverage

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

k. Separation of Insureds

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

l. Tenant Review and Approval of Insurance Requirements

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

20.3 Insurance Coverage Types And Limits

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

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

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

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

## 20.4 Landlord Requirements:

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

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

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

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

## 21. PARKING

### 21.1 Tenant's Rights

Tenant shall have the right to the number of monthly unreserved parking spaces set forth in Section 1.1 for the Term of this Lease at the Building's prevailing parking rates, which are currently \$0.00 per unreserved space per month, subject to change. Landlord shall provide one hundred eighty (180) days written notice to Tenant prior to any increase to prevailing parking rates. Tenant acknowledges that all such parking spaces are to be used on a non-exclusive basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building. No tandem parking shall be required, and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord (or, at Landlord's option, the operator or lessee of the parking facilities) from time to time, provided that such

procedures shall be uniformly applied to all tenants. The cost of any parking spaces leased by Tenant hereunder shall be payable by Tenant on the first day of each calendar month of the Term of this Lease in addition to the Base Rent in Article 5

## **21.2 Remedies**

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

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

## **22. ENVIRONMENTAL MATTERS**

### **22.1 Hazardous Materials**

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

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

## 22.2 Landlord Indemnity

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

**23. ESTOPPEL CERTIFICATES**

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

**24. TENANT IMPROVEMENTS**

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

**25. LIENS**

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

**26. SUBORDINATION AND MORTGAGES**

**26.1 Subordination and Non-Disturbance**

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

**26.2 Existing Deeds of Trust**

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

### 26.3 Notice of Default

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

## 27. SURRENDER OF POSSESSION

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

## 28. SIGNAGE

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

## **29. QUIET ENJOYMENT**

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

## **30. GENERAL**

### **30.1 Headings**

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

### **30.2 Successors and Assigns**

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

### **30.3 Brokers**

Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than 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. Tenant shall receive from Landlord or Landlord's broker, within ten (10) days after the execution of this Lease, an amount equal to fifty percent (50%) of all commissions due to Landlord's broker as a result of the execution of this Lease, as set forth in a separate written agreement between Landlord and Landlord's broker, a copy of which has been delivered by Landlord to Tenant prior to the execution of this Lease.

### **30.4 Entire Agreement**

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

### 30.5 Severability

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

### 30.6 Notices

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

### 30.7 Governing Law and Venue

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

### 30.8 Waivers

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

### 30.9 Time of Essence

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

### 30.10 Consent

Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if

not refused within ten (10) business days after written request is made therefore, together with all necessary information.

**30.11 Community Business Enterprises**

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

**30.12 Memorandum of Lease**

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

**30.13 Counterparts**

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

**31. AUTHORITY**

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

## **32. ACKNOWLEDGEMENT BY LANDLORD**

Landlord acknowledges that it is aware of the following provisions:

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

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

### **32.2 Solicitation of Consideration**

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

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861. Failure to report such solicitation may result in the Landlord's submission being eliminated from consideration.

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

### **32.3 Landlord Assignment**

- a. Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

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

information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

- g. The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns, whether so expressed or not.


### **33. IRREVOCABLE OFFER**

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

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

LANDLORD:

GARDENA PROFESSIONAL MEDICAL  
PLAZA L.P.,  
a California limited partnership

By:   
Name: JANE LEE  
Its: EV

TENANT:

COUNTY OF LOS ANGELES,  
a body corporate and politic

FESIA A. DAVENPORT  
Acting Chief Executive Officer

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

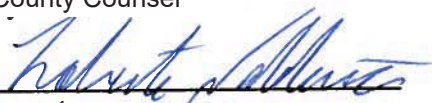
ATTEST:

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

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

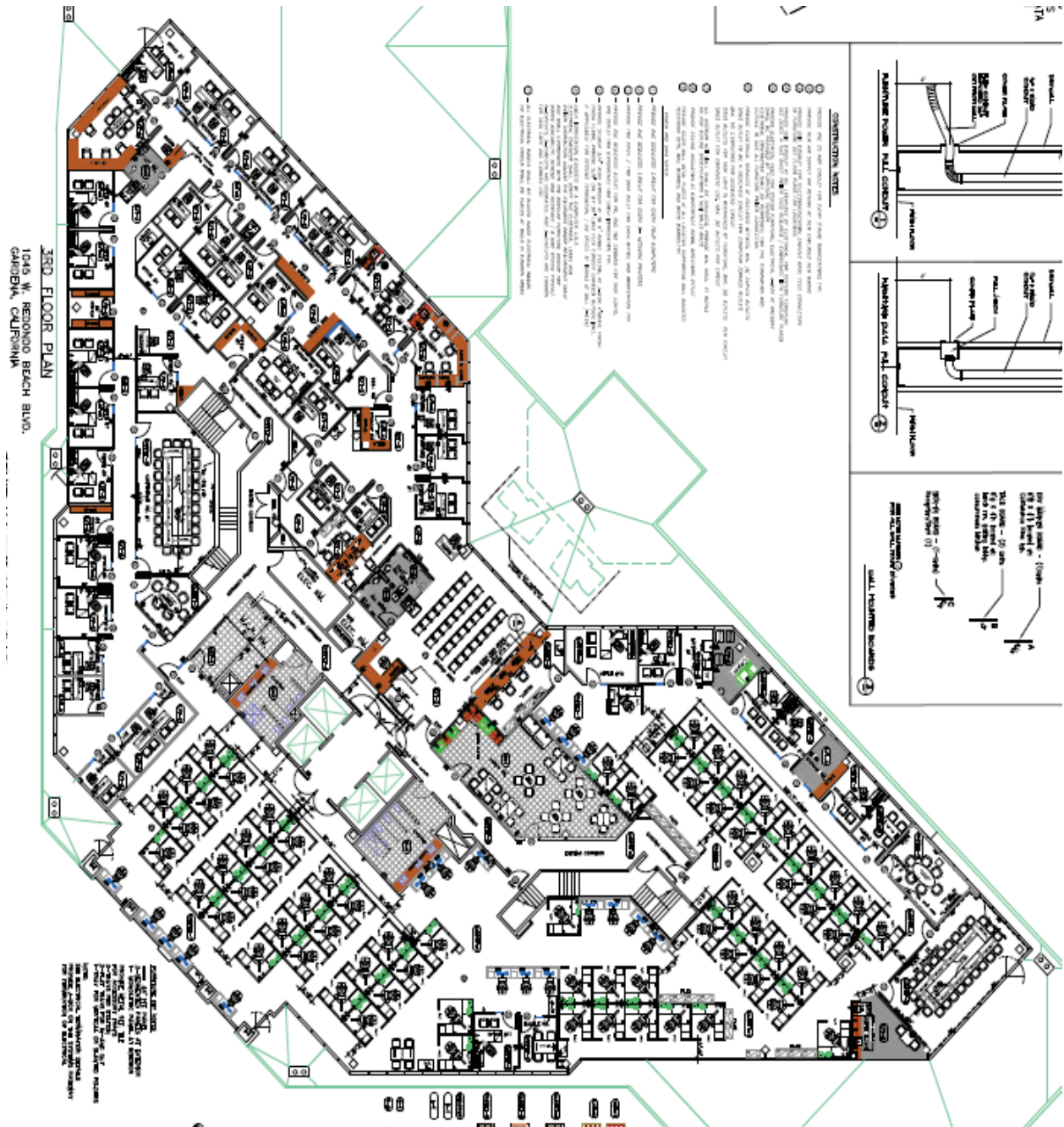
APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA  
Acting County Counsel

By:   
Deputy

# EXHIBIT A

## FLOOR PLAN OF PREMISES



## EXHIBIT B

### COMMENCEMENT DATE MEMORANDUM AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain Lease Agreement ("Lease") dated \_\_\_\_\_, 20\_\_, between County of Los Angeles, a body corporate and politic ("Tenant"), and Gardena Professional Medical Plaza, L.P., a California limited partnership ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 1045 W Redondo Beach Boulevard, Gardena, California 90247 ("Premises"),

Landlord and Tenant hereby acknowledge as follow:

- 1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on \_\_\_\_\_ ("Possession Date");
- 2) Tenant has accepted possession of the Premises and now occupies the same;
- 3) The Lease commenced on \_\_\_\_\_ ("Commencement Date");
- 4) The Premises contain \_\_\_\_\_ rentable square feet of space; and
- 5) Landlord has paid a commission in the amount of \$\_\_\_\_\_ to Tenant pursuant to Section 30.3 of the Lease.

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

Tenant:

Landlord:

COUNTY OF LOS ANGELES,  
a body corporate and politic

GARDENA PROFESSIONAL MEDICAL  
PLAZA, L.P.,  
a California limited partnership

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

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

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

[illegible]

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## **EXHIBIT D**

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

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

## EXHIBIT E

### CLEANING AND MAINTENANCE SCHEDULE

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

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

#### 2. WEEKLY

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

#### 3. MONTHLY

- C. Floors washed and waxed in uncarpeted office area.

- D. High-reach areas, door frames and tops of partitions dusted.
- E. Upholstered furniture vacuumed, plastic and leather furniture wiped
- F. Picture moldings and frames dusted.
- G. Wall vents and ceiling vents vacuumed.
- H. Carpet professionally spot cleaned as required to remove stains.
- I. HVAC chiller water checked for bacteria, water conditioned as necessary.

4. QUARTERLY

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

5. SEMI-ANNUALLY

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

6. ANNUALLY

- Q. Furniture Systems and any other fabric or upholstered surfaces including chairs, couches, walls, etc., spot cleaned, or if determined to be necessary in Tenant's sole discretion, professionally cleaned in their entirety using a water extraction system.
- R. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.
- S. Touch-up paint all interior painted surfaces in a color and finish to match existing.

7. AS NEEDED

- T. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
- U. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.
- V. Interior and exterior pest control inspections and remediation frequency is to be determined by a licensed exterminator.
- W. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning:
  - ii. heavy traffic areas cleaned as needed, with a minimum frequency of bi-monthly [six (6) times per year];
  - iii. moderate traffic areas cleaned as needed, with a minimum of once every six (6) months [two (2) times per year]; and
  - iv. clean light traffic areas a minimum of once per year.

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

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

8. GENERAL

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

**EXHIBIT F**

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

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

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

**Los Angeles, California 90012**

)  
)  
)  
)  
)  
)  
)

**Space above for Recorder's Use**

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

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

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

**Factual Background**

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

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

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

D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and

conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a Non-disturbance provision, all as set forth more fully below.

### Agreement

Therefore, the parties agree as follows:

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

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

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

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

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

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

(b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease, unless

resulting from a default or breach by such prior landlord which continues after Lender or Purchaser succeeds to the interest of such prior landlord; and provided that any offsets deducted by Tenant prior to the date that Lender or Purchaser succeeds to the interest of such prior landlord shall not be subject to challenge; or

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

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

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

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

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

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

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

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

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

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

BORROWER: GARDENA PROFESSIONAL MEDICAL PLAZA,  
L.P.,  
a California limited partnership

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

LENDER: [*Insert name of Lender*],

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

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

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

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

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

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

WITNESS my hand and official seal.

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

## EXHIBIT G

### TENANT ESTOPPEL CERTIFICATE

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

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

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

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

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

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

(b) The current Rent is set forth above.

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

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

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

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

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

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

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

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

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

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

COUNTY OF LOS ANGELES,  
a body corporate and politic

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

## EXHIBIT H

### COMMUNITY BUSINESS ENTERPRISE FORM

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

#### I. Minority/Women Participation in Firm (Partners, Associate Partners, Managers, Staff, etc.)

1. Firm Name:			3. Contact Person/Telephone Number:			
2. Address:						
			4. Total number of employees in the firm: _____			

5. Provide the number of all minority employees and women in each	Owners, Partners and Associate		Managers		Staff	
	All O,P & AP	Women	All Managers	Women	All Staff	Women
Black/African American						
Hispanic/Latin American						
Asian American						
Portuguese American						
American Indian/Alaskan Native						
All Others						

#### II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

1. Type of Business Structure: (Corporation, Partnership, Sole Proprietorship, Etc.) \_\_\_\_\_

2. Total Number of Ownership/Partners, Etc.: _____			<b>III. MINORITY/WOMEN-OWNED FIRM CERTIFICATION</b>	
3. Provide the percentage of ownership in each	All Employee	Women	Is your firm currently certified as a minority owned business firm  by the: State of California? <span style="float: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>  City of Los Angeles? <span style="float: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>  Federal Government? <span style="float: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>	
Black/African American			<b>Section D. OPTION TO PROVIDE REQUESTED INFORMATION</b>  <input type="checkbox"/> We do not wish to provide the information required in this form.  Firm Name: _____  Signature/Title: _____  Date: _____	
Hispanic/Latin American				
Asian American				
Portuguese American				
American Indian/Alaskan Native				
All Others				

## EXHIBIT I

### MEMORANDUM OF LEASE

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

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

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

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### MEMORANDUM OF LEASE

This Memorandum of Lease ("Memorandum") is made and entered into by and between GARDENA PROFESSIONAL MEDICAL PLAZA, L.P., a California limited partnership (the "Landlord"), and the COUNTY OF LOS ANGELES, a public body corporate and politic duly organized and existing under the laws of the State of California (the "Tenant"), who agree as follows:

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

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

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

LANDLORD:

GARDENA PROFESSIONAL  
MEDICAL PLAZA, L.P.,

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

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

TENANT:

COUNTY OF LOS ANGELES,  
a body corporate and politic

SACHI A. HAMAI  
Chief executive Officer

By: \_\_\_\_\_  
David P. Howard  
Assistant Chief Executive Officer

ATTEST:

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

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

APPROVED AS TO FORM:

MARY C. WICKHAM  
County Counsel

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

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

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

WITNESS my hand and official seal.

Exhibit I – Page 3  
MEMORANDUM OF LEASE

**LANDLORD'S WORK LETTER**

**For**

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

**COUNTY OF LOS ANGELES, as Tenant**

**LANDLORD: GARDENA PROFESSIONAL MEDICAL PLAZA, L.P.**

**Property Address: 1045 W Redondo Beach Boulevard, Suite 300, Gardena, CA 90247**

## LANDLORD'S WORK LETTER

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

The parties hereby agree as follows:

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

- |   |  |
|---|--|
| (a) <u>Tenant Improvement Allowance</u>   | \$840,770.00 (i.e., \$35.00 per rentable square foot of the Premises)  |
| (b) <u>Tenant's TI Contribution</u>   | \$2,402,200.00 (i.e., \$100.00 per rentable square foot of the Premises)   |
| (c) <u>Change Request Contingency</u>   | [Intentionally omitted]  |
| (d) <u>Tenant Improvement Amortization Rate and Change Request Amortization Rate:</u> | 7 % per annum  |
| (e) <u>Tenant's Work Letter Representative</u>  | Section Chief or an assigned staff person of the Chief Executive Office-Real Estate Division   |
| (f) <u>Landlord's Work Letter Representative</u>                                      | Property Manager, or an assigned staff person of the Landlord  |
| (g) <u>Landlord's Address for Work Letter Notice</u>                                  | Gardena Professional Medical Plaza, LP<br>9800 S. La Cienega Blvd., Suite 200<br>Inglewood, CA 90301<br>Attn: Property Manager<br><br>With a copy to:<br><br>3470 Wilshire Boulevard, Suite 700<br>Los Angeles, CA 90010<br>Attn: Legal Department |
| (h) <u>Tenant's Address for Work Letter Notice</u>                                    | County of Los Angeles<br>Chief Executive Office - Real Estate Division<br>County of Los Angeles<br>320 West Temple Street, 7th Floor<br>Los Angeles, CA 90012  |

Attention: Director of Real Estate

(i) Addenda

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

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

2.1 **Base Building Improvements.** Landlord has constructed or shall construct the base building improvements described on Addendum A hereto (the "Base Building Improvements") as a part of the Building. If the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, such changes or additions shall not be considered Tenant Improvements (as defined below) unless such changes or additions are specifically described in Addendum B hereto.

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

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

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

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

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

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

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

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

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

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

5.3 **Preparation and Review of Engineering Drawings.** Landlord shall cause the Architect to coordinate all engineering drawings prepared by the Engineer, showing complete mechanical,

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

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has accepted the Engineering Drawings, Landlord shall cause the Architect to integrate the accepted Working Drawings with the accepted Engineering Drawings (collectively "Final Plans") and deliver five (5) sets of the Final Plans to Tenant for Tenant's review and acceptance. Landlord's costs of the Architect integrating the accepted Working Drawings with the accepted Engineering Drawings shall be included in the calculation of Tenant Improvement Costs (as defined below). The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements), power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements. Landlord's review of the Space Plan, Working Drawings, Engineering Drawings and Final Plans shall be at Landlord's sole cost and expense.

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

5.6 Schedule. Within fifteen (15) business days after the Plan Submission Date, Landlord shall submit to Tenant a detailed construction schedule, subject to acceptance by Tenant, which shall not be unreasonably withheld, setting forth the completion dates of certain project benchmarks, including but not limited to completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of the Construction Contract, construction commencement, construction completion, the Projected Commencement Date and other relevant dates. As the construction continues, Landlord shall amend the construction schedule at least once each month to reflect any changes to the projected dates, and Landlord shall promptly submit the revised construction schedules to Tenant.

5.7 Submittals. The Contractor shall submit to Tenant any Shop Drawings, Product Data, Samples and similar submittals required by the Final Plans in coordination with the construction

schedule and with reasonable promptness, so as not to cause any delay in the construction of the Tenant Improvements. The purpose of Shop Drawings, Product Data, Samples and similar submittals is to demonstrate the way by which the Contractor proposes to construct a design concept expressed in the Final Plans. "Shop Drawings" are drawings, diagrams, schedules and other data specially prepared by the Contractor or a subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Tenant Improvements. "Product Data" are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Tenant Improvements. "Samples" are physical examples that illustrate materials, equipment or workmanship for some portion of the Tenant Improvements. The Contractor shall construct no portion of the Tenant Improvements for which the Final Plans require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been accepted by Tenant.

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

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

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

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

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

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

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

**7.2 Bids.** Unless waived by Tenant in writing, any major contractors, subcontractors and material suppliers providing labor and/or materials for the Tenant Improvements shall be selected only after three (3) bids have been solicited from responsible and qualified persons. The bids shall include an itemized list of all materials and labor and shall include all additional costs, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Landlord shall also obtain three (3) bids for the purchase and installation of Tenant's office furniture system, if applicable, in accordance with Section 9.1 below.

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

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

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

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

(b) Decorating Decisions. All design and programming, space planning and interior decorating services, such as selection of wall paint colors and/or wall coverings, furniture, fixtures, carpeting and any other decor selection efforts required by Tenant, shall be provided by Landlord' in accordance with Tenant's Space Plan and such costs shall be included in the calculation of Tenant Improvement Costs. Landlord shall consult with Tenant with respect to all such decorating services and decisions.

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

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

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

(f) Access During Construction. Tenant shall have the right to inspect the Tenant Improvements during the course of construction. Additionally, pursuant to Section 4.3 of the Lease, Tenant shall be entitled to enter the Premises at least thirty (30) days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Landlord and Tenant shall use reasonable good faith efforts to coordinate the work of their respective contractors to achieve timely completion of the Tenant Improvements and Tenant's installation work. In no event shall Tenant's early entry interfere with the work performed hereunder.

7.6 Completion/Close Out. The Premises shall not be considered Substantially Complete until the Tenant Improvements have been completed in accordance with the Final Plans, subject only to the completion of minor punch-list items that will not interfere with Tenant's use and occupancy of the Premises for Tenant's permitted and intended use under the Lease. Upon Substantial Completion of the Tenant Improvements, Landlord shall notify Tenant in writing and, within ten (10) business days of Tenant's receipt of such notice, Landlord and Tenant shall conduct a "walk-through" inspection of the Premises and prepare a punch-list of known or apparent deficiencies or incomplete work required to be corrected or completed by Landlord.

Landlord, at Landlord's sole cost and expense, shall cause all punch-list items to be repaired or completed as soon as possible, but in no event later than ninety (90) days following the walk-through inspection. If Landlord fails to complete any of the punch-list items within such ninety (90) day period, then Tenant, in addition to its other rights and remedies under the Lease, after giving ten (10) days written notice to Landlord, shall have the right, but not the obligation, to cause such punch-list items to be completed, with the cost thereof plus ten percent (10%) for Tenant's overhead and supervision to be deducted from the next installment(s) of rent or other amounts payable by Tenant under the Lease. Latent or hidden defects in the Tenant Improvements shall be brought to Landlord's attention promptly upon Tenant's becoming aware of such defects. Landlord, at Landlord's sole cost and expense, shall promptly cause such defects to be repaired following receipt of notice thereof, and Tenant shall have the same rights with respect thereto as set forth herein for all other punch-list items.

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

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

## **9. Furniture System.**

9.1 Tenant shall deliver to Landlord within ten (10) days after execution hereof, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, Landlord and /or Landlord's architect shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors. Prior to submission for bids, Landlord shall review the bid package with Tenant, and Tenant shall have the right to accept or reject the bid package within five (5) business days. Landlord shall order the modular furniture set forth in the Modular Specifications, and install the same within the

Premises, all of which shall be a Tenant Improvement Cost, payable by Landlord and/or Tenant as provided in Section 6.2 and Section 6.3 hereof. Tenant's acceptance of any bid package shall not be deemed to be a representation by Tenant as to the adequacy or correctness of any specifications contained therein.

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

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

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

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

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

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

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

## 12. Delay.

12.1 Tenant Delays and Force Majeure Delays. Except as set forth in this Section 12, no delay in the completion of construction of the Tenant Improvements shall be considered in the determination of the Commencement Date of the Lease and Tenant shall not be charged as a result of any delay in the construction of Tenant Improvements. Subject to the provisions of Section 12.2, the Projected Commencement Date set forth in the Lease shall be extended one (1) day for each day that: (a) Tenant fails or refuses to give authorizations or approvals within the time periods required herein, but only to the extent such delays delay the commencement or completion of construction of the Tenant Improvements (referred to herein as "Tenant Delay(s)"); or (b) Substantial Completion of the Tenant Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)").

## 12.2 Limitations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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


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

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

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

LANDLORD:

GARDENA PROFESSIONAL MEDICAL PLAZA,  
L.P., a California limited partnership

By:   
Name: STUART LEE  
Title: Exp  
Date Signed: \_\_\_\_\_

TENANT:

COUNTY OF LOS ANGELES,  
a body corporate and politic

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date Signed: \_\_\_\_\_

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

### **BASE BUILDING IMPROVEMENTS**

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

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

- (q) concrete floors with troweled finish, level to specified tolerances and designed to support a minimum live load of fifty (50) pounds per square foot and a partition load of twenty (20) pounds per square foot;
- (r) standard window coverings;
- (s) primary HVAC duct for cooling and primary HVAC duct for heating (heating is for perimeter zone only) to loop from the mechanical equipment room around the building core;
- (t) hot and cold air loops located within the Premises;
- (u) primary fire sprinkler distribution, including secondary piping and sprinkler heads as required for the unoccupied Premises;
- (v) primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution;
- (w) access at panels in the service core for distribution of Building requirements electrical power (initially 120/208 V for power and 277V for fluorescent lighting) up to the limits permitted under applicable law at the time the Building receives the initial temporary certificate of occupancy for the Building; and
- (x) gypsum board on the service core walls, columns and sills in the Premises.

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

### **TENANT IMPROVEMENTS**

Tenant improvements shall include:

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

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

**PRELIMINARY AND FINAL TI COST STATEMENT**

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

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

Cost Category

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

## BOARD LETTER FACT SHEET

Agenda Review Date:

Board Meeting Date:

Sup. Dist. / SPA No.:

DEPARTMENT:

SUBJECT:

**I. PUBLIC BENEFIT** (precise description, mandated or non-mandated)

**II. RECOMMENDED ACTIONS** (summarized)

**III. COST AND FUNDING SOURCES**

Cost:

Funding:

**IV. BACKGROUND** (critical and/or insightful)

**V. POTENTIAL ISSUE(S)**

**VI. DEPARTMENT & COUNTY COUNSEL CONTACTS**



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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

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

December 8, 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 HEALTH SERVICES  
10430 SLUSHER DRIVE, SANTA FE SPRINGS  
(FOURTH DISTRICT)  
(3 VOTES)**

**SUBJECT**

Approval of a proposed eight-year lease replacing an existing lease to provide the Department of Health Services (DHS) continued use of 45,681 square feet of warehouse space, which includes 4,000 square feet of office space and 50 on-site parking spaces for DHS's Emergency Medical Services Disaster Response and Disaster Staging Facility.

**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 PPF INDUSTRIAL 12016 TELEGRAPH RD, LP (Landlord), for 45,681 square feet of warehouse space, which includes 4,000 square feet of office space and 50 on-site parking spaces, at 10430 Slusher Drive, Santa Fe Springs, CA 90670, to be occupied by DHS. The estimated maximum first year base rental cost of \$570,099 is adjusted to \$510,906 which includes the \$47,508 free first month's rent and the \$11,685 holdover rent credit. The estimated total lease cost, including the utility cost of \$33,344, is \$5,278,000 over the eight-year term. The rental costs will be 100 percent funded by Homeland Security Grant Funds.

3. Authorize and direct the Acting Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the terms of the proposed lease, and to take actions necessary and appropriate to implement the terms of the proposed lease.

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

Since 2004, DHS's Emergency Medical Services Agency (EMS) has occupied and used the subject premises as its Emergency Medical Services Disaster Response and Disaster Staging Facility (Facility). The existing lease is currently on a month-to-month holdover basis since July 2019. The Landlord will credit \$11,684.82 of the holdover rent paid by the County upon Board approval and full execution of an eight-year lease.

The proposed lease will allow EMS to continue to store and maintain the County's emergency medical resources within the Facility to effectively support medical responses to disasters in Los Angeles County. The resources stored at the Facility include medicines stored within a temperature-controlled room that extends the shelf life, medical equipment, and a large fleet of assets comprised of a mobile medical system, decontamination trailers, generators, oxygen concentrators, trailers, support vehicles and other emergency supplies.

The Facility is centrally located within one-half mile of the EMS Headquarters, and plans have been developed to utilize the Facility as a backup location to DHS's 24/7 Medical Alert Center and Dispatch Office in the event the EMS Headquarters needs to be evacuated.

Over the past 15 years, DHS has made considerable improvements to the Facility, which include a 30-foot-wide rollup door to accommodate its oversized emergency equipment/vehicles, installation of dedicated electrical connections, a heating, ventilation, and air conditioning (HVAC) unit, and exhaust systems specific to its equipment/vehicles. Relocating the Facility to a new building would most likely require the County to make these same costly improvements to the new facility.

The Facility is occupied by EMS employees and Health Information Management employees who periodically host meetings and trainings for attendees from hospitals and other healthcare organizations. The Facility is in close proximity to public transportation.

Approval of the recommended actions will find that the proposed lease is exempt from CEQA and will allow DHS to continue 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 through provision of efficient public service by providing continued use of an existing, centrally located facility, that allows DHS to maintain a level of readiness to support the County's medical response to a disaster.

The proposed lease is consistent with the Strategic Asset Management Plan Goal 2 – Strengthen Connection between Service Priorities and Asset Decisions and Key Objective 4 – Guide Strategic Decision-Making. As mentioned, the proposed lease will allow DHS to store and maintain its emergency medical resources without interruption. Since we are currently in a pandemic, it is crucial that the Count understands exactly where its medical resources are located and can access them quickly and efficiently.

The proposed Lease conforms with the Asset Management Principles outlined in Enclosure 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 DHS. DHS has sufficient funding in its FY 2020-21 operating budget to cover the proposed rent 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 DHS. The rental costs will be 100 percent funded by Homeland Security Grant Funds.

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

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

- The leased area was remeasured by the Landlord per the updated building measurement standards which resulted in an increase to the square footage, from 45,290 square feet to 45,681 square feet.
- The current annual base rent will decrease upon commencement of the extended term from \$514,133 to \$510,906 in the first year, which includes one month of free rent and the \$11,685 holdover rent credit.
- The base rent is subject to fixed 3 percent increases per annum.

- The Landlord will perform minor tenant improvements at its sole cost and expense. This includes new carpet and paint within the office space, new flooring in the restrooms, and replacement or repair of the window coverings, as needed.
- The Landlord is responsible for operating and maintenance costs, including janitorial services. The County is responsible for certain utility costs and the maintenance costs of the HVAC system dedicated to the medicine room.
- The proposed lease includes 50 parking spaces at no additional cost to the County.
- The estimated \$33,344 annual cost of electricity is subject to usage and rate changes.
- The aggregate cost associated with the proposed lease over the entire eight-year term is \$5,278,000, as shown on Enclosure B.
- The County does not have the right to terminate the proposed lease early.
- 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 increase by 10 percent of the monthly base rent at the time of the lease expiration.
- 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 warehouse and 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 \$13.16 and \$16.29 per square foot, per year. The base annual rental rate of \$12.48 per square foot, per year for the proposed lease represents a rate that is below the market range for the area. Due to the tenant improvements needed should DHS relocate to a new space and given the importance of the use during a pandemic, remaining in the proposed space is the most cost-effective and prudent choice. We recommend the proposed facility as the most suitable to meet the County's space requirements.

Co-working space is not a viable option for this warehouse requirement.

Enclosure 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 Santa Fe Springs has been sent in accordance with Government Code Section 25351. County Counsel has reviewed the 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 on July 24, 2012, as outlined in Enclosure D.

### **ENVIRONMENTAL DOCUMENTATION**

This project is exempt from the CEQA, as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities). The proposed lease, which involves the leasing of existing warehouse space including 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 adequately provide the necessary warehouse and office space for this County requirement. DHS concurs with the proposed lease and recommendations.

The Honorable Board of Supervisors  
December 8, 2020  
Page 6

**CONCLUSION**

It is requested that the Executive Office of the Board return one certified copy of the Minute Order and an adopted-stamped copy of this 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  
Health Services

**DEPARTMENT OF HEALTH SERVICES**  
**10430 SLUSHER DRIVE, SANTA FE SPRINGS**  
**Asset Management Principles Compliance Form<sup>1</sup>**

<b>1.</b>	<b><u>Occupancy</u></b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
	A	Does lease consolidate administrative functions? <sup>2</sup>			<b>X</b>
	B	Does lease co-locate with other functions to better serve clients? <sup>2</sup> <b>The space is primarily warehouse space used as a disaster staging facility.</b>		<b>X</b>	
	C	Does this lease centralize business support functions? <sup>2</sup>			<b>X</b>
	D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>No, the space is primarily warehouse space.</b>		<b>X</b>	
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? <sup>2</sup> <b>No, the facility is a warehouse and is occupied by 6 employees.</b>		<b>X</b>	
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? <sup>2</sup>	<b>X</b>		
<b>2.</b>	<b><u>Capital</u></b>				
	A	Is it a substantial net County cost (NCC) program? <b>The rental costs will be 100 percent funded by Homeland Security Grant Funding.</b>		<b>X</b>	
	B	Is this a long-term County program?	<b>X</b>		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		<b>X</b>	
	D	If no, are there any suitable County-owned facilities available?		<b>X</b>	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			<b>X</b>
	F	Is Building Description Report attached as Enclosure C?	<b>X</b>		
	G	Was build-to-suit or capital project considered? <sup>2</sup> <b>The existing facility is the most economical option for the County given the improvements previously made to the space.</b>		<b>X</b>	
<b>3.</b>	<b><u>Portfolio Management</u></b>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	<b>X</b>		
	B	Was the space need justified?	<b>X</b>		
	C	If a renewal lease, was co-location with other County departments considered?			<b>X</b>
	D	Why was this program not co-located with other County departments?			
		1. ____ The program clientele requires a "stand alone" facility.			
		2. <u>X</u> No suitable County occupied properties in project area.			
		3. <u>X</u> No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. ____ The Program is being co-located.			
	E	Is lease a full-service lease? <sup>2</sup> <b>No, per the Landlord's request, the County pays for its electrical and water costs and limited maintenance costs.</b>		<b>X</b>	
	F	Has growth projection been considered in space request?			<b>X</b>
	G	<sup>1</sup> Has the Dept. of Public Works completed seismic review/approval? <b>Approved</b>	<b>X</b>		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98					
<sup>2</sup> If not, why not?					

## COMPARISON OF THE PROPOSED LEASE TO EXISTING LEASE

	<b>Existing Lease: 10430 Slusher Drive, Santa Fe Springs</b>	<b>Proposed Lease 10430 Slusher Drive, Santa Fe Springs</b>	<b>Change</b>
Area (Square Feet)	45,290 sq. ft.	45,681 sq. ft.	+391 (due to remeasurement of the premises per the updated measurement standards).
Term (years)	5 years	8 years	+ 3 years.
Annual Base Rent (Base rent includes 50 parking spaces)	\$514,133 (\$11.26 per sq. ft. annually)	\$570,098.88 (\$12.48 per sq. ft. annually)	+\$55,965.88 annually
County's TI Cost	\$180,000	\$0.00	- \$180,000
Utility Costs (paid directly to the utility company)	\$33,344	\$33,344	None (subject to rate increases)
Adjusted Total First Year Lease Costs payable to Landlord	\$514,133	\$510,905.82 <sup>(1)</sup>	- \$3,227.18 in first year
Rental rate adjustment	Fixed 3 percent increases per annum.	Fixed 3 percent increases per annum.	None

<sup>1</sup> The first-year rental costs reflect one month of free rent of approximately \$47,508 and holdover rent credit of approximately \$11,685, resulting in the adjusted total first year lease costs. This number also includes a \$11,685 holdover rent credit, thereby reducing the annual effective rental rate for the first year from \$12.48 to \$11.18 per rentable square foot. However, in the second year, the 3 percent rate increase is based on the initial \$12.48 per rental square foot annual rental rate.

## OVERVIEW OF THE PROPOSED BUDGETED LEASE AND RELATED COSTS

### 1200 Corporate Center Drive, Monterey Park Probation Department

Leased Area (sq.ft.)	26,619			
Term (months)	96			
Annual Rent Adjustment	3%			
Base Rent	Cost Per RSF Per Month	Cost Per RSF Per Year		
	\$2.60	\$31.20		
Tenant Improvement	Lump Sum			
	\$2,794,995			
Low Voltage (Labor Cost + TESMA Cost)	Labor Cost Lump Sum Payment	TESMA (Lump Sum Cost)	TESMA (Amortized Cost)	
	\$174,017	\$1,795,200	\$0	

	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year	6 <sup>th</sup> Year	7 <sup>th</sup> Year	8 <sup>th</sup> Year	Total 8 Year Rental Costs
Annual Base Rent Costs <sup>1</sup>	830,513	855,429	881,092	907,524	934,750	962,792	991,676	1,021,426	7,386,000
Tenant Improvement Costs <sup>2</sup>	2,794,995					0			2,795,000
Low Voltage Costs <sup>3</sup>	1,969,217		0						1,970,000
Total Annual Rental Costs	5,594,725	855,429	881,092	907,524	934,750	962,792	991,676	1,021,426	12,151,000

<sup>1</sup> Annual base rent includes fixed 3 percent annual increases.

**DEPARTMENT OF HEALTH SERVICES  
SPACE SEARCH – FIVE-MILE RADIUS  
FROM 10430 SLUSHER DRIVE, SANTA FE SPRINGS**

LACO	Name	Address	Proprietor	SD	Ownership Type	Property Use	Gross Sq. Ft.	Vacant
Y201	Sheriff - Central Property Warehouse	14201 Telegraph Rd Whittier 90604	Sheriff	4	Financed	Storage Misc.	55000	NONE
Y202	Sheriff - Central Supply Warehouse	14205 Telegraph Rd Whittier 90604	Sheriff	4	Financed	Storage Misc.	45000	NONE

## FACILITY LOCATION POLICY ANALYSIS

**Proposed lease:** Lease for the Department of Health Services– 10430 Slusher Drive, Santa Fe Springs – Fourth District.

**A. Establish Service Function Category** – Emergency Medical Services Disaster Response and Disaster Staging Facility

**B. Determination of the Service Area** –Since 2004, DHS has occupied the premises for its Emergency Medical Services Disaster Response and Disaster Staging Facility. DHS would incur costly improvements if it had to relocate, as DHS has improved the facility to meet the specific needs of the emergency program, including a temperature control room to expand the shelf life of the emergency medications stored onsite, electrical installations required for its emergency equipment/vehicles, and a 30-foot-wide rollup door opening for storage of a mobile medical system within the building.

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

- Need for proximity to service area and population: The existing facility is centrally located within the County in the event of a disaster.
- Need for proximity to existing County facilities: The existing facility is located one-half mile from the EMS Agency Headquarters, which is advantageous in the event of a disaster.
- 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 service.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: None available that meet the Department's programmatic warehouse and office space needs.
- Compatibility with local land use plans: The city of Santa Fe Springs 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 rent of \$510,906 includes the first month of free rent, the \$11,685 holdover rent credit, and the 50 parking spaces. The rental costs will be 100 percent funded by Homeland Security Grant Funds.

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

The Chief Executive Office (CEO), conducted a market search of available warehouse and 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 \$13.16 and \$16.29 per square, foot per year. The base annual rental rate of \$11.18 per square foot, per year for the proposed lease represents a rate that is below the market range for the area. Due to the tenant improvements needed should DHS relocate to a new space and given the importance of the use during a pandemic, remaining in the proposed space is the most cost-effective and prudent 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 warehouse space with office space for DHS employees and visitors consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012. There are no available buildings in the area that meet the Department's requirements.

**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE**

**LEASE AGREEMENT**

**COUNTY OF LOS ANGELES - Tenant**

**PPF INDUSTRIAL 12016 TELEGRAPH RD, LP – Landlord**

**10430 SLUSHER DRIVE  
SANTA FE SPRINGS, CALIFORNIA**

## TABLE OF CONTENTS

	Page
1. BASIC LEASE INFORMATION .....	1
1.1 Terms .....	1
1.2 Defined Terms Relating to Landlord's Work Letter (Not Applicable) .....	3
1.3 Exhibits to Lease .....	4
1.4 Landlord's Work Letter .....	4
2. PREMISES .....	4
3. COMMON AREAS .....	4
4. COMMENCEMENT AND EXPIRATION DATES; TERM .....	5
5. RENT .....	5
5.1 Base Rent .....	5
6. USES .....	5
7. HOLDOVER .....	6
8. COMPLIANCE WITH LAW .....	6
9. DAMAGE OR DESTRUCTION .....	6
9.1 Damage .....	6
9.2 Tenant Termination Right .....	7
9.3 Damage In Last Year .....	7
9.4 Default By Landlord .....	7
10. REPAIRS AND MAINTENANCE .....	7
10.1 Landlord Representations .....	7
10.2 Landlord Obligations .....	9
10.3 Tenant Obligations .....	10
10.4 Tenant's Right to Repair .....	10
11. SERVICES AND UTILITIES .....	11
11.1 Services .....	11
11.2 Utilities .....	12
12. TAXES .....	12
13. LANDLORD ACCESS .....	13
14. TENANT DEFAULT .....	13
14.1 Default .....	13
14.2 Termination .....	13
14.3 No Effect on Indemnity .....	13
15. LANDLORD DEFAULT .....	14
15.1 Remedies .....	14
15.2 Waiver .....	14
15.3 Emergency .....	14
16. ASSIGNMENT AND SUBLETTING .....	15
16.1 Assignment and Subletting .....	15
16.2 Sale .....	15
17. ALTERATIONS AND ADDITIONS .....	15
17.1 Landlord Consent .....	15
17.2 End of Term .....	16
18. CONDEMNATION .....	16
18.1 Controlling Terms .....	16
18.2 Total Taking .....	16
18.3 Partial Taking .....	16
18.4 Restoration .....	17
18.5 Award .....	17
18.6 Waiver of Statute .....	17

19.	INDEMNIFICATION.....	17
19.1	Landlord's Indemnity.....	17
19.2	Tenant's Indemnity.....	18
20.	INSURANCE .....	18
20.1	Waiver .....	18
20.2	General Insurance Provisions – Landlord Requirements.....	18
20.3	Insurance Coverage Types And Limits.....	21
20.4	Landlord Requirements.....	21
20.5	Waiver of Subrogation .....	22
21.	PARKING .....	22
21.1	Tenant's Rights .....	22
21.2	Remedies .....	22
22.	ENVIRONMENTAL MATTERS.....	23
22.1	Hazardous Materials .....	23
22.2	Landlord Indemnity .....	23
23.	ESTOPPEL CERTIFICATES .....	24
24.	TENANT IMPROVEMENTS .....	24
25.	LIENS.....	24
26.	SUBORDINATION AND MORTGAGES .....	24
26.1	Subordination and Non-Disturbance .....	24
26.2	Existing Deeds of Trust.....	24
26.3	Notice of Default .....	25
27.	SURRENDER OF POSSESSION.....	25
28.	SIGNAGE.....	25
29.	QUIET ENJOYMENT .....	25
30.	GENERAL .....	25
30.1	Headings .....	25
30.2	Successors and Assigns .....	25
30.3	Brokers .....	25
30.4	Entire Agreement.....	26
30.5	Severability .....	26
30.6	Notices.....	26
30.7	Governing Law and Venue.....	26
30.8	Waivers.....	26
30.9	Time of Essence .....	27
30.10	Consent .....	27
30.11	Community Business Enterprises .....	27
30.12	Memorandum of Lease .....	27
30.13	Counterparts .....	27
31.	AUTHORITY.....	27
32.	ACKNOWLEDGEMENT BY LANDLORD .....	28
32.1	Consideration of GAIN Program Participants .....	28
32.2	Solicitation of Consideration.....	28
32.3	Landlord Assignment .....	29
33.	IRREVOCABLE OFFER.....	30

## **EXHIBITS**

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

## **LANDLORD'S WORK LETTER**

Not Applicable

COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ between PPF INDUSTRIAL 12016 TELEGRAPH RD, LP, a California limited partnership ("Landlord"), and COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant" or "County").

Landlord and Tenant agree:

**1. BASIC LEASE INFORMATION**

**1.1 Terms**

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

<p>a. Landlord's Address for Notice:</p>	<p>PPF INDUSTRIAL 12016 TELEGRAPH RD, LP 1875 Century Park East #380 Los Angeles, CA 90067 Email: shillgren@kearny.com</p> <p>With a copy to:</p> <p>c/o Morgan Stanley Real Estate Advisor, Inc. 555 California Street, Suite 2200 San Francisco, CA 94104 Attention: Keith Fink Email: Keith.fink@morganstanley.com</p>
<p>b. Tenant's Address for Notice:</p>	<p>Chief Executive Office Real Estate Division 320 West Temple Street, 7<sup>th</sup> Floor Los Angeles, California 90012 Attention: Director of Real Estate Email: LeaseAcquisitions@ceo.lacounty.gov</p> <p>With a copy to:</p> <p>County of Los Angeles Office of the County Counsel 648 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, CA 90012-2713 Attention: Property Division</p>

c. Premises:	Approximately 45,681 rentable/gross square feet in the Building (defined below), as shown on <u>Exhibit A</u> attached hereto.
d. Building:	The Building located at 10430 Slusher Drive, Santa Fe Springs, California, which is currently assessed by the County Assessor as APN 8009-007-038 (the "Property");
e. Term:	Eight years, commencing upon approval by the County of Los Angeles Board of Supervisors and full execution of the lease (the "Commencement Date"), and terminating at midnight on the day before the eighth annual anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
f. Commencement Date:	January 5, 2021
g. Irrevocable Offer Expiration Date: (see Section 33)	January 5, 2021
h. Base Rent:	\$47,508.24 per month (\$1.04 per square foot per month)
i. Early Termination	Not Applicable
j. Rentable/gross Square Feet in the Premises:	45,681 square feet
k. Existing Departmental Use:	Warehouse and general office use or for any lawful purpose, subject to Section 6.
l. Parking Spaces:	50
m. Normal Working Hours:	6 a.m. to 8 p.m. Monday through Friday, and 9 a.m. to 2 p.m. on Saturdays
n. Asbestos Report:	A report dated June 2002 prepared by Building Analytics (Joseph Montoya, C.E.G. No. 1769.C.H.G. No.638), a licensed California Asbestos contractor.

o. Seismic Report	A report dated August 11, 2003 prepared by the Department of Public Works.
p. Disabled Access Survey	None.

1.2 Defined Terms Relating to Landlord's Work Letter (Not Applicable)

a. Tenant Improvement Allowance:	Not Applicable
b. Tenant's TI Contribution:	Not Applicable
c. Change Request Contingency	Not Applicable
d. Tenant Improvement Amortization Rate and Change Request Amortization Rate:	Not Applicable
e. Estimated Monthly Payments Attributable to Tenant Improvement Costs in Excess of Tenant Improvement Allowance	Not Applicable.
f. Tenant's Work Letter Representative:	Not Applicable
g. Landlord's Work Letter Representative:	Not Applicable
h. Landlord's Address for Work Letter Notice:	Not Applicable
i. Tenant's Address for Work Letter Notice:	Chief Executive Office Real Estate Division 320 West Temple Street, 7 <sup>th</sup> Floor Los Angeles, California 90012 Attention: Director of Real Estate Email: LeaseAcquisitions@ceo.lacounty.gov

1.3 <u>Exhibits to Lease</u>	Exhibit A - Floor Plan of Premises Exhibit B - Commencement Date Memorandum and Confirmation of Lease Terms Exhibit C - Form of Payment Voucher Exhibit D - HVAC Standards Exhibit E - Cleaning and Maintenance Schedule Exhibit F - Subordination, Non-Disturbance and Attornment Agreement Exhibit G - Tenant Estoppel Certificate Exhibit H - Community Business Enterprises Form Exhibit I - Memorandum of Lease
1.4 <u>Landlord's Work Letter</u>	Not Applicable

## 2.     **PREMISES**

Tenant and Landlord acknowledge that the Tenant currently occupies the Premises since June 21, 2007 and the existing lease is currently on a month-to-month holdover basis since July 8, 2019. Landlord agrees to continue leasing to Tenant, and Tenant does hereby agree to continue leasing from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and depicted on Exhibit A attached hereto.

## 3.     **COMMON AREAS**

Tenant may use the following areas ("Common Areas") in common with Landlord and any other tenants of the Building: the entrances, lobbies 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; TERM**

The term of this Lease shall commence upon the Commencement Date 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 a Commencement Date Memorandum and Confirmation of Lease Terms in the form attached hereto as Exhibit B.

## 5.     **RENT**

### 5.1     Base Rent

The first month's rent shall be abated and as such, Tenant shall pay Landlord the Base Rent stated in Section 1 during the Term hereof commencing the second

month of the term after (a) the Commencement Date, and (b) the first day of each calendar month thereafter, provided that prior to the Commencement Date, Landlord must file with the Auditor of the County of Los Angeles a payment voucher for the Base Rent attributable to the initial month(s) of the Term up to and including June of the first year during the Term, and annually thereafter, on or before June 15 of each subsequent calendar year, for the Base Rent attributable to the following 12 months (i.e., beginning July 1). Landlord shall submit such payment vouchers in the same form as Exhibit C attached hereto, along with a completed IRS form W-9 and evidence of insurance in compliance with Section 20.2. If Landlord fails to timely file any payment voucher as required pursuant to this Section 5.1, then Base Rent shall continue to accrue without abatement but Tenant shall not be required to pay such Base Rent to Landlord until 15 days after Landlord files such payment voucher for the applicable period. Base Rent for any partial calendar month during the Term shall be prorated in proportion to the number of days during the Term within such calendar month. Base Rent and all other amounts payable by Tenant under this Lease shall be collectively referred to herein as "Rent".

The monthly Base Rent is subject to three percent annual increases on each anniversary of the Commencement Date as follows:

Months	Rate	Monthly Rent
2 - 12	\$1.04	\$47,508.24
13 - 24	\$1.07	\$48,933.49
25 - 36	\$1.10	\$50,401.49
37 - 48	\$1.14	\$51,913.54
49 - 60	\$1.17	\$53,470.94
61 - 72	\$1.21	\$55,075.07
73 - 84	\$1.24	\$56,727.32
85 - 96	\$1.28	\$58,429.14

## 6. USES

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

## 7. HOLDOVER

7.1 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 30 days written notice from Landlord or 30 days written notice from the Chief Executive Officer of Tenant at 110% of the last monthly Base Rent payable under this Lease, plus any other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

7.2 Landlord shall apply the Holdover Amount (as defined below) as a credit against Base Rent payable under this Lease. As used herein "**Holdover Amount**" means the

difference between (i) the \$42,844.34 amount of monthly holdover Base Rent actually paid by Tenant to Landlord for the period commencing July 8, 2019 and expiring October 7, 2019, and (ii) the amount of Base Rent that would have been paid by Tenant for such period at the \$38,949.40 monthly Base Rent in effect for July 2019 (i.e., absent the 10% holdover surcharge). The parties hereby stipulate that the Holdover Amount is \$11,684.82.

## **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 but not limited to the Americans with Disabilities Act, except if such compliance is made necessary as a result of Tenant's use or occupancy of the Premises or alterations or improvements to the Premises.

## **9. DAMAGE OR DESTRUCTION**

### **9.1 Damage**

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then, subject to the terms of Section 9.2 below, Landlord shall promptly, at Landlord's expense, repair such damage provided insurance proceeds are available to repair such damage, and this Lease shall continue in full force and effect; provided, however Tenant shall assign to Landlord the right to all insurance proceeds payable to Tenant as a result of such casualty under the property insurance policies required to be maintained by Tenant under Section 20.3(a) below. In no event shall Landlord be obligated to repair or restore any trade fixtures, furniture, or other personal property of Tenant or any other party damaged as a result of a casualty. 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 thirty (30) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate (the "Repair Estimate") of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises leasable again using standard working methods. The failure to do so shall be a material default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

### **9.2 Tenant Termination Right**

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises will not be restored to a complete architectural unit of the same value, condition and character

that existed immediately prior to such casualty in less than 180 days for any reason, then Tenant may terminate this Lease by giving Landlord written notice within ten days after Tenant's receipt of written notice from Landlord or its agents specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became unusable. If Tenant does not elect to terminate this Lease, then Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided that insurance proceeds are available to repair the damages.

### 9.3 Damage In Last Year

Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, then either Landlord or Tenant may terminate this Lease by giving notice to the other not more than 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 9, and Landlord thereafter fails to diligently prosecute said repair and restoration work to completion, as determined by Tenant in its reasonable discretion, then Tenant may, at its sole election, upon not less than thirty (30) days prior written notice to Landlord (but subject to the last paragraph of this Section 9.4):

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

Notwithstanding the foregoing, if repair and restoration work shall take longer than 30 days to complete, Landlord shall have such longer period of time as is reasonably necessary for Landlord to complete such action provided Landlord commences such action within such 30-day period and thereafter diligently pursues completion thereof.

## 10. REPAIRS AND MAINTENANCE

### 10.1 Landlord Representations

- a. Landlord represents to Tenant that, as of the date hereof:

- i. To Landlord's actual knowledge, the Premises, the Building and those portions of the Common Areas serving the Building (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar Building service systems) comply with all current laws, codes, and ordinances, including but not limited to the Americans With Disabilities Act, and are in reasonably good working order and condition;
  - ii. To Landlord's actual knowledge, the Building, the Common Areas and the Premises comply with all covenants, conditions, restrictions, and insurance underwriter's requirements;
  - iii. To Landlord's actual knowledge, the Premises, the Building and the Common Areas serving the Building are free of the presence of Hazardous Materials (as hereinafter defined) in violation of applicable laws; and
  - iv. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation.
- b. To Landlord's actual knowledge, neither the Premises nor the Building contain asbestos containing materials in violation of applicable laws. As used in this Section 10.1(b) and in Section 10.1(a) above, "Landlord's actual knowledge" shall mean the current actual knowledge of Miles Cruz (the property manager for the Building) at the time of execution of this Lease and not any implied, imputed, or constructive knowledge of said individual or of Landlord, any of its agents, employees or contractors or any other party related to Landlord and without any independent investigation or inquiry having been made or any implied duty to investigate or make any inquiries; it being understood and agreed that such individual shall have no personal liability in any manner whatsoever hereunder or otherwise related to the transactions contemplated hereby.
- c. 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 or any Work Letter.

- d. 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 intra-building telephone network cables;
  - ii. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Building; provided, however, in no event shall

Landlord have any repair or maintenance responsibilities whatsoever with respect to (A) the HVAC system serving the medicine room in the Premises nor (B) any supplemental HVAC, electrical, plumbing or fire/life systems installed by or for Tenant (whether now existing or installed at any time in the future);

- iii. the Common Areas;
  - iv. exterior windows of the Building; and
  - v. elevators serving the Building (it being acknowledged by the parties that there are no elevators serving the Premises).
- b. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to:
- i. the floor covering; provided however, Landlord's sole obligation with respect to the floor coverings in the Premises shall be the one-time obligation to install carpeting and flooring as described in Section 24 (it being agreed by Tenant that once Landlord has completed such carpeting and flooring as described in Section 24 below, Landlord shall have no further obligation with respect to the repair, maintenance or replacement of the floor coverings, except for its janitorial obligations);
  - ii. interior partitions;
  - iii. doors;
  - iv. the interior side of demising walls; provided however, Landlord's sole obligation with respect to the repainting of the Premises shall be the one-time obligation to repaint the office walls in the Premises as described in Section 24 (it being agreed by Tenant that once Landlord has completed such repainting as described in Section 24 below, Landlord shall have no further obligation with respect to the repainting of the Premises);
  - v. signage;
  - vi. emergency exit signage and battery replacement; and
  - vii. the currently existing HVAC equipment dedicated to the mechanical rooms housing Tenant's computer servers and related equipment.
- c. Landlord shall, to the best of its ability, provide any reports, maintenance records, or other documentation as may be requested from time to time.

### 10.3 Tenant Obligations

Without limiting Landlord's repair and maintenance obligations, and subject to Section 20.5 hereof, Tenant shall be responsible for (i) the cost of repairing any area of the Property damaged by Tenant or by Tenant's agents, employees, invitees or visitors, (ii) the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant, (iii) the repair and maintenance of the HVAC system serving the medicine room in the Premises, (iv) the repair and maintenance of any supplemental HVAC, electrical, plumbing or fire/life systems installed by or for Tenant (whether now existing or installed at any time in the future), and (v) the repair and maintenance of any leasehold improvements and fixtures, furniture and equipment installed by or for Tenant in the Premises. All repairs and replacements shall:

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

### 10.4 Tenant's Right to Repair

- a. If Tenant provides written notice (or oral notice in the event of an emergency, such as damage or destruction to or of any portion of the Building structure and/or the Building systems, and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and if Landlord fails to provide such action within thirty (30) days after the giving of such notice (or, if such action of Landlord would take longer than 30 days to complete, such longer period of time as is reasonably necessary for Landlord to complete such action provided Landlord commences such action within such 30-day period and thereafter diligently pursues completion thereof), then Tenant may proceed to take the required action (provided, however, in the event of an emergency which threatens life or where there is imminent danger to property, Tenant shall only be required to provide Landlord with such prior notice as is reasonable under the circumstances [or, if no prior notice is reasonable under the circumstances, notice immediately following Tenant taking such required action]). 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. The remedies provided in this Section are in addition to the remedies provided in Section 15.

- b. Notwithstanding any provisions of this Lease to the contrary, Tenant, at its sole discretion, acting through the Chief Executive Office, may request that Landlord perform, supply and administer repairs, maintenance, building services and/or alterations, in which case Tenant shall promptly reimburse Landlord for such cost, not to exceed \$1,500. Any improvements by Landlord shall be subject to compliance with County Internal Services Department Purchasing Policy and Procedure No. A-0300, effective November 22, 2016, delivered to Landlord and incorporated by reference herein.

## **11. SERVICES AND UTILITIES**

### **11.1 Services**

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

Landlord shall continue to 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 similar buildings and not less than the standard set forth in Exhibit D attached hereto. In addition, Landlord shall furnish HVAC at all times (i.e., 24 hours per day, 7 days per week, 365 days per year) to the mechanical rooms housing Tenant's computer servers and related equipment and the storage room(s) containing medications.

- b. Electricity

Landlord shall continue to furnish to the Premises the amount of electric current currently provided.

- c. Elevators

Not Applicable

- d. Water

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

- e. Janitorial

Landlord, at its sole cost and expense, shall continue to provide janitorial service five (5) nights per week, generally consistent with that furnished in comparable 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 continue to 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.

g. Pest Control

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

11.2 Utilities

Tenant shall continue to pay at its sole cost, when due, charges related to its electric usage, water usage and related costs directly to the utility companies during the term of this lease or any renewals, extensions or holdovers thereof.

Landlord agrees to pay, all charges related to trash removal service, fire/life safety systems, charges associated with the HVAC, and other utility rents and charges accruing or payable in connection with the Common Areas during the Term of this Lease or any renewal, extension, or holdover thereof. In the event Landlord fails or refuses to pay any or all of such charges when due, Tenant may give Landlord ten (10) calendar days prior written notice and thereafter pay directly such charges and deduct the payments from the next installments of rent due as a charge against the Landlord.

12. TAXES

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

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

13. LANDLORD ACCESS

Tenant shall permit Landlord and its agents to enter the Premises during Normal Working Hours upon prior written notice for the purpose of inspecting the Premises, providing those repairs, maintenance and other services Landlord is required to provide under the Lease, and for any other reasonable purpose. If Landlord temporarily closes any portion of the Building or the Premises, Base Rent shall be prorated based upon the percentage of the Premises or the Building rendered unusable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

## **14. TENANT DEFAULT**

### **14.1 Default**

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

- a. the failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder) as and when due, and the failure continues for a period of ten (10) days after written notice to Tenant;
- b. the failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of 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. If Landlord so terminates the Lease then, in addition to all other rights or remedies as provided Landlord under law, Landlord may recover from Tenant the following:

(i) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus

(ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

The term "rent" as used in this Section 14.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 14.2(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the Interest Rate set forth in Section 5.1 of this Lease. As used in

Section 14.2(iii) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

Tenant further agrees that if a Default should occur and should not be cured within the time periods set forth above, and Landlord elects not to terminate this Lease, that Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover Rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations).

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

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

- d. if, as a result of such Default, Tenant cannot and does not use the Premises for a period of at least ninety (90) consecutive or non-consecutive days, to terminate this Lease.

#### 15.2 Waiver

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

#### 15.3 Emergency

Notwithstanding the cure period set forth in Section 15.1 above, Tenant may cure any default where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition, or materially and adversely affect the operation of Tenant's business in the Premises. In such cases, 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 (each, a "Transfer") to a governmental entity without first obtaining Landlord's prior consent; all other Transfers shall require Landlord's prior written consent (which shall not be unreasonably withheld, conditioned or delayed). In no event shall any assignment, subletting or other Transfer relieve Tenant of any liability under this Lease unless Landlord has given its written consent to such release, which Landlord shall not unreasonably withhold in the case of an assignment of this Lease if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease.

#### 16.2 Sale

If Landlord sells or conveys the 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. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria:

- a. complies with all laws and would not require the issuance of a building permit or other governmental approvals;
- 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
- d. does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building.

Landlord shall respond in writing within 30 days of such request.

### **17.2 End of Term**

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

## **18. CONDEMNATION**

### **18.1 Controlling Terms**

If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section

shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

#### 18.2 Total Taking

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

#### 18.3 Partial Taking

If any portion, but not all, of the Premises or the Common Areas 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 in proportion to the degree to which Tenant's use of the Premises and the Common Areas is impaired by such Condemnation.

#### 18.4 Restoration

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

18.5 Award

The Award (as defined below) shall be divided between Landlord and Tenant as their respective interests may appear. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises.

18.6 Waiver of Statute

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

**19. INDEMNIFICATION**

19.1 Landlord's Indemnity

The Landlord shall indemnify, defend and hold harmless the Tenant from and against any and all liability, loss, injury or damage, demands, claims, actions, fees, costs and expenses (including reasonable attorney and expert witness fees), arising from or connected with the Landlord's repair, maintenance and other acts and omissions arising from and/or relating to the Landlord's ownership of the Premises; provided, however, in no event shall the foregoing be construed to make Landlord responsible for any liability, loss, injury or damage, demands, claims, actions, fees, costs and expenses to the extent arising from the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

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, 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; provided, however, in no event shall the foregoing be construed to make Tenant responsible for any liability, loss, injury or damage, demands, claims, actions, fees, costs and expenses to the extent arising from the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees.

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

20.1 Waiver

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

## 20.2 General Insurance Provisions – Landlord Requirements

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

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

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

Renewal Certificates shall be provided to Tenant not more than 10 days after Landlord's policy expiration dates; provided, however, Landlord shall notify Tenant of the renewal of each of insurance policies on or prior to the expiration date of such applicable policy. 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 two hundred fifty thousand (\$250,000.00) dollars or 5% of the property value, 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:

County of Los Angeles  
Chief Executive Office  
Real Estate Division  
320 West Temple Street., 7<sup>th</sup> Floor  
Los Angeles, CA 90012  
Attention: Director of Real Estate

Landlord also shall promptly notify Tenant of any third-party claim or suit filed against Tenant 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

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

c. Cancellation of or Changes in Insurance

Landlord shall provide the Tenant with, or Landlord's insurance policies shall contain a provision that the Tenant shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to the Tenant at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change.

d. Failure to Maintain Insurance

Landlord's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance (including, without limit, Landlord's failure to timely deliver written notice of cancellation or policy change pursuant to Section 20.2(c) above) within 30 days after Tenant delivers written notice of such failure shall constitute a Landlord Default under Section 15.1 above. Without limit to Tenant's remedies for such Default under Section 15.1 above, Tenant may, upon not less than 10 days' prior written notice to Landlord, procure the insurance that Landlord failed to provide acceptable evidence that it maintains and, in such case, Landlord shall reimburse Tenant the costs incurred by Tenant in obtaining such insurance.

e. Insurer Financial Ratings

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

f. Order of Coverage. Landlord's insurance shall be primary and non-contributory as to claims arising from damages or injuries caused by the Landlord. Tenant's insurance shall be primary and non-contributory as to claims arising from damages or injuries occurring in the Premises or damages or injuries caused by the Tenant.

g. Waiver of Subrogation

To the fullest extent permitted by law, Landlord agrees to cause its insurer to waive all rights of recovery against Tenant under the property insurance policy Landlord is required to maintain under Section 20.4(b) below for any damage to Landlord's property 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 Landlord deductible or SIR.

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 ten (10) years following Lease expiration, termination or cancellation.

j. Application of Excess Liability Coverage

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

k. Separation of Insureds

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

l. Tenant Review and Approval of Insurance Requirements

The Tenant reserves the right to review and adjust the Required

Insurance provisions, conditioned upon Tenant's determination of changes in risk exposures.

### 20.3 Insurance Coverage Types And Limits

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

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

General Aggregate:	\$ 12 million
Products/Completed Operations Aggregate:	\$ 12 million
Personal and Advertising Injury:	\$ 11 million
Each Occurrence:	\$ 11 million

ii. Insurance covering all of the (i) items trade fixtures, merchandise and personal property from time to time in, on or upon the Premises, and (ii) alterations, additions or changes made by or for Tenant to the Premises above a "Building-standard" improvement package for the Premises, in an amount not less than one hundred percent (100%) of their full replacement value (with respect to the property described in (i) above) and the portion of their full replacement value in excess of the cost to replace a "Building-standard improvement package for the Premises (with respect to the property described in (ii) above) from time to time during the Term, providing protection against perils included within the standard form of "all-risks" fire and casualty insurance policy.

iii. Workers' Compensation and Employer's Liability insurance affording statutory coverage and containing statutory limits with the Employer's Liability portion thereof to have minimum limits of \$1,000,000.00.

iv. Automobile liability insurance, covering vehicles owned by Tenant, non-owned vehicles used by Tenant, and vehicles hired by Tenant, with policy limits of not less than \$1,000,000 per accident, for bodily injury, death of any person, and property damage arising out of the ownership, maintenance, and use of those motor vehicles.

b. Self-Insurance

Tenant, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self-insurance. A certificate evidencing insurance coverage or letter evidencing self-insurance will be provided to Landlord after execution of this Lease at Landlord's request. Any self-insurance shall be deemed to contain all the terms and conditions applicable to such insurance as required under this Lease, including, without limitation, a full waiver of subrogation as required in Section 20.3(h).

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

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

General Aggregate:	\$ 12 million
Products/Completed Operations Aggregate:	\$ 12 million
Personal and Advertising Injury:	\$ 11 million
Each Occurrence:	\$ 11 million

- b. Commercial Property Insurance. Such insurance shall:

- i. Provide coverage for the Building and any Landlord improvements and betterments to the Premises; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), excluding earthquake and including flood and ordinance or law coverage.
- ii. Be written for the full replacement cost of the Property, with a deductible no greater than \$250,000 or 5% of the Property value. Insurance proceeds shall be payable to the Landlord and Tenant, as their interests may appear.

## 21. PARKING

Tenant shall have the right to use the number of unreserved, first-come, first-served, parking spaces set forth in Section 1, without charge, for the Term of this Lease. No tandem parking shall be required, and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all other parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building.

## 22. ENVIRONMENTAL MATTERS

### 22.1 Hazardous Materials

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

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

## **22.2 Landlord Indemnity**

Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fines, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of, or in connection with, the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials other than those caused by Tenant or Tenant's employees, contractors, agents, invitees, licensees, assignees or sublessees. 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 Exhibit G attached hereto (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest in the Premises or a holder of any mortgage upon Landlord's interest in the Premises.

## **24. TENANT IMPROVEMENTS**

Within 90-days from the Commencement Date, Landlord shall at Landlord's sole cost and expense provide new carpet tiles in the office area, including lifting of the furniture and furniture systems, install new vinyl flooring in all restrooms/breakroom(s), repaint the entire walls within the office space per Tenants specifications and approval and repair or replace window blinds as needed throughout the Premises. The work and selections shall be coordinated with Tenant and performed during after-hours.

## **25. LIENS**

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

## **26. SUBORDINATION AND MORTGAGES**

### **26.1 Subordination and Non-Disturbance**

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

### **26.2 Existing Deeds of Trust**

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

### **26.3 Notice of Default**

If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail and requests copies of any notice of default that Tenant serves upon Landlord, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee or beneficiary a copy of any notice of default that Tenant serves upon Landlord which could permit Tenant to terminate this Lease, along with 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 shall, prior to the expiration or earlier termination of

this Lease, remove, at its own expense, all fixtures, equipment and all other personal property existing in or upon the Premises (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.

**29. QUIET ENJOYMENT**

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

**30. GENERAL**

**30.1 Headings**

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

**30.2 Successors and Assigns**

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

**30.3 Brokers**

Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than 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 (including all exhibits hereto and the Landlord's Work Letter) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect, and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

30.5 Severability

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

30.6 Notices

The parties shall give all notices in writing by (i) personal delivery, (ii) national-recognized, next-day courier service, (iii) first-class registered or certified mail, postage prepaid, or (iv) electronic mail, to the Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Without limiting the generality of the foregoing, Landlord's notices to Tenant shall not be effective if they are delivered to the Premises or to another address that is not set forth in Section 1 hereof. Any notice given under this Lease shall be deemed effective upon the date of delivery (whether accepted or refused), which, for certified mail and courier service, shall be established by U.S. Post Office return receipt or the courier's proof of delivery, respectively.

30.7 Governing Law and Venue

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

30.8 Waivers

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

30.9 Time of Essence

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

30.10 Consent

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

30.11 Community Business Enterprises

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

### 30.12 Memorandum of Lease

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

### 30.13 Counterparts

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

## **31. AUTHORITY**

Only the 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 does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an early termination notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

## **32. ACKNOWLEDGEMENT BY LANDLORD**

Landlord acknowledges that it is aware of the following provisions:

### 32.1 Consideration of GAIN Program Participants

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

### 32.2 Solicitation of Consideration

It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord 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 the 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 who has had any involvement in the procurement, negotiation, consummation, administration or management of a lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made 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, as security for the Landlord's obligation to repay any monetary obligation, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.
- c. Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (commercial 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 and every assignment, transfer, hypothecation or encumbrance of Landlord's interest in this Lease and any instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.
- f. Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.
- g. The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns, whether so expressed or not.

### **33. IRREVOCABLE OFFER**

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

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

LANDLORD:

PPF INDUSTRIAL 12016 TELEGRAPH RD,  
LP, a California limited partnership

By: PPF Industrial GP, LLC,  
a Delaware limited liability company  
Its: General Partner

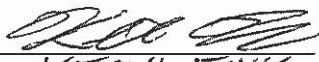
By: PPF Industrial, LLC,  
a Delaware limited liability company  
Its: Sole Member

By: PPF OP, LP,  
a Delaware limited partnership  
Its: Sole Member

By: PPF OPGP, LLC,  
a Delaware limited liability company  
Its: General Partner

By: Prime Property Fund, LLC,  
a Delaware limited liability company  
Its: Sole Member

By: Morgan Stanley Real Estate Advisor, Inc.,  
a Delaware corporation  
Its: Investment Adviser

By:   
Name: KEITH FINK  
Title: Executive Director

*[Signature Page Continued New Page]*

TENANT:

COUNTY OF LOS ANGELES,  
a body corporate and politic

FESIA A. DAVENPORT  
Acting Chief Executive Officer

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

ATTEST:

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

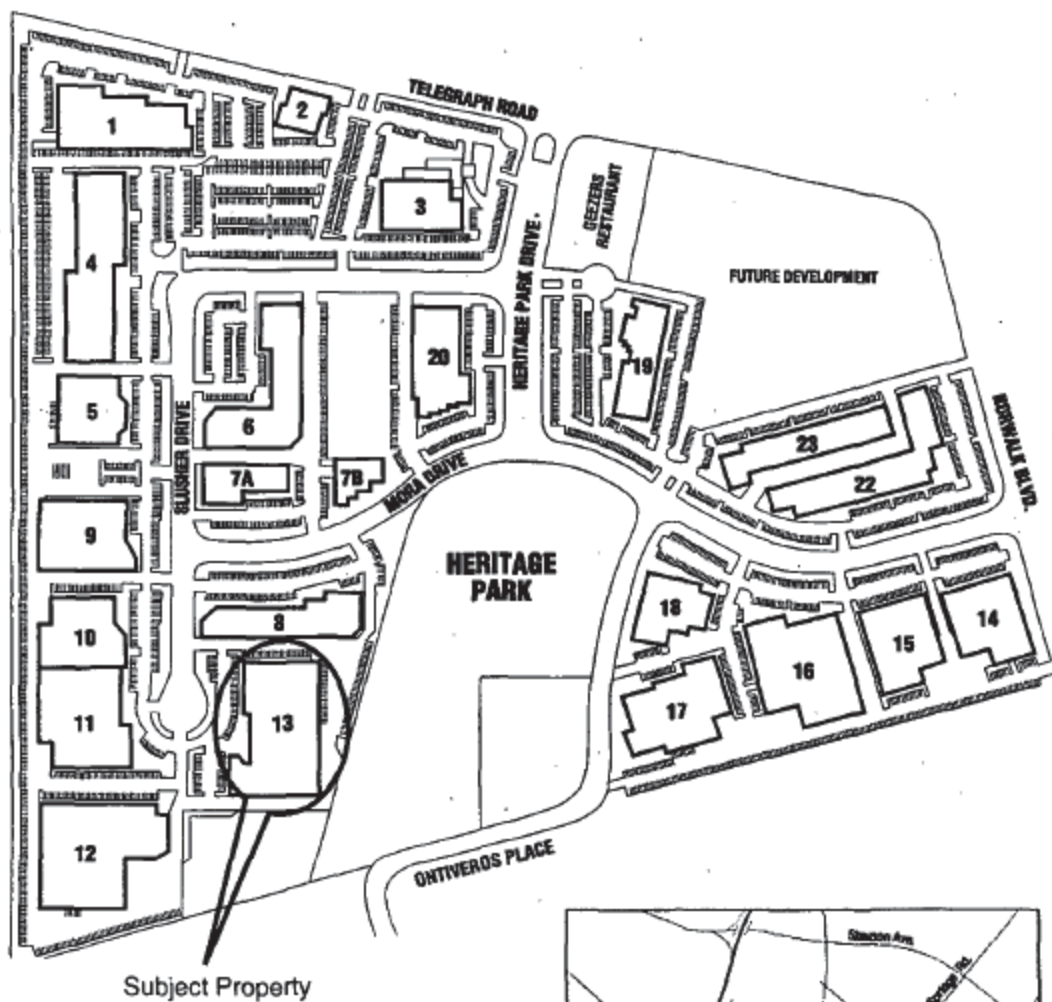
By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA  
Acting County Counsel

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

**EXHIBIT A**  
**FLOOR PLAN OF PREMISES**



## EXHIBIT B

### COMMENCEMENT DATE MEMORANDUM AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain Lease Agreement ("Lease") dated \_\_\_\_\_, 20\_\_, between County of Los Angeles, a body corporate and politic ("Tenant"), and PPF INDUSTRIAL 12016 TELEGRAPH RD, LP, a California limited partnership ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 10430 Slusher Drive, Santa Fe Spring, California ("Premises"),

Landlord and Tenant hereby acknowledge as follow:

- 1) Tenant continues to occupy the Premises;
- 2) The Lease commenced on \_\_\_\_\_ ("Commencement Date");
- 3) The Base Rent is \$47,508.24 per month (\$1.04 per square foot per month)
- 4) The Premises contain 45,681 rentable/gross square feet of space; and

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

Months	Rate	Monthly Rent
2 - 12	\$1.04	\$47,508.24
13 - 24	\$1.07	\$48,933.49
25 - 36	\$1.10	\$50,401.49
37 - 48	\$1.14	\$51,913.54
49 - 60	\$1.17	\$53,470.94
61 - 72	\$1.21	\$55,075.07
73 - 84	\$1.24	\$56,727.32
85 - 96	\$1.28	\$58,429.14

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

Tenant:

COUNTY OF LOS ANGELES,  
a body corporate and politic

Landlord:

PPF INDUSTRIAL 12016 TELEGRAPH RD,  
LP, a California limited partnership

By:

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

By:

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

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

<b>To be completed by Lessor:</b>	
Tax/S.S. ID#	
Signature	
Date	Email:
Phone No.	Fax No.

Lessor Name #1:

Lessor Name #2

Attn: or c/o

Address:

City, State, Zip:

1

Expiration Date

#### Current Status

Property Location:

00000

00000

Account No

Disbursement Code: 818

## Warrant

LINE # 01 FUND A01

Ref Vendor Line: 1

Ref acctg. Line: 1

Ref Type: Partial

\* Leave Blank except for 13th Accounting Period.

\*\* Leave blank except entering commitments or expenditure accrual.

PV\_Leasing.accdb. Rep

## **EXHIBIT D**

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

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

## EXHIBIT E

### CLEANING AND MAINTENANCE SCHEDULE

1. DAILY (Monday through Friday)

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

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.

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

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

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

8. GENERAL

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

**EXHIBIT F**

**SUBORDINATION, NONDISTURBANCE  
AND ATTORNMENT AGREEMENT**

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

**County of Los Angeles  
Chief Executive Office  
Real Estate Division  
320 West 7<sup>th</sup> Street  
7<sup>th</sup> Floor  
Los Angeles, California 90012**

)  
)  
)  
)  
)  
)  
)

**Space above for Recorder's Use**

---

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

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

This Subordination, Non-disturbance and Attornment Agreement ("Agreement") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 200\_\_ by and among COUNTY OF LOS ANGELES, a body 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 A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.

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

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

4. Attornment. Subject to Section 3 above, if any Transfer of the 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 obligation under the Lease, unless Lender has approved such modification or amendment in writing, which approval shall not be unreasonably withheld, conditioned or delayed.

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

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

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

To Tenant: County of Los Angeles  
Chief Executive Office  
Real Estate Division  
320 West Temple Street, 7<sup>th</sup> 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 is governed by the laws of the State of California without regard to the choice of law rules of that State.

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

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

BORROWER: *[Insert name of Landlord]*

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

LENDER: *[Insert name of Lender],*

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



## EXHIBIT G

### TENANT ESTOPPEL CERTIFICATE

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

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

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

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

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

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

      (b)    The current Rent is set forth above.

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

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

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

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

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

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

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

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

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

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

COUNTY OF LOS ANGELES,  
a body corporate and politic

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

# EXHIBIT H

## COMMUNITY BUSINESS ENTERPRISE FORM

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

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

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

2. Total Number of Ownership/Partners, Etc.: _____			<b>III. MINORITY/WOMEN-OWNED FIRM CERTIFICATION</b>	
3. Provide the percentage of	All Employee	Women	Is your firm currently certified as a minority owned business firm  by the: State of California? <input type="checkbox"/> Yes <input type="checkbox"/> No  City of Los Angeles? <input type="checkbox"/> Yes <input type="checkbox"/> No  Federal Government? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Black/African American				
Hispanic/Latin American				
Asian American				
Portuguese American				
American Indian/Alaskan Native				
All Others				
			<b>Section D. OPTION TO PROVIDE REQUESTED INFORMATION</b>  <input type="checkbox"/> We do not wish to provide the information required in this form.  Firm Name: _____  Signature/Title: _____  Date: _____	

**EXHIBIT I**

**MEMORANDUM OF LEASE**

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

County of Los Angeles  
Chief Executive Office  
Real Estate Division  
320 West Temple Street  
7<sup>th</sup> 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.

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**MEMORANDUM OF LEASE**

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

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

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

*[signature page immediately follows]*

LANDLORD:

PPF INDUSTRIAL 12016 TELEGRAPH  
RD, LP, a California limited partnership

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

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

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

\_\_\_\_\_

TENANT:

COUNTY OF LOS ANGELES,  
a body corporate and politic

FESIA A. DAVENPORT  
Acting Chief Executive Officer

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

\_\_\_\_\_  
David P. Howard  
Assistant Chief Executive Officer

ATTEST:

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

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

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA  
Acting County Counsel

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

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

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

On \_\_\_\_\_, before me,

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

personally appeared \_\_\_\_\_,

Name of Signer(s)

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

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

WITNESS my hand and official seal.

---

Signature (Seal)

## BOARD LETTER FACT SHEET

Agenda Review Date:

Board Meeting Date:

Sup. Dist. / SPA No.:

DEPARTMENT:

SUBJECT:

**I. PUBLIC BENEFIT** (precise description, mandated or non-mandated)

**II. RECOMMENDED ACTIONS** (summarized)

**III. COST AND FUNDING SOURCES**

Cost:

Funding:

**IV. BACKGROUND** (critical and/or insightful)

**V. POTENTIAL ISSUE(S)**

**VI. DEPARTMENT & COUNTY COUNSEL CONTACTS**



# County of Los Angeles **CHIEF EXECUTIVE OFFICE**

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

FESIA A. DAVENPPORT  
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

December 8, 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:

**TEN-YEAR LEASE  
DEPARTMENT OF PUBLIC HEALTH,  
DEPARTMENT OF PUBLIC SOCIAL SERVICES AND  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
9320 TELSTAR AVENUE, EL MONTE  
(FIRST DISTRICT)  
(3 VOTES)**

**SUBJECT**

Approval of a proposed ten-year lease to replace an existing lease to provide the Departments of Public Health (DPH), Public Social Services (DPSS), and Children and Family Services (DCFS) continued use of 176,310 square feet of office and warehouse space, and 599 on-site parking spaces for various DPH, DPSS, and DCFS programs.

**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 Rising Realty Partners, LP (or its related affiliates acceptable to Los Angeles County) (Landlord), for 176,310 square feet which includes 163,000 square feet of office space, 13,310 square feet of warehouse space, and 599 on-site parking spaces at 9320 Telstar Avenue, El Monte, California, 91731 (Premises), for continued occupancy by DPH, DPSS and DCFS. The estimated maximum first year base rental cost of \$4,690,464 includes five months' free rent for an adjusted base rent of \$2,736,104. The estimated total lease cost is \$56,855,000 over the 10-year term, which includes the cost of electricity to be paid

by DPH, DPSS, and DCFS directly to the Landlord. The costs for DPH will be funded 32 percent with State funds, 51 percent with Federal funds, and 17 percent with net County cost; the costs for DPSS will be funded 82.88 percent with State and Federal funds and 17.12 percent with net County cost; and the costs for DCFS will be funded 45 percent with Federal and State funds, and 55 percent with 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, exercising early termination rights, rights of first refusal, any options to extend, and/or to lease additional supplemental parking spaces as needed and available.

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

Since 2001, DPH, DPSS and DCFS have occupied the Premises. The existing lease has been on a month-to-month holdover since August 2019. The current ownership is currently in escrow to sell the Premises to the Landlord. The proposed lease will be effective and commence once all of the following items are in place: (i) Landlord owns the Premises, (ii) Board approval of the proposed lease, (iii) full execution of the proposed lease, and (iv) unconditional delivery of the Premises to the County by the Landlord at the close of Escrow. The 176,310 square foot Premises will include 163,000 square feet of office space and 13,310 square feet of warehouses space which is split amongst DPH, DPSS and DCFS. There is a childcare center at the facility which uses approximately 7,000 SF of the office space, and a small outside area of the parking lot which is provided at no cost to the County. The Premises are located near public transportation routes and adjacent to major freeways.

DPH currently occupies 86,639 square feet at the Premises for its Children's Medical Services (CMS) Headquarters, and its four main programs: California Children's Services (CCS), Medical Therapy Program (MTP), Child Health and Disability Prevention (CHDP), and Child Welfare Public Health Nursing Program, including the General Program and the Health Care Program for Children in Foster Care (HCPCFC). This office serves as the headquarters and the administrative center for CMS overseeing these four programs that provide medical benefits and services to children, at no cost and in collaboration with the school districts. There are approximately 465 DPH employees at the Premises.

DPSS currently occupies 66,416 square feet at the Premises for its In-Home-Supportive Services (IHSS), Medi-Cal Outreach, Line Operations Development, and a Child Care Center. The IHSS Program provides financial assistance for services to low-income elderly, blind or disabled individuals. The services may include house-cleaning, meal preparation, grocery shopping, accompaniment to medical appointments, protective supervision and personal care. Medi-Cal Outreach deploys Eligibility Workers throughout Los Angeles County at sites such as hospitals, clinics, schools, and community agencies

to offer an alternate platform for the community to access health insurance and nutrition assistance services. Line Operations Development provides support to DPSS staff and assists with instituting new programs. There are approximately 300 DPSS employees at the Premises.

DCFS currently occupies 23,255 square feet at the Premises for its Out-of-Home Care Management Division (OHCMD), Quality Improvement (QI) Section and its Wraparound Section. These programs support the mission, vision, strategic plans and goals for child safety, permanency, quality of life for children, well-being and educational competency. The goal is to develop and provide the highest quality placement and treatment resources for children and families, and ensure that the children's needs are being met and they are achieving positive outcomes. There are approximately 110 DCFS employees at the Premises.

Approval of the recommended actions will find that the proposed lease is exempt from CEQA and will continue to allow DPH, DPSS, and DCFS to operate at the Premises.

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

The Countywide Strategic Plan Goal 3 - *Realize Tomorrow's Government Today* - provides that our increasingly dynamic, and complex environment, challenges our collective abilities to respond to public needs and expectations. We want to be an innovative, flexible, effective, and transparent partner focused on advancing the common good. The proposed lease supports this goal through provision of efficient public service by providing continued use of an existing, centrally located Premises occupied by multiple County departments.

The proposed lease is consistent with the Strategic Asset Management Plan Goal 2 – Strengthen Connection between Service Priorities and Asset Decisions and Key Objective 4 – Guide Strategic Decision-Making. The proposed lease supports this goal and objective through provision of efficient public service by providing continued use of an existing, centrally located Premises occupied by multiple County departments.

The proposed lease is in conformance with the Asset Management Principles as outlined in Enclosure A.

### **FISCAL IMPACT/FINANCING**

Sufficient funding to cover the proposed rent (including electrical expense), 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 DPH, DPSS and DCFS in accordance with their respective share as follows: DPH is \$1,604,438, DPSS is \$1,229,938 and DCFS is \$430,658. DPH, DPSS and DCFS have sufficient funding in their FY 2020-21 operating budgets to cover the proposed rental cost, including utilities for the first year. Beginning in FY 2021-22, ongoing funding for costs associated with the proposed lease will be part

of the budgets for DPH, DPSS and DCFS. The rental costs for DPH will be funded with 51 percent Federal funds, 32 percent with State funds, and 17 percent with net County cost. The rental costs for DPSS will be funded 82.88 percent with State and Federal funds and 17.12 percent with net County cost. The rental costs for DCFS will be funded 45 percent with Federal and State funds, and 55 percent with net County cost.

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

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

- The base rent for the office space at commencement of the proposed lease is \$27.60 per square foot per year. The base rent for the warehouse space at the commencement of the proposed lease is \$14.40 per square foot, per year. Based on these rates, the total first year rent would be \$4,690,464; however, the Landlord will provide the first five months of rent free, resulting in a total first year base rent cost of \$2,736,104.
- Base rent for the office space is subject to annual Consumer Price Index (CPI) increases and capped at 3 percent per annum.
- Base rent for the warehouse space is fixed for years one through five and subject to a one-time 3 percent increase on the fifth anniversary of the Lease Term.
- The Landlord will provide a \$2,445,000 base tenant improvement allowance (TI Allowance) for refurbishment of the Premises, i.e., carpet, paint and other minor improvements as needed including repair and reconfiguration of furniture. Any unused portion of the TI Allowance will be credited toward the base rent.
- The Landlord, at its sole cost and expense, shall be responsible for upgrading the bathrooms and elevator lobby to the most recent building standard, as well as code-compliant work required in the common areas. In addition, the Landlord shall air balance the heating, ventilation, and air conditioning (HVAC) system by a third-party HVAC subcontractor within 60 days from the commencement of the lease term.
- The Landlord is responsible for operating and maintenance costs including janitorial services, and the County is responsible for reimbursing the Landlord the costs of its electrical usage at an estimated \$528,930 annual costs.
- The base rent includes 599 parking spaces. The Landlord shall restripe the parking area and install approximately 17 electric charging stations at the Landlord's sole cost and expense. The County can request that the Landlord acquire additional off-site parking as needed and if available, for which the County will reimburse the Landlord.

- The aggregate costs associated with the proposed lease over the entire term is \$56,855,000, as shown on Enclosure B.
- The County has the right to terminate the proposed lease at any time after the eighth year, with 180 days notice, subject to payment of a termination fee equal to the unamortized portion of the TI Allowance with no interest charged and capped at \$490,000.
- The proposed lease includes two five-year options to extend the proposed lease term with nine months advance notice at 95 percent of the Fair Market Rental Value. If all options are exercised, the total term of the proposed lease would be 20 years.
- The County has a right of first refusal to lease additional space in the Premises. Further, if Landlord decides to sell the Premises, the County will have a right of first refusal regarding any sale of the Premises.
- Holdover at the proposed lease expiration is permitted on the same lease terms and conditions and the monthly base rent during the holdover period will be at the base rent at the time of the proposed lease expiration.
- The proposed lease was submitted for review to the Board's appointed Real Estate Management Commission on November 10, 2020, and was unanimously approved.

The Chief Executive Office (CEO) issued a flyer soliciting proposals for available space from landlords, brokers, and other owner representatives, for this space need, through the Board's Executive Office website, CEO-Real Estate's County website, and Cushman & Wakefield's (CW) website, the County's tenant broker representative. None of the responses received were suitable for the Departments' needs due to the higher rental costs and the cost and time to provide the TIs and low voltage needed for a new space. The CEO, along with CW, 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 office lease in the area is between \$30.60 and \$33.60 per square foot, per year. Thus, the base annual rental rate of \$30.60 per square foot, per year for the proposed office space represents a rate that is at the lower range for the area. Further, available industry data also establishes that the annual rental range for a comparable warehouse lease in the area is between \$14.64 and \$15.60 per square foot, per year. Thus, the base annual rental rate of \$14.40 per square foot, per year for the proposed warehouse space represents a rate that is below the range for the area. Due to the costly tenant improvements needed should the Departments relocate to a new space, remaining in the proposed space is the most cost-effective choice. In

addition, the San Gabriel Valley market is in high demand creating an extremely tight market with very few large blocks of available office space. The proposed lease will allow DPH, DPSS and DCFS to continue to enjoy the synergy of being in one building. We recommend the proposed Premises as the most suitable to continue to meet the County's space requirements.

CEO has communicated with co-working office space companies regarding office space for the applicable programs and they have informed the CEO that their co-working office space does not have available space for long term occupancy to accommodate the required space needs. In addition, co-working office space is not financially viable in comparison to rental costs of traditional long-term office space.

Enclosure 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 the Premises and found it suitable for County occupancy. Refurbishment of the Premises will be completed in compliance with relevant building and construction laws and regulations, including the Americans with Disabilities Act. The required notification letter has been sent to the city of El Monte, in accordance with Government Code Section 25351. County Counsel has reviewed the enclosed proposed lease and has approved it as to form.

The proposed lease will continue to provide a suitable location for the various DPH, DPSS and DCFS programs, which is consistent with the County's Premises Location Policy, adopted by the Board on July 24, 2012 and as outlined in Enclosure D.

## **ENVIRONMENTAL DOCUMENTATION**

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

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

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed lease will adequately provide the necessary office and warehouse space, and include required parking spaces, for this County requirement. DPH, DPSS and DCFS concur with the proposed lease and recommendations.

**CONCLUSION**

It is requested that the Executive Office of the Board, return one certified copy of the Minute Order and an adopted-stamped copy of this 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 Health  
Public Social Services  
Children and Family Services

**Departments of Public Health, Public Social Services and Children and Family Services**  
**9320 Telstar Avenue, El Monte, CA 91731**  
**Asset Management Principles Compliance Form<sup>1</sup>**

<b>1.</b>	<b><u>Occupancy</u></b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
A	Does lease consolidate administrative functions?	<b>X</b>		
B	Does lease co-locate with other functions to better serve clients?	<b>X</b>		
C	Does this lease centralize business support functions?	<b>X</b>		
D	Does this lease meet the guideline of 200 sq. ft of space per person? <b>No, it is 201 per square foot per person due to the Lobby and public intake areas providing services to clients.</b>		<b>X</b>	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? <sup>2</sup> <b>No, it is lower at 3.4/1,000 sq. ft. but we are exploring additional parking options and will have rights for additional parking, if available.</b>		<b>X</b>	
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?	<b>X</b>		
<b>2.</b>	<b><u>Capital</u></b>			
A	Is it a substantial net County cost (NCC) program? <b>The total net County cost amounts to 22.6 percent of the total cost.</b>		<b>X</b>	
B	Is this a long-term County program?	<b>X</b>		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		<b>X</b>	
D	If no, are there any suitable County-owned facilities available?		<b>X</b>	
E	If yes, why is lease being recommended over occupancy in County-owned space? <b>No, County office space available.</b>			<b>X</b>
F	Is Building Description Report attached as Enclosure C?	<b>X</b>		
G	Was build-to-suit or capital project considered? <sup>2</sup> <b>The existing facility is the most economical option for the County given the improvements previously made to the space.</b>		<b>X</b>	
<b>3.</b>	<b><u>Portfolio Management</u></b>			
A	Did department utilize CEO Space Request Evaluation (SRE)?	<b>X</b>		
B	Was the space need justified?	<b>X</b>		
C	If a renewal lease, was co-location with other County departments considered?	<b>X</b>		
D	Why was this program not co-located with other County departments?			
	1. ____ The program clientele requires a "stand alone" Premises.			
	2. ____ No suitable County occupied properties in project area.			
	3. ____ No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. <u>  X  </u> The Program is being co-located.			
E	Is lease a full-service lease? <sup>2</sup> <b>No, the County will pay for the costs of electrical usage.</b>		<b>X</b>	
F	Has growth projection been considered in space request?	<b>X</b>		
G	<sup>1</sup> Has the Dept. of Public Works completed seismic review/approval?	<b>X</b>		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98				
<sup>2</sup> If not, why not?				

**COMPARISON OF THE PROPOSED LEASE TO EXISTING LEASE**

	<b>Existing Lease:</b> <b>9320 Telstar, El Monte</b>	<b>Proposed Lease</b> <b>9320 Telstar, El Monte</b>	<b>Change</b>
Area (Square Feet)	176,310 sq. ft.	176,310 sq. ft.	None
Term (years)	Seven years	Ten years	+3 years.
Annual Base Rent <sup>(1)</sup> (Base rent includes <u>599</u> parking spaces)	Total \$3,971,608 (\$22.53 per sq. ft. annually)	Total \$4,690,464 (\$26.60 per sq. ft. annually)	+ \$718,856 (+\$4.07 per sq. ft. annually)
Free Rent <sup>(2)</sup>	N/A	- \$1,954,360	- \$1,954,360 equals 5-months rent
Adjusted Annual Rent	N/A	\$2,736,104	N/A
Estimated Annual Electrical Cost <sup>(3)</sup> Electrical cost are based upon actual 12-month average, subject to periodic rate increases.	\$528,930	\$528,930	\$0.00
Total Annual Lease Costs payable to Landlord <sup>(4)</sup>	\$4,500,538	\$3,265,034	- \$1,235,504
Options to Renew	One five-year option	Two five-year options	+Five-years
Office rental rate adjustment	Annual CPI adjustments capped at 3 percent per annum with no minimum.	Annual CPI adjustments capped at 3 percent per annum with no minimum.	None
Warehouse rental rate adjustment	Annual CPI adjustments capped at 3 percent per annum with no minimum.	Fixed years 1-5 with a onetime 3 percent increase after the 5 <sup>th</sup> year.	Reduced annual escalation to only once following the 5 <sup>th</sup> year of the Lease Term.

<sup>1</sup> The Base Rent is for the proposed lease includes a rate of \$27.60 per square foot, per year, for the Office Premises (163,000 SF) and \$14.40 per square foot, per year, for the Warehouse Premises (13,310 SF).

<sup>2</sup> The County shall receive five (5) months of free rent applicable toward months one through five of the Lease Term.

<sup>3</sup> Electrical cost are based upon actual 12-month average, subject to periodic rate increases.

<sup>4</sup> Based on a one-time deduction for the first year only. Rent for the subsequent years will increase. See Enclosure B, Page 2.

## OVERVIEW OF THE PROPOSED BUDGETED LEASE AND RELATED COSTS

9320 Telstar, El Monte, CA. 91731  
DPH, DPSS, DCFS

Basic Assumptions	
Office Leased Area (sq ft)	163,000
Warehouse Leased Area (sq ft)	13,310
Total Leased Area (sq ft)	176,310
Term (months)	120
Office Annual Base Rent / SF	\$27.60
Office Monthly Base Rent / SF	\$2.30
Office Rent Adjustment (Annual CPI with a 3% cap)	3%
Warehouse Annual Base Rent / SF	\$14.40
Warehouse Monthly Base Rent / SF	\$1.20
Warehouse Rent Adjustment (After 5th Yr Only)	3%

Department	Office RSF	Warehouse RSF	Total RSF	% Share
DPH	80,098	6,541	86,639	49.14%
DPSS	61,402	5,014	66,416	37.67%
DCFS	21,500	1,755	23,255	13.19%
	163,000	13,310	176,310	100.00%

TOTAL LEASE COSTS											
Year	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year	6 <sup>th</sup> Year	7 <sup>th</sup> Year	8 <sup>th</sup> Year	9 <sup>th</sup> Year	10 <sup>th</sup> Year	Total
Office Annual Base Rent Costs <sup>(1)</sup>	\$4,498,800	\$4,633,764	\$4,772,777	\$4,915,960	\$5,063,439	\$5,215,342	\$5,371,802	\$5,532,957	\$5,698,945	\$5,869,914	\$51,574,000
Warehouse Annual Base Rent Costs <sup>(2)</sup>	\$191,664	\$191,664	\$191,664	\$191,664	\$191,664	\$197,414	\$197,414	\$197,414	\$197,414	\$197,414	\$1,946,000
Sub-Total Combined Office & Warehouse Rent	4,690,464	4,825,428	4,964,441	5,107,624	5,255,103	5,412,756	5,569,216	5,730,370	5,896,359	6,067,328	
Rent Abatement <sup>(3)</sup>	(\$1,954,360)										
Total Paid to Landlord	\$2,736,104	\$4,825,428	\$4,964,441	\$5,107,624	\$5,255,103	\$5,412,756	\$5,569,216	\$5,730,370	\$5,896,359	\$6,067,328	\$51,565,000
Estimated Annual Electric Expense <sup>(4)</sup>	\$528,930	\$528,930	\$528,930	\$528,930	\$528,930	\$528,930	\$528,930	\$528,930	\$528,930	\$528,930	\$5,290,000
<b>Total Annual Rental Costs</b>	<b>3,265,034</b>	<b>5,354,358</b>	<b>5,493,371</b>	<b>5,636,554</b>	<b>5,784,033</b>	<b>5,941,686</b>	<b>6,098,146</b>	<b>6,259,300</b>	<b>6,425,289</b>	<b>6,596,258</b>	<b>\$56,855,000</b>

DPH LEASE COSTS											
Annual Base Rent Costs <sup>(5)</sup>	2,304,894	2,371,215	2,439,526	2,509,887	2,582,358	2,659,828	2,736,713	2,815,904	2,897,471	2,981,485	\$26,300,000
Rent Abatement <sup>(3)</sup>	(\$960,373)										
Annual Electric Expense <sup>(4)</sup>	\$259,916	\$259,916	\$259,916	\$259,916	\$259,916	\$259,916	\$259,916	\$259,916	\$259,916	\$259,916	\$2,600,000
<b>Total Annual Rental Costs</b>	<b>1,604,438</b>	<b>2,631,132</b>	<b>2,699,442</b>	<b>2,769,803</b>	<b>2,842,274</b>	<b>2,919,745</b>	<b>2,996,629</b>	<b>3,075,820</b>	<b>3,157,387</b>	<b>3,241,401</b>	<b>\$27,939,000</b>

DPSS LEASE COSTS											
Annual Base Rent Costs <sup>(5)</sup>	1,766,898	1,817,739	1,870,105	1,924,042	1,979,597	2,038,985	2,097,924	2,158,631	2,221,158	2,285,562	\$20,161,000
Rent Abatement <sup>(3)</sup>	(\$736,207)										
Annual Electric Expense <sup>(4)</sup>	\$199,248	\$199,248	\$199,248	\$199,248	\$199,248	\$199,248	\$199,248	\$199,248	\$199,248	\$199,248	\$1,993,000
<b>Total Annual Rental Costs</b>	<b>1,229,938</b>	<b>2,016,987</b>	<b>2,069,353</b>	<b>2,123,290</b>	<b>2,178,845</b>	<b>2,238,233</b>	<b>2,297,172</b>	<b>2,357,878</b>	<b>2,420,406</b>	<b>2,484,810</b>	<b>\$21,417,000</b>

DCFS LEASE COSTS											
Annual Base Rent Costs <sup>(5)</sup>	618,672	636,474	654,810	673,696	693,148	713,943	734,580	755,836	777,730	800,280	\$7,060,000
Rent Abatement <sup>(3)</sup>	(\$257,780)										
Annual Electric Expense <sup>(4)</sup>	\$69,766	\$69,766	\$69,766	\$69,766	\$69,766	\$69,766	\$69,766	\$69,766	\$69,766	\$69,766	\$698,000
<b>Total Annual Rental Costs</b>	<b>430,658</b>	<b>706,240</b>	<b>724,576</b>	<b>743,462</b>	<b>762,914</b>	<b>783,708</b>	<b>804,346</b>	<b>825,602</b>	<b>847,496</b>	<b>870,046</b>	<b>\$7,500,000</b>

### Footnotes:

<sup>1</sup> Base rent for the office space includes annual adjustments based on CPI with a cap of 3 percent. This schedule assumes the 3 percent cap per year.

<sup>2</sup> Base rent includes a one-time 3 percent increase following the 5th year of the Lease Term for the Warehouse space.

<sup>3</sup> Based upon free rent for months one (1) through five (5) of the initial term.

<sup>4</sup> Based upon a 12-month historical electrical costs. The electrical costs are subject to rate increases.

<sup>5</sup> Based on the combined Office and Warehouse Base Rent Costs.

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

**DPH, DPSS and DCFS  
SPACE SEARCH – SEVEN MILE RADIUS  
9320 TELSTAR AVENUE, EL MONTE, CA 91731**

Property ID	Name	Address	Ownership	Property Use	Property Type	Gross Sq Ft	Vacant
4521	Sheriff - Homicide Bureau & Parole Compliance	1 Cupania Circle Monterey Park 91755	Leased	Multiple Use Building - Office	Multiple Use Building - Office	42,547	NONE
10111	Regional Facilities Agency	265 Cloverleaf Dr Baldwin Park 91706	Owned	Multiple Use Building - Office	Multiple Use Building - Office	444,244	NONE
A275	Community Development Commission Headquarters	2 Coral Cir Monterey Park 91755	Leased	Multiple Use Building - Office	Multiple Use Building - Office	67,500	NONE
A130	DPSS - Administrative Headquarters	12860 Crossroads Pkwy S City of Industry 91745	Leased	Multiple Use Building - Office	Multiple Use Building - Office	55,000	NONE
6144	Maclaren Children's Center	4024 N Durfee Ave El Monte 91732	Owned	Multiple Use Building - Office	Multiple Use Building - Office	71,733	NONE
6064	El Monte Courthouse	11234 E Valley Blvd El Monte 91731	CA - Superior Courts	Multiple Use Building - Office	Multiple Use Building - Office	136,512	NONE
5883	Alhambra Courthouse	150 W Commonwealth Ave Alhambra 91801	CA - Superior Courts	Multiple Use Building - Office	Multiple Use Building	111,727	NONE
A387	DPSS - Gain Program Headquarters/DA - Claims Unit	3220 Rosemead Blvd El Monte 91731	Leased	Multiple Use Building - Office	Multiple Use Building - Office	26,335	NONE
B002	DPSS - Administrative Headquarters East Annex	12900 Crossroads Pkwy S City of Industry 91745	Leased	Multiple Use Building - Office	Multiple Use Building - Office	34,245	NONE
0229	Ag Comm/Wts & Meas HQ/Probation Special Services	12300 Lower Azusa Rd Arcadia 91706	Owned	Multiple Use Building - Office	Multiple Use Building - Office	35,878	NONE
A493	San Gabriel Valley Family Service Center I	3350 Aerojet Ave El Monte 91731, 9150 Flair Dr El Monte 91731	Leased	Multiple Use Building - Office	Multiple Use Building - Office	120,000	NONE
A497	DPSS - San Gabriel Valley Gain Program Reg III	3216 Rosemead Blvd El Monte 91731, 3220 Rosemead Blvd El Monte 91731	Leased	Multiple Use Building - Office	Multiple Use Building - Office	41,836	NONE
A507	DPSS - Administrative Headquarters West Annex	12820 Crossroads Pkwy S City of Industry 91745	Leased	Multiple Use Building - Office	Multiple Use Building - Office	33,331	NONE
A522	PH/DPSS/DCFS - Telstar El Monte County Center	9320 Telstar Ave El Monte 91731	Leased	Multiple Use Building - Office	Multiple Use Building - Office	163,000	NONE

## PREMISES LOCATION POLICY ANALYSIS

**Proposed lease:** 10-year lease for the DPH, DPSS and DCFS – 9320 Telstar Avenue, El Monte – First District.

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

**B. Determination of the Service Area** – The proposed lease will provide a 10-year lease extension with a new owner of the Premises, for the various existing DPH, DPSS and DCFS programs.

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

- Need for proximity to service area and population: Continuing need for existing operation in the San Gabriel Valley region in support of the DPH, DPSS and DCFS.
- Need for proximity to existing County facilities: Close to other County departments.
- Need for proximity to Los Angeles Civic Center: The current site provides a central location just west of downtown Los Angeles and is accessible to public transportation.
- Economic Development Potential: N/A.
- Proximity to public transportation: The location is adequately served by local transit services.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no alternative existing County buildings available to meet all of the Departments' needs.
- Compatibility with local land use plans: The city of El Monte 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 first year rental costs including (i) base rent of \$4,690,464 i.e., \$26.60 per square foot per year, including parking, (ii) rent credit of \$1,954,360, (iii) the estimated electrical expense of \$528,930, total approximately \$3,265,034 over the first year of the proposed lease.

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

The Chief Executive Office (CEO) issued a flyer soliciting proposals for available space from landlords, brokers, and other owner representatives, for this space need, through the Board's Executive Office website, CEO-Real Estate's County website, and Cushman & Wakefield's (CW) website, the County's tenant broker representative. None of the responses received were suitable for the Departments' needs due to the higher rental costs and the cost and time to provide the tenant improvements and low voltage needed for a new space. The CEO, along with CW, 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 office lease in the area is between \$30.60 and \$33.60 per square foot, per year. Thus, the base annual rental rate of \$30.60 per square foot, per year for the proposed office space represents a rate that is at the lower range for the area. Further, industry data also establishes that the annual rental range for a comparable warehouse lease in the area is between \$14.64 and \$15.60 per square foot, per year. Thus, the base annual rental rate of \$14.40 per square foot, per year for the proposed warehouse space represents a rate that is below the range for the area. Due to the tenant improvements needed should the Departments relocate to a new space, remaining in the proposed space is the most cost-effective choice. In addition, the San Gabriel Valley market is in high demand creating an extremely tight market with very few large blocks of available office space. The proposed lease will allow DPH, DPSS and DCFS to continue to enjoy the synergy of being in one building. We recommend the proposed Premises as the most suitable to continue 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 DPH, DPSS and DCFS employees and clients consistent with the County's Premises Location Policy, adopted by the Board on July 24, 2012. This is the most affordable option available in the area that meets the Departments' needs.

## BOARD LETTER FACT SHEET

Agenda Review Date: November 18, 2020

Board Meeting Date: December 8, 2020

Sup. Dist. / SPA No.: 1

**DEPARTMENT:** Internal Services Department

**SUBJECT:** Edward R. Roybal Comprehensive Health Center Restroom Refurbishment

### I. PUBLIC BENEFIT (precise description, mandated or non-mandated)

- a. Mandated. Remodeling the existing restrooms will make applicable accessibility upgrades to comply with the Americans with Disabilities Act accessibility requirements and will proactively facilitate the County's goal of providing easily-accessible all-gender restrooms for clients and staff.

### II. RECOMMENDED ACTIONS (summarized)

- a. The Internal Services Department is seeking Board approval of the Edward R. Roybal Comprehensive Health Center Restroom Refurbishment project (CP 87703), the project budget, approval of an appropriation adjustment, and authorization to deliver the proposed project using a Board-approved Job Order Contract (JOC).

### III. COST AND FUNDING SOURCES

Cost: \$1,500,000

Funding: Department of Health Services' Enterprise Fund

### IV. BACKGROUND (critical and/or insightful)

#### a. BACKGROUND/DESCRIPTION

The proposed project will refurbish and re-designate the existing restrooms to yield 12 all-gender single-occupancy restrooms, three men's restrooms, and three women's restrooms. Some of the restrooms at the facility require accessibility refurbishments while others require re-designation to all-gender restroom facilities.

With respect to the Board motion on All-Gender Restrooms Standards dated June 4, 2019, and the report back on March 13, 2020, this project will proactively facilitate the County's goal of providing easily-accessible all-gender restrooms for clients and staff.

### V. POTENTIAL ISSUE(S)

- a. None

### VI. DEPARTMENT & COUNTY COUNSEL CONTACTS

\* ISD: Michael Eugene (323) 267-2107 | Health Services: Phillip Franks (213) 288-8076 | County Counsel: Talin Halabi (213) 974-8948



**SELWYN HOLLINS**  
Director

**County of Los Angeles**  
**INTERNAL SERVICES DEPARTMENT**

1100 North Eastern Avenue  
Los Angeles, California 90063

*"Trusted Partner and Provider of Choice"*

Telephone: (323) 267-2101  
FAX: (323) 264-7135

December 8, 2020

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

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES**  
**EDWARD R. ROYBAL COMPREHENSIVE HEALTH CENTER**  
**RESTROOM REFURBISHMENT PROJECT**  
**CATEGORICAL EXEMPTION**  
**ESTABLISH AND APPROVE CAPITAL PROJECT NO. 87703**  
**APPROVE PROJECT BUDGET AND RELATED APPROPRIATION ADJUSTMENT**  
**(SUPERVISORIAL DISTRICT 1)**  
**FY 2020-21**  
**(4 VOTES)**

**SUBJECT**

Approval of the recommendations will find the Edward R. Roybal Comprehensive Health Center Restroom Refurbishment project exempt from the California Environmental Quality Act, establish and approve Capital Project No. 87703, approve the project budget and appropriation adjustment, and authorize the Director of the Internal Services Department, or designee, to deliver the proposed project using a Board-approved Job Order Contract.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find the proposed Edward R. Roybal Comprehensive Health Center Restroom Refurbishment project exempt from the California Environmental Quality Act for the reasons stated in this letter and in the record of the project.
2. Establish and approve the Edward R. Roybal Comprehensive Health Center Restroom Refurbishment project, Capital Project No. 87703 with a total budget of \$1,500,000.

3. Approve the appropriation adjustment to reallocate \$525,000 from the Department of Health Services' Enterprise Fund-Committed for the Department of Health Services to fund the projected Fiscal Year 2020-21 expenditures for the Edward R. Roybal Comprehensive Health Center Restroom Refurbishment project, Capital Project No. 87703.
4. Authorize the Director of the Internal Services Department, or designee, to deliver the Edward R. Roybal Comprehensive Health Center Restroom Refurbishment project using a Board-approved Job Order Contract.
5. Authorize the Director of the Internal Services Department, or designee, to authorize project Work Orders; to accept the project and file notices upon final completion of the project; to release retention money withheld pursuant to the applicable provisions of the Public Contract Code; to grant extensions of time on the project, as applicable; and assess liquidated damages as authorized under Government Code section 53069.85 and the contract specifications.

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

Approval of the recommendations will find the proposed Edward R. Roybal Comprehensive Health Center (Roybal CHC) Restroom Refurbishment project (Project) exempt from the California Environmental Quality Act (CEQA), establish and approve Capital Project No. 87703, approve the project budget and appropriation adjustment, and authorize the Internal Services Department (ISD) to deliver the proposed project using a Board-approved Job Order Contract (JOC).

Roybal CHC is located at 245 South Fetterly Avenue in the city of Los Angeles. Services provided at the facility include: outpatient, primary, and specialty care to patients in the East Los Angeles area and surrounding communities. The existing restrooms located at Roybal CHC require accessibility refurbishments in addition to the designation of all-gender restroom facilities. Currently, there are four all-gender single-occupancy restrooms, seven men's restrooms, and seven women's restrooms. The proposed Project will refurbish and re-designate the existing restrooms to yield 12 all-gender single-occupancy restrooms, three men's restrooms, and three women's restrooms.

With respect to the Board motion on June 4, 2019, and the report back on March 13, 2020, on All-Gender Restroom Standards, this project will serve to proactively facilitate the County's goal of providing easily-accessible all-gender restrooms for clients and staff.

The proposed scope of work includes the following: abatement of existing floor and wall tiles, installation of water closets, urinals, lavatories, partitions, air registers, towel and toilet paper dispensers, trash and feminine napkin receptacles, mirrors, grab bars, air dyers, baby-changing stations, ceilings, light fixtures, and piping. Existing toilets, doors, entryways, and associated fixtures will be removed or relocated as needed to achieve accessibility compliance.

The expected Project completion date is June 2022.

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

These recommendations support the County Strategic Plan: Goal III. Realize Tomorrow's Government Today, Strategy III.3 - Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability; and Objective III.3.2 Manage and Maximize County Assets by investing in public infrastructure that will improve the operational effectiveness of an existing County asset.

### **FISCAL IMPACT/FINANCING**

The total project budget for the Roybal CHC Restroom Refurbishment project is \$1,500,000, which includes design, construction, change order allowance, inspection, testing, Civic Art fee, and ISD County services (Enclosure A). Of this amount, the Department of Health Services (DHS) has already paid \$5,000 from the DHS' operating budget for preliminary assessment fees.

Board approval of the enclosed appropriation adjustment (Enclosure B) will reallocate \$525,000 from the DHS Enterprise Fund-Committed for DHS to fund the projected Fiscal Year 2020-21 expenditures for the Roybal CHC Restroom Refurbishment Project, Capital Project No. 87703. DHS will provide funding in the future budget phases, as needed, to fully fund the remaining project budget expenditures.

### **Operating Budget Impact**

The scope of work consists of refurbishments made to an existing space. Therefore, following the completion of the proposed Project, ISD and DHS do not anticipate any one-time start-up or additional ongoing costs resulting from the proposed Project.

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

In accordance with the Board's Local and Targeted Worker Hire Policy, adopted on September 6, 2016, and last amended on June 11, 2019, the proposed Project will include a best efforts Local Worker hiring goal of at least thirty percent (30%). The "Targeted Worker" component will not be included as part of the proposed Project.

In accordance with the Board's Civic Art Policy, adopted on December 7, 2004, and last amended on August 4, 2020, the proposed project budget includes one percent (1%) of eligible design and construction costs, in the amount of \$10,000, to be allocated to the Civic Art Fund.

### **ENVIRONMENTAL DOCUMENTATION**

The proposed Project is categorically exempt from CEQA. The scope of work consists of the refurbishment of existing restrooms. Therefore, the work is within certain classes of projects that have been determined not to have a significant effect on the environment in that they meet the criteria set forth in Section 15301 (a), and (f), 15302 (c), and 15303 of the State CEQA Guidelines and Classes 1(d), (i), (l), 2(e) and 3 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G because it includes repairs and minor alterations to existing public facilities, replacement of features, and the placement of small equipment in existing structures.

The proposed activities involve negligible or no expansion of an existing use, and replacement features will have the same purpose and capacity. In addition, based on the records of the proposed Project, it

will comply with all applicable regulations, it is not in a sensitive environment 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 historic resource that would make the exemptions inapplicable.

Upon the Board's approval of the proposed Project, ISD will file a Notice of Exemption with the Registrar-Recorder/County Clerk in accordance with section 21152 of the California Public Resources Code.

### **CONTRACTING PROCESS**

The proposed Project will be delivered using an ISD Board-approved JOC for the construction. The standard Board-directed clauses, including those that provide for contract termination and hiring qualified displaced County employees, are included in all JOCs.

The JOC contractor who will perform the work is required to fully comply with applicable legal requirements, which among other things, include Chapters 2.200 (Child Support Compliance Program) and 2.203 (Contractor Employee Jury Service Program) of the Los Angeles County Code, and Section 1774 of the California Labor Code pertaining to payment of prevailing wages.

For this Project, ISD has made the determination that the use of a JOC is the most appropriate contracting method to perform the tasks involved. Specifically, to the extent the project entails repair, remodeling, refurbishment, or alteration, and the cost of such project exceeds \$50,000, such project would have to be performed via a competitively-procured construction contract, such as a JOC, not by County employees, due to the "Force Account" limitations set forth in the Public Contract Code.

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

Approval of the recommendations will have minimal impact on current County services.

### **CONCLUSION**

Please return one adopted copy of the board letter to the following: ISD Operations Service, the Chief Executive Office – Capital Programs Division, and the Department of Health Services.

Respectfully Submitted,

Selwyn Hollins  
Director

SH:ME:TR:sy

Enclosures

The Honorable Board of Supervisors  
December 8, 2020  
Page 5

C:     Executive Office, Board of Supervisors  
         Chief Executive Officer  
         County Counsel  
         Arts Commission  
         Department of Health Services

Enclosure A  
December 8, 2020

**CONSTRUCTION-RELATED CONTRACT  
EDWARD R. ROYBAL CHC RESTROOM REFURBISHMENT PROJECT  
CAPITAL PROJECT NO. 87703  
(SUPERVISORIAL DISTRICT 1)  
(4 VOTES)**

**I. PROJECT SCHEDULE SUMMARY**

<b>Project Activity</b>	<b>Scheduled Completion Date</b>
Construction Documents	June 2020
Jurisdictional Approval	January 2021
Award Construction Contract	March 2021
Substantial Completion	May 2022
Project Acceptance	June 2022

**II. PROJECT BUDGET SUMMARY**

<b>Project Activity</b>	<b>Proposed Project Budget</b>
Construction	
Construction	\$ 963,000
Change Orders	\$ 132,000
<b>Subtotal</b>	<b>\$ 1,095,000</b>
Civic Art	\$ 10,000
Plans and Specifications	\$ 30,000
Jurisdictional Review/Plan Check/Permits	\$ 19,000
County Services	\$ 346,000
<b>TOTAL</b>	<b>\$ 1,500,000</b>

PINK

BA FORM 03/13

BOARD OF  
SUPERVISORS  
OFFICIAL COPY

COUNTY OF LOS ANGELES

**REQUEST FOR APPROPRIATION ADJUSTMENT**

**DEPARTMENT OF HEALTH SERVICES**

DEPT'S.  
NO. 110

October 28, 2020

**AUDITOR-CONTROLLER:**

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

**ADJUSTMENT REQUESTED AND REASONS THEREFOR**

**FY 2020-21**

**4 - VOTES**

**SOURCES**

BA Detail - See Attachment Page 1.

**USES**

BA Detail - See Attachment Page 1.

**SOURCES TOTAL: \$ 1,575,000**

**USES TOTAL: \$ 1,575,000**

**JUSTIFICATION**

This budget adjustment of \$525,000 is necessary to fund Capital Project No. 87703, Roybal CHC Restroom Refurbishment Project, from DHS Enterprise Fund-Committed for DHS for anticipated expenditures in FY 2020-21.

  
AUTHORIZED SIGNATURE Jean Le, Controller's Division, DHS

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF  
EXECUTIVE OFFICER FOR --

☐ ACTION

☒ RECOMMENDATION

AUDITOR-CONTROLLER

BY

B.A. NO. 079

  
Oct. 29 20 20

☒ APPROVED AS REQUESTED

☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY

  
Nov. 2nd 20 20

**DEPARTMENT OF HEALTH SERVICES  
REQUEST FOR APPROPRIATION ADJUSTMENT  
CAPITAL PROJECTS  
FISCAL YEAR 2020-21**

4 VOTES

**SOURCES:**

**DHS Enterprise Fund**  
MN2-3078  
Committed for DHS 525,000  
Decrease Obligated Fund Balance

**LAC+USC Medical Center Enterprise Fund**  
MN4-HG-96-9911-60010  
Operating Transfers In 525,000  
Increase Revenue

**Total Enterprise Fund** \$ 1,050,000

**Ent Sub - LAC+USC Medical Center**  
A01-AC-6100-21200-21224  
Other Financing Uses 525,000  
Decrease Appropriation

**Total General Fund** \$ 525,000

**Total** \$ 1,575,000

**USES:**

**DHS Enterprise Fund**  
MN2-HS-6100-60070  
Other Financing Uses 525,000  
Increase Appropriation

**LAC+USC Medical Center Enterprise Fund**  
MN4-HG-96-9912-60010  
Operating Subsidy - General Fund 525,000  
Decrease Revenue

**Total Enterprise Fund** \$ 1,050,000

**Ambulatory Care Network Capital Improvements**  
**Roybal CHC Restroom Refurbishment**  
A01-CP-6014-64050-87703  
Capital Assets - Buildings & Improvements 525,000  
Increase Appropriation

**Total General Fund** \$ 525,000

**Total** \$ 1,575,000

**Noted & Approved:**

  
\_\_\_\_\_  
**Jean Lo, Controller's Division**  
**Department of Health Services**

BA#079

Laplan 10/29/20

## BOARD LETTER FACT SHEET

Agenda Review Date: November 18, 2020  
Board Meeting Date: December 8, 2020  
Sup. Dist. / SPA No.: First Supervisorial District

**DEPARTMENT:** PUBLIC WORKS  
**SUBJECT:** LAC+USC MC Women's and Children's Hospital Demolition Project

### I. PUBLIC BENEFIT (precise description, mandated or non-mandated)

- a. Non-mandated. Demolition of approximately 390,000 square feet of the decommissioned hospital building and appurtenance structures, abatement of remaining hazardous material, and improvements within the project site for future development that will provide centralized healthcare services to the residents of the County.

### II. RECOMMENDED ACTIONS (summarized)

- a. Public Works is seeking Board approval of the LAC+USC Medical Center Women's and Children's Hospital Demolition project, award of a service contract, authorization to use Board-approved job order contracts, authorize the issuance of short-term notes, and related appropriation adjustment.

### III. COST AND FUNDING SOURCES

Cost: \$28,824,000  
Funding: The project budget of \$28,824,000 includes costs for the initial make ready work, demolition, change order contingency, plans and specifications, permit fees, consultant services, inspection services, and County services. Of this amount, Health Services has paid \$9,484,000 and the remaining balance of \$19,340,000 is proposed to be debt-financed.

Approval of the enclosed Fiscal Year 2020-21 appropriation adjustment in the amount of \$19,340,000, to be financed with short-term notes through the Los Angeles County Capital Asset Leasing Corporation's Lease Revenue Note Program, will fund the remaining portion of the project. The cost of financing through the Note Program and the annual repayment of the bond issued will be paid by Health Services' operating budget.

### IV. BACKGROUND (critical and/or insightful)

- a. On September 4, 2018, the Board established the LAC+USC WCH Demolition capital project. On April 30, 2019, the Board authorized the use of Board-approved job order contracts for the make ready work of the proposed LAC+USC WCH Demolition project. The make-ready work for the WCH included debris removal, hazard material abatement demolition of the trailers surrounding the main hospital building, and completion of the structural demolition plans.
- b. The scope of work for the proposed LAC+USC WCH Demolition project consists of the demolition of approximately 390,000 square feet of the decommissioned hospital building, abatement of remaining hazardous material, demolition of appurtenance structures, improvements within the project site, and utility capping within the building footprint. Additionally, limited earthwork excavation and remedial grading work will be required to remove the building portion that is underground. The project budget includes a 10 percent contingency, which is a customary amount when addressing existing buildings that tend to have increased risk for encountering unforeseen conditions. It is anticipated that the demolition project will be substantially completed in the Summer of 2021.
- c. The proposed demolition project will be delivered through a service contract. Upon completion of the procurement process for the service contract, National Demolition Contractors was found to have submitted the first ranked proposal, however, withdrew its proposal prior to award of the contract, citing changed market conditions from the time of their proposal in April 2020. Public Works subsequently negotiated the final cost with the second highest ranked proposer, GGG Demolition Inc., and is now recommending award of the service contract.
- d. The project site will remain unimproved with safety and erosion control measures in place until a final development plan is decided and the site is further improved to support the ultimate program and design development for the parcel of land.

### V. POTENTIAL ISSUE(S)

- a. This item was previously presented at the Agenda Review meeting on 9/9/20 for the 9/29/20 Board agenda and was subsequently pulled from the agenda due to the withdrawal of the bid proposal. The BL is now resubmitted with the 2nd highest ranked proposer and revised total project budget for review.

### VI. DEPARTMENT & COUNTY COUNSEL CONTACTS

\* DPW: Andy Moey (626) 300-2300 | Health Services: Phillip Franks (213) 288-8076 | County Counsel: Talin Halabi (213) 974-8948

December 8, 2020

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

Dear Supervisors:

**CONSTRUCTION CONTRACT  
CONSTRUCTION MANAGEMENT CORE SERVICE AREA  
LAC+USC MEDICAL CENTER CAMPUS  
WOMEN'S AND CHILDREN'S HOSPITAL DEMOLITION PROJECT  
APPROVE PROJECT  
AWARD SERVICE CONTRACT  
AUTHORIZE USE OF JOB ORDER CONTRACTS  
AUTHORIZE USE OF TAX-EXEMPT LEASE REVENUE OBLIGATION NOTES AND  
APPROVE RELATED APPROPRIATION ADJUSTMENT  
SPECS. 7558; CAPITAL PROJECT NOS. 87476 AND 89118  
(SUPERVISORIAL DISTRICT 1)  
(4 VOTES)**

**SUBJECT**

Public Works is seeking Board approval of the LAC+USC Medical Center Campus Women's and Children's Hospital Demolition project, award of a service contract, authorization to use Board-approved Job Order Contracts, authorize the issuance of short-term notes, and related appropriation adjustment.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the recommended actions are within the scope of the previously certified Environmental Impact Report for the LAC+USC Medical Center Campus Master Plan and the Addendum, which was subsequently certified by the Board in December 2017.
2. Approve the project for the LAC+USC Women's and Children's Hospital Demolition project, Capital Project Nos. 87476 and 89118, with a project budget of \$28,824,000.
3. Award and authorize the Director of Public Works or his designee to execute the service contract to GGG Demolition, Inc., to carry out the demolition work for the LAC+USC Women's and Children's Hospital Demolition project for a not-to-exceed amount of \$9,636,079.

4. Delegate authority to the Director of Public Works or his designee to supplement the initial not-to-exceed amount of the service contract with GGG Demolition, Inc., by up to 10 percent of the original contract amount of \$9,636,079. If the not-to-exceed contract amount is increased, the increase will be implemented by change order.
5. Authorize the Director of Public Works or his designee to use previously Board-approved Job Order Contracts to perform the backfill, compaction, and grading activities to restore a level surface of the site.
6. Authorize the issuance of tax-exempt short-term notes through the Los Angeles County Capital Asset Leasing Corporation's Lease Revenue Obligation Note Program in the amount of \$19,340,000 and approve the related Fiscal Year 2020-21 appropriation adjustment to fund the remaining project budget for the LAC+USC Women's and Children's Hospital Demolition project (Capital Project No. 89118).

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

Approval of the recommended actions will find the LAC+USC Medical Center Women's and Children's Hospital (WCH) Demolition project is within the scope of the previously certified Final Environmental Impact Report (EIR) for the LAC+USC Medical Center Master Plan project and the Addendum, approve the project budget, authorize Public Works to execute a service contract, authorize use of Board approved Job Order Contracts, authorize issuance of short-term Lease Revenue Obligation Notes, and approve the related appropriation adjustment.

#### **Background**

On September 4, 2018, the Board established the LAC+USC WCH Demolition capital project. On April 30, 2019, the Board authorized the use of Board-approved Job Order Contract (JOC) for the make-ready work of the proposed LAC+USC WCH Demolition project. The make-ready work for the WCH included debris removal, hazard material abatement demolition of the trailers surrounding the main hospital building, and completion of the structural demolition plans.

The scope of work for the proposed LAC+USC WCH Demolition project consists of the demolition of approximately 390,000-square-feet of the decommissioned hospital building, abatement of remaining hazardous material, demolition of appurtenance structures, improvements within the project site, and utility capping within the building footprint. The building is a 12-story concrete building that includes a penthouse and a

multilevel basement. Additionally, limited earthwork excavation and remedial grading work will be required to remove the building portion that is underground.

Completion of the service contract scope of work including the below ground demolition, will create an extensive ground depression. A JOC will be used to perform the backfill and compaction of the ground depression to restore a level grade of the site. The project site will remain unimproved with safety and erosion control measures in place until a final development plan is decided and the site is further improved to support the ultimate program and design development for the parcel of land.

#### Project Delivery Method

The proposed demolition project will be delivered through a service contract. Upon completion of the procurement process for the service contract, National Demolition Contractors was found to have submitted the first ranked proposal, however, withdrew its proposal prior to award of the contract, citing changed market conditions from the time of their proposal in April 2020. Public Works subsequently negotiated the final cost with the second highest ranked proposer, GGG Demolition Inc., and is now recommending award of the service contract. It is anticipated that the demolition project will be substantially completed in the Summer of 2021.

The project budget includes a 10 percent contingency, which is a customary amount when addressing existing buildings that tend to have increased risk for encountering unforeseen conditions.

#### Green Building/Sustainable Design Program

On December 20, 2016, the Board adopted a new Leadership in Energy and Environmental Design policy. The LAC+USC WCH Demolition project is exempt from this policy because there is no proposed new construction for this phase of the project.

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

These recommendations support the County Strategic Plan: Strategy II.2 - Support the Wellness of our Communities; Strategy III.3 - Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability; Objective III.3.2, Manage and Maximize County Assets. The recommended actions support the Strategic Plan by reutilizing an under-used area of the campus and converting an existing space that will provide centralized services for comprehensive and seamless healthcare services to the residents of the County seeking healthcare assistance.

### **FISCAL IMPACT/FINANCING**

The proposed total project budget for the proposed LAC+USC WCH Demolition project is \$28,824,000 and includes costs for the initial make ready work, demolition, change order contingency, plans and specifications, permit fees, consultant services, inspection services, and County services (Enclosure A). Of this amount, the Department of Health Services (Health Services) has paid \$9,484,000 under Capital Project No. 87476, and the remaining balance of \$19,340,000 is proposed to be debt-financed.

Approval of the enclosed Fiscal Year 2020-21 appropriation adjustment (Enclosure B) in the amount of \$19,340,000, to be financed with short-term notes through the Los Angeles County Capital Asset Leasing Corporation's Lease Revenue Obligation Note Program (Note Program), will fund the remaining portion of the project. The costs of financing through the Note Program including interest, insurance, and administrative costs would be funded from Health Services' operating budget.

The short-term borrowing through the Note Program will eventually be refinanced through the issuance of long-term bonds. The proceeds from the sale of bonds will be used to refinance outstanding Lease Revenue Obligation notes that were used as the initial funding vehicle for the construction and capital improvements of the project. The annual repayment of the bond issued will be paid by Health Services' operating budget.

A separate Capital Project No. 89118 has been established to accurately track project expenditures under a separate fund to properly account for the funding of these capital projects through Lease Revenue Obligation notes.

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

In accordance with the Board's Civic Arts Policy, amended on August 4, 2020, the proposed project is exempt from the Civic Art allocation since this phase of the project does not have any new construction work.

On November 12, 2019, the Board approved the Local Targeted Worker Hire Program Aspirational Goals Policy. Accordingly, this project will require an aspirational goal of an additional 20 percent in addition to the mandatory 30 percent of the total California craft workers hours to be performed by Local Residents along with at least 10 percent of hours to be performed by Targeted Workers facing employment barriers.

A standard demolition services contract, in the form previously approved by County Counsel, will be used. The demolition services contract contains terms and conditions in compliance with the Chief Executive Officer's and the Board's requirements. The contract

also includes a provision requiring the consultant firms track subcontractors' utilization of Local Small Business Enterprise, Disabled Veteran Owned Business Enterprise, and Social Enterprise Businesses.

Enclosure C reflects the consultants' minority participation and the Community Business Enterprises participation data.

### **ENVIRONMENTAL DOCUMENTATION**

An EIR was certified and the LAC+USC Medical Center Campus Master Plan Project for LAC+USC Medical Center was approved by the Board on November 18, 2014. Findings of Fact and a Statement of Overriding Consideration, as well as a Mitigation Monitoring and Reporting Program (MMRP) were adopted.

An Addendum to the EIR was certified by the Board on December 19, 2017, for proposed changes to the LAC+USC Medical Center Campus Master Plan project, which did not impact the original scope of the LAC+USC WCH Demolition project.

The LAC+USC WCH Demolition project is a part of the Master Plan and included at a project level of analysis in the EIR and Addendum environmental analysis Tier 1. Approval of the award and execution for the service contract are within the scope of the adopted EIR, Addendum, and MMRP.

GGG Demolition Inc.'s proposal for the LAC+USC WCH Demolition project is consistent with the scope of the project analyzed in the previously certified EIR and Addendum. There are no changes to the project or to the circumstances under which the project is undertaken that require further review under California Environmental Quality Act or recirculation under Section 15162 of the State California Environmental Quality Act Guidelines. The MMRP, Findings of Fact, and Statement of Overriding Consideration will continue to apply.

The previously certified EIR and Addendum are available and can be viewed at 900 South Fremont Avenue, 5th Floor, Alhambra, California 91803 and online at <ftp://dpwftp.co.la.ca.us/pub/pmd/LACUSCEIRandAddendum>. The location of the documents and other materials constituting the record of the proceedings upon which the Board's decision is based in this matter is Los Angeles County Public Works, Project Management Division I, 900 South Fremont Avenue, 5th Floor, Alhambra, California 91803.

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

### **CONTRACTING PROCESS**

On February 13, 2020, a notice of the Request for Proposals (RFP) was placed on the County's "Doing Business with the County" website; "Do Business with Public Works" website (Enclosure D); and Twitter. In addition, advertisements were placed in the *Los Angeles Daily Journal*, *Los Angeles Sentinel*, and *La Opinión*. Also, Public Works informed 1,415 Local Small Business Enterprises; 661 Community Business Enterprises; 159 Social Enterprises; and 159 Disabled Veteran Owned Business Enterprises about this business opportunity. Twenty-four firms registered on the Public Works' website for the RFP.

On April 7, 2020, five firms submitted proposals for demolition services related to the LAC+USC WCH Demolition project. An evaluation committee composed of staff from the Chief Executive Office, Health Services, and Public Works evaluated the proposals based on criteria described in the RFP, including the proposed staff qualifications and experience, the company's experience in providing specific services, proposed work plan, company's performance history references, technical responses to the RFP, price proposal, and company's oral interview evaluation results. National Demolition Contractors, Inc. was the highest ranked proposer for this RFP. However, National Demolition, Inc., withdrew its proposal prior to award of the contract, citing changed market conditions from the time of their proposal as the reason for withdrawing their proposal. Public Works then initiated negotiations with the second highest ranked proposer, GGG Demolition Inc., and has successfully negotiated the final cost and is now recommending award of the service contract. The evaluation was completed without regard to race, creed, color, or gender.

A not-to-exceed amount of up to 10 percent of the demolition service contract is provided as a contingency to address unforeseen conditions. This contingency is equivalent to a change order contingency typically included with a construction contract.

Public Works has determined that the firm's proposed rates for performing the services are reasonable. A 3-year contracting history for the selected firm is on file with Public Works.

Since the demolition services contract is limited to only demolition type services and will not provide for construction activities, the backfill, compaction, and grading activities to restore a level surface to the site will be performed by JOC. Public Works has reviewed

The Honorable Board of Supervisors  
December 8, 2020  
Page 7

the scope of the backfill, compaction, and grading work and determined JOC to be the most appropriate procurement and performance method for the work.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommended actions will not impact current services to the LAC+USC Medical campus. All patient care services on the LAC+USC Medical campus are not located near the demolition project and will remain fully operational during construction.

**CONCLUSION**

Please return one adopted copy of this letter to Public Works, Project Management Division I.

Respectfully submitted,

MARK PESTRELLA  
Director of Public Works

MP:AKM:mae

Enclosures

c: Department of Arts and Culture  
Auditor-Controller  
Chief Executive Office (Capital Programs Division)  
County Counsel  
Executive Office  
Department of Health Services (Capital Projects Division)

**CONSTRUCTION-RELATED CONTRACT  
CONSTRUCTION MANAGEMENT CORE SERVICE AREA  
LAC+USC MEDICAL CENTER CAMPUS  
WOMEN'S AND CHILDREN'S HOSPITAL DEMOLITION PROJECT  
APPROVE PROJECT  
AWARD SERVICE CONTRACT  
AUTHORIZE USE OF JOB ORDER CONTRACTS  
APPROVE APPROPRIATION ADJUSTMENT  
SPECS. 7558; CAPITAL PROJECT NOS. 87476 AND 89118  
(SUPERVISORIAL DISTRICT 1)  
(4 VOTES)**

**I. PROJECT SCHEDULE SUMMARY**

<b>Project Activity</b>	<b>Scheduled Completion Date</b>
Environmental Document	12/17*
Project Demolition Documents	03/20*
Award Service Agreement	11/20
Construction Start	12/20
Substantial Completion	08/21
Final Acceptance	10/21

\*Completed Activity

**II. PROJECT BUDGET SUMMARY**

<b>Project Activity</b>	<b>Revised Budget</b>
Hard Costs	
Demolition Service Agreement	\$ 9,636,079
Change Order Contingency	\$ 963,921
Demolition Subtotal	\$ 10,600,000
JOC Backfill and Compaction	\$ 2,750,000
JOC Make-Ready Site Work	\$ 10,210,000
JOC Construction Contingency	\$ 284,000
Construction Subtotal	\$ 13,244,000
Utilities/City Fees	\$ 80,000
Telecom Equipment	\$ 60,000
<b>Hard Costs Subtotal</b>	<b>\$ 23,984,000</b>
Soft Costs	
Plans and Specification	\$ 1,385,000
Consultant Services	\$ 930,000
Miscellaneous Expenditure	\$ 25,000
Jurisdictional Review, Plan Check and Permit	\$ 200,000
County Services	\$ 2,300,000
<b>Soft Costs Subtotal</b>	<b>\$ 4,840,000</b>
<b>TOTAL</b>	<b>\$ 28,824,000</b>

## BOARD LETTER FACT SHEET

Agenda Review Date: November 18, 2020  
Board Meeting Date: December 8, 2020  
Sup. Dist. / SPA No.: First Supervisorial District

**DEPARTMENT:** PUBLIC WORKS

**SUBJECT:** LAC+USC MC Restorative Care Village Projects – Approve Construction Change Orders

### I. PUBLIC BENEFIT (precise description, mandated or non-mandated)

- a. Non-mandated. The Projects include the Residential Treatment Programs and Recuperative Care Center on the LAC+USC Medical Center campus in Los Angeles. The RTP serves as intensive treatment programs for individuals being discharged from County hospital psychiatric emergency services, inpatient psychiatric units, and mental health urgent care centers. The RCC is a clinically enriched form of interim housing, which offers on-site nursing support, health oversight, case management, and linkage to permanent housing to serve those who have been discharged from other County service facilities.

### II. RECOMMENDED ACTIONS (summarized)

- a. Public Works is seeking Board approval to execute construction change orders with CannonDesign Builders, Inc., for the LAC+USC Medical Center Restorative Care Village that includes the Recuperative Care Center and Residential Treatment Program Projects.

### III. COST AND FUNDING SOURCES

Cost: The total cost of the two change orders is for a combined total not-to-exceed amount of \$1,139,118.

Funding: For the LAC+USC RCC and RTP Projects, the proposed two change orders of \$521,387 and \$617,731, will increase the total change orders to \$610,319 and \$745,945, which is 69.8 percent and 41.2 percent, respectively, of the total change order contingency and 2.04 percent of the original contract amount of \$55,750,000.

The LAC+USC RCC is funded by Health Services' operating budget in the amount of \$24,145,000 and the RTP is funded by the Department of Mental Health State 2011 Realignment revenue in the amount of \$34,316,000 and SB 82 Grant from California Health Facilities Financing Authority in the amount of \$10,000,000, for a total of \$44,316,000.

### IV. BACKGROUND (critical and/or insightful)

- a. On November 12, 2019, the Board approved the LAC+USC Recuperative Care Village RCC and RTP Projects and awarded a contract to CannonDesign Builders Inc. to construct the project. The RCC and RTP are being built on a shared location of approximately 2 acres on the northeast side of the campus. Make-ready work for the projects, which included the MRI building, utility concrete shack and parking lot demolitions, rough grading, and utility preparation work was completed on May 12, 2020. The design-build contract work is now underway including groundwork activities and design completion. Construction is approximately 25% complete. In the course of the work thus far, unforeseen conditions have been encountered that require change orders in amounts beyond delegated authority limits, to pursue the project work.
- b. State Street is adjacent to the project site and contains a significant grade incline. During the preparing of the scoping documents, an analysis of the retaining wall supporting the hillside adjacent to State Street was completed and it was determined that it would need to be replaced or reinforced due to the age and the integrity of the wall. After further review, Public Works recommended a cost-effective solution to build a new wall in front of the existing wall to provide the necessary support should the existing retaining wall fail at some point. The design for the new wall has been finalized and will be constructed by the Design-Build team. The total cost of the work to provide the hillside retaining wall has been negotiated for a not-to-exceed cost of \$521,387. The cost will be prorated between the RCC (\$234,624) and RTP (\$286,763) Projects.
- c. As part of new code requirements by the County Fire Department, separate points of connection for each building are needed to accommodate the new RCV buildings and any future connections. Therefore, demolition and disposal of approximately 400 linear feet of abandoned underground high voltage duct banks and existing telecommunication conduits are required to provide separate Fire Department connections to each building and facilitate installation of additional water lines and reconfiguration of utility infrastructure. Additionally, new telecommunication conduits will be required to replace the removed telecommunication conduits that will service this project and provide a point of connection for future expansion. The total cost of the work to provide for the demolition of high voltage and telecommunication duct banks and the installation of new telecommunication conduits has been negotiated for a not-to-exceed cost of \$617,731. The cost will be prorated between RCC (\$277,979) and RTP (\$339,752).

### V. POTENTIAL ISSUE(S)

- a. None

### VI. DEPARTMENT & COUNTY COUNSEL CONTACTS

\* DPW: Alicia Ramos (626) 300-2344 | Health Services: Phillip Franks (213) 288-8076 | County Counsel: Talin Halabi (213) 974-8948

December 8, 2020

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

Dear Supervisors:

**CONSTRUCTION CONTRACT  
CONSTRUCTION MANAGEMENT CORE SERVICE AREA  
LAC+USC MEDICAL CENTER  
RESTORATIVE CARE VILLAGE PROJECTS  
RECUPERATIVE CARE CENTER AND  
RESIDENTIAL TREATMENT PROGRAMS  
APPROVAL OF CONSTRUCTION CHANGE ORDERS  
SPECS. 7549; CAPITAL PROJECT NOS. 69863 AND 67976  
SPECS. 7552; CAPITAL PROJECT NO. 69870  
(SUPERVISORIAL DISTRICT 1)  
(4 VOTES)**

**SUBJECT**

Public Works is seeking Board approval to execute construction change orders with CannonDesign Builders, Inc., for the LAC+USC Medical Center Restorative Care Village that includes the Recuperative Care Center and Residential Treatment Program Projects.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the recommended actions are within the scope of the project impacts analyzed in the previously certified Final Environmental Impact Report and addendum for the LAC+USC Medical Center Master Plan Project.
2. Approve and authorize the Director of Public Works or his designee, to execute a construction change order with CannonDesign Builders, Inc., to provide for a backstop retaining wall – soldier beams system for the LAC+USC Medical Center Recuperative Care Center and Residential Treatment Programs projects for a not-to-exceed amount of \$521,387.
3. Approve and authorize the Director of Public Works or his designee, to execute a construction change order with CannonDesign Builders, Inc., to provide for the demolitions of high-voltage and telecommunication duct banks, and the installation of new telecommunication conduits for the Recuperative Care Center and Residential Treatment Programs Projects for a not-to-exceed amount of \$617,731.

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

Approval of the recommended actions will find they are within the scope of the previously certified Final Environmental Impact Report and Addendum for the LAC+USC Medical Center Master Plan and approve and authorize the Director of Public Works to execute change orders with CannonDesign Builders, Inc., for the LAC+USC Medical Center Restorative Care Village Recuperative Care Center (RCC) and Residential Treatment Programs (RTP) Projects.

### Background

On November 12, 2019, the Board approved the LAC+USC Recuperative Care Village RCC and RTP Projects, approved their corresponding project budgets, and awarded a contract to CannonDesign Builders Inc. to construct the project. The RCC and RTP are being built on a shared location of approximately 2 acres on the northeast side of the campus.

Make-ready work for the projects, which included the MRI building, utility concrete shack and parking lot demolitions, rough grading, and utility preparation work was completed on May 12, 2020.

The design-build contract work is now underway including groundwork activities and design completion. In the course of the work thus far, unforeseen conditions have been encountered that require change orders in amounts beyond delegated authority limits, to pursue the project work.

### Change Orders Summary

State Street is adjacent to the project site and contains a significant grade incline. During the preparing of the scoping documents, an analysis of the retaining wall supporting the hillside adjacent to State Street was completed and it was determined that it would need to be replaced or reinforced due to the age and the integrity of the wall. After further review, Public Works recommended a cost-effective solution to build a new wall in front of the existing wall to provide the necessary support should the existing retaining wall fail. The design for the new wall has been finalized and will be constructed by the Design-Build team. This work will be performed concurrently with the pile foundation for RTP – Building D, due to the complexity of the work and potential cost savings to conduct the work together. The total cost of the work to provide the hillside retaining wall has been negotiated for a not-to-exceed cost of \$521,387. The cost will be prorated between the RCC (\$234,624) and RTP (\$286,763) Projects. Public Works has determined it is a fair and reasonable cost for this additional work.

As part of new code requirements by the County Fire Department, separate points of connection for each building are needed to accommodate the new RCV buildings and any future connections. Therefore, demolition and disposal of approximately 400 linear feet of abandoned underground high voltage duct banks and existing telecommunication conduits are required to provide separate Fire Department connections to each building and facilitate installation of additional water lines and reconfiguration of utility infrastructure. Additionally, new telecommunication conduits will be required to replace the removed telecommunication conduits that will service this project and provide a point of connection for future expansion. The total cost of the work to provide for the demolition of high voltage and telecommunication duct banks and the installation of new telecommunication conduits has been negotiated for a not-to-exceed cost of \$617,731. The cost will be prorated between RCC (\$277,979) and RTP (\$339,752). Public Works has determined it is a fair and reasonable cost for this additional work apportioned to the contractor.

The design and construction of the proposed changes in work will add an additional 67 calendar days to the construction schedule originally approved for this project. CannonDesign Builders submitted a time impact analysis quantifying the time extension evaluation, which incorporated mitigation measures to reduce the projected impact from 87 days to 67 days. Public Works has concluded it is a fair and reasonable time extension to the original contract schedule.

Also, the original project schedule will be rectified to reflect an anticipated contract time of 443 calendar days instead of the 400 calendar days depicted on the executed contract documents with CannonDesign. During the request for proposal process, Notice to Proposers C was issued on June 27, 2019, with the corrected project schedule duration but was inadvertently excluded in the final contract documents.

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

These recommendations support the County Strategic Plan: Strategy II.2, Support the Wellness of our Communities; Strategy III.3, and Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability, and Objective III.3.2, Manage and Maximize County Assets. The recommended actions help to achieve these goals by using existing buildings or land that will provide centralized services for comprehensive and seamless healthcare services to the residents of the County seeking healthcare assistance.

### **FISCAL IMPACT/FINANCING**

The total cost of the two change orders is for a combined total not-to-exceed amount of \$1,139,118. Upon the Board's approval of the proposed two change orders of \$521,387

and \$617,731, not-to-exceed amounts, the total change orders for the RCC and RTP Projects, will increase to \$610,319 and \$745,945, which is 69.8 percent and 41.2 percent, respectively, of the total change order contingency and 2.04 percent of the original contract amount of \$55,750,000. Funds for these changes will be reallocated from the design contingency allowance and change order contingency included in the project budget.

The LAC+USC RCC is funded by Health Services' operating budget in the amount of \$24,145,000 and the RTP is funded by the Department of Mental Health State 2011 Realignment revenue in the amount of \$34,316,000 and SB 82 Grant from California Health Facilities Financing Authority in the amount of \$10,000,000, for a total of \$44,316,000. Sufficient funds are available within the previously Board-approved total project budgets to fund the recommended actions (Enclosure).

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

The construction contract previously executed with CannonDesign contains terms and conditions supporting the Board's ordinances, policies, and programs.

Section 20137 of the Public Contract Code allows the Board, with a four-fifth vote, to authorize an individual change order to a construction contract that is 10 percent or less of the original contract amount without having to obtain bids for the work. The four separate change orders hereunder are well within the statutory threshold and combined to form 2.04 percent of the original design build contract amount of \$55,750,000.

#### **ENVIRONMENTAL DOCUMENTATION**

On November 18, 2014, the Board, acting as the lead agency, under the California Environmental Quality Act (CEQA) certified the Environmental Impact Report (EIR) for the LAC+USC Medical Center Campus Master Plan Project for LAC+USC Medical Center and adopted Findings of Fact and Statement of Overriding Consideration as well as a Mitigation Monitoring and Reporting Program for the project. An Addendum to the certified EIR was subsequently certified by the Board on December 2017 to include the addition of the RCC and RTP projects within the Master Plan. The RCC and RTP, as components of the Restorative Care Village projects, are part of the Master Plan and included at a project level of analysis in the EIR for Tier I.

The recommended actions are within scope of the previously certified EIR and the Addendum. There have been no changes to the project or to the circumstances under which will be undertaken that require further documentation or findings under CEQA,

including preparation of a subsequent or supplemental EIR under Sections 15162 or 15163 of the State CEQA Guidelines.

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

The location of the documents and other materials constituting the record of the proceedings upon which the Board's decision is based in this matter is Los Angeles County Public Works, Project Management I, 900 South Fremont Avenue, Alhambra, CA 91803. The custodian of such documents and materials is Project Management Division I, Los Angeles County Public Works.

### **CONTRACTING PROCESS**

The contract provides that the contractor be compensated for work resulting from a change to the original plans and specifications or changed conditions encountered during the course of construction.

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

Approval of the recommended actions will have little or no impact on current services at the existing LAC+USC Medical Center Campus. Patient care services will remain fully operational during construction.

The Honorable Board of Supervisors  
December 8, 2020  
Page 6

**CONCLUSION**

Please return one adopted copy of this Board letter to Public Works, Project Management Division I.

Respectfully submitted,

MARK PESTRELLA  
Director of Public Works

MP:AKM:mae

Enclosures

c: Auditor-Controller  
Arts and Culture  
Chief Executive Office (Capital Programs Division)  
County Counsel  
Executive Office  
Department of Health Services  
Department of Mental Health (Capital Project Division)  
Internal Services Department  
(GAIN/GROW Program)

**CONSTRUCTION CONTRACT  
CONSTRUCTION MANAGEMENT CORE SERVICE AREA  
LAC+USC MEDICAL CENTER  
RESTORATIVE CARE VILLAGE PROJECTS  
RECUPERATIVE CARE CENTER AND  
RESIDENTIAL TREATMENT PROGRAMS  
APPROVAL OF CONSTRUCTION CHANGE ORDERS  
SPECS. 7549; CAPITAL PROJECT NOS. 69863 AND 67976  
SPECS. 7552; CAPITAL PROJECT NO. 69870  
(SUPERVISORIAL DISTRICT 1)  
(4 VOTES)**

**I. PROJECT SCHEDULE SUMMARY - RCC**

<b>Project Activity</b>	<b>Original Scheduled Completion Date</b>	<b>Revised Scheduled Completion Date</b>
Contract Award	11/12/2019*	11/12/2019*
Construction Start	4/30/2020*	6/29/2020*
Substantial Completion	2/12/2021	6/2/2021
Project Acceptance	5/12/2021	7/18/2021

\*Completed Activity

**II. PROJECT BUDGET SUMMARY - RCC**

<b>Project Activity</b>	<b>Board-Approved Budget</b>	<b>Impact of this Action</b>	<b>Proposed Project Budget</b>
Hard Costs			
Construction (Design-Build)	\$18,617,000	\$610,319	\$19,227,319
Contingency	\$ 2,816,000	(\$610,319)	\$ 2,205,681
Construction Subtotal	\$21,433,000	\$ 0	\$21,433,000
Civic Art	\$ 190,000	\$ 0	\$ 190,00
Equipment	\$ 60,000	\$ 0	\$ 60,000
<b>Hard Costs Subtotal</b>	<b>\$21,683,000</b>	<b>\$ 0</b>	<b>\$21,683,000</b>
Soft Costs			
Plans and Specifications	\$ 299,000	\$ 0	\$ 299,000
Consultant Services	\$ 305,000	\$ 0	\$ 305,00
Miscellaneous Expenditure	\$ 117,000	\$ 0	\$ 117,000
Jurisdictional Review, Plan Check and Permit	\$ 470,000	\$ 0	\$ 470,000
County Services	\$1,271,000*	\$ 0	\$ 1,271,000*
<b>Soft Costs Subtotal</b>	<b>\$ 2,462,000</b>	<b>\$ 0</b>	<b>\$ 2,462,000</b>
<b>Total</b>	<b>\$24,145,000</b>	<b>\$ 0</b>	<b>\$ 24,145,000</b>

**CONSTRUCTION CONTRACT  
CONSTRUCTION MANAGEMENT CORE SERVICE AREA  
LAC+USC MEDICAL CENTER  
RESTORATIVE CARE VILLAGE PROJECTS  
RECUPERATIVE CARE CENTER AND  
RESIDENTIAL TREATMENT PROGRAMS  
APPROVAL OF CONSTRUCTION CHANGE ORDERS  
SPECS. 7549; CAPITAL PROJECT NOS. 69863 AND 67976  
SPECS. 7552; CAPITAL PROJECT NO. 69870  
(SUPERVISORIAL DISTRICT 1)  
(4 VOTES)**

**II. PROJECT SCHEDULE SUMMARY - RTP**

<b>Project Activity</b>	<b>Original Scheduled Completion Date</b>	<b>Revised Scheduled Completion Date</b>
Contract Award	11/12/2019*	11/12/2019*
Construction Start	4/30/2020*	6/29/2020*
Substantial Completion	2/12/2021	6/2/2021
Project Acceptance	5/12/2021	7/18/2021

\*Completed Activity

**II. PROJECT BUDGET SUMMARY - RTP**

<b>Project Activity</b>	<b>Board-Approved Budget</b>	<b>Impact of this Action</b>	<b>Proposed Project Budget</b>
Hard Costs			
Construction (Design-Build)	\$37,133,000	\$745,945	\$ 37,878,945
Contingency	\$ 3,908,000	(\$745,945)	\$ 3,162,055
Construction Subtotal	\$41,041,000	\$ 0	\$ 41,041,000
Civic Art	\$ 375,000	\$ 0	\$ 375,000
Equipment	\$ 60,000	\$ 0	\$ 60,000
<b>Hard Cost Subtotal</b>	<b>\$41,476,000</b>	<b>\$ 0</b>	<b>\$ 41,476,000</b>
Soft Costs			
Plans and Specifications	\$ 364,000	\$ 0	\$ 364,000
Consultant Services	\$ 305,000	\$ 0	\$ 305,00
Miscellaneous Expenditure	\$ 150,000	\$ 0	\$ 150,000
Jurisdictional Review, Plan Check and Permit	\$ 565,000	\$ 0	\$ 565,00
County Services	\$ 1,456,000	\$ 0	\$ 1,456,000
<b>Soft Costs Subtotal</b>	<b>\$ 2,840,00</b>	<b>\$ 0</b>	<b>\$ 2,840,00</b>
<b>Total</b>	<b>\$44,316,000</b>	<b>\$ 0</b>	<b>\$44,316,000</b>

## BOARD LETTER FACT SHEET

Agenda Review Date: November 18, 2020

Board Meeting Date: December 8, 2020

Sup. Dist. / SPA No.: 3rd and 5th

DEPARTMENT: PUBLIC WORKS

SUBJECT: Olive View Campus Recuperative Care Center and Residential Treatment Programs projects

### I. PUBLIC BENEFIT (precise description, mandated or non-mandated)

- a. Non-mandated. Construction of the Recuperative Care Center and Residential Treatment Programs projects are envisioned to create health and supportive residential facilities that will focus on the interrelated and complex issues of homelessness, substance abuse, mental illness, and medical comorbidities.

### II. RECOMMENDED ACTIONS (summarized)

- a. Public Works is seeking Board approval to increase the total project budget for the Recuperative Care Center project, authorize issuance of additional short term notes, execute construction change orders with J.R. Abbott Construction, Inc., for the Olive View campus Recuperative Care Center and Residential Treatment Programs projects; reallocate funds within the respective project budgets to the design completion allowances; grant a sewer and utility easement and authorize execution of all documents required to carry out the easement associated with the projects.

### III. COST AND FUNDING SOURCES

Cost: Residential Treatment Programs: \$50,869,000; Recuperative Care Center: \$20,837,000 (Revised Budget)  
Funding: Residential Treatment Programs: 2011 Realignment revenue \$40,896,000 and SB 82 Grant from California Health Facilities Financing Authority \$10,000,000; Recuperative Care Center: DHS' Obligated Enterprise Fund Balance \$4,489,000 and debt-financing \$16,348,000.

### IV. BACKGROUND (critical and/or insightful)

#### a. BACKGROUND/DESCRIPTION

On November 12, 2019, the Board approved the RCC and RTP projects, authorized the use of Job Order Contracts to perform make-ready work, and awarded a design-build contract to J.R. Abbott to design and construct the projects. The RCC and RTP will be built on a shared location of approximately 168,000 square feet of existing vacant land on the north-east side of the Olive View campus. Each of the five RTP modular buildings will have an approximate footprint of 9,400 square feet for a total facility of 47,000 square feet. The RCC building will be a two-story modular building with approximately 8,180 square feet for each floor for a total facility floor area of 16,360 square feet. Additionally, the project will provide landscaping improvements, walkways, walking trails, horse trails, and a surface parking lot.

During the make-ready rough grading work, an abandoned aqueduct and adjacent steam pipe tunnel were uncovered. Since J.R. Abbott, the design builder, is going to take over the site and conduct the final grading activities, the demolition of the abandoned aqueduct and steam pipe tunnel and provision of backfill soils will be more efficiently addressed under the design-build contract through a contract amendment for this added scope of work. Additionally, due to the removal of the abandoned aqueduct, the adjacent steam pipe tunnel, and other project site debris, the replacement soil volume will be greater than previously anticipated and additional imported soil will be required to back fill the project site to meet the finish grade per approved grading plans.

During preliminary site and utility investigations, it was determined that the power to the new buildings could be provided by connecting to a source on Olive View Drive. The cost for this work was included in the design-build contract with J.R. Abbott. However, after further discussions with Department of Water and Power, it has been determined that the Olive View Drive source cannot be used for connection and now the power for the projects will need to connect to a high voltage source located across the existing channel.

Department of Water and Power has also indicated that it will not perform a portion of the installation of the high voltage work, which DWP typically performs. This work includes the general power connection design and subsequent power connection.

### V. POTENTIAL ISSUE(S)

- a. None

### VI. DEPARTMENT & COUNTY COUNSEL CONTACTS

\* DPW: Andy Moey (626) 300-2300 | Health Services: Phillip Franks (213) 288-8076 | County Counsel: Talin Halabi (213) 974-8948 | Mental Health: Jo-Ann Yanagimoto-Pinedo (213) 738-4105

December 8, 2020

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

Dear Supervisors:

**CONSTRUCTION CONTRACT  
CONSTRUCTION MANAGEMENT CORE SERVICE AREA  
OLIVE VIEW CAMPUS RECUPERATIVE CARE CENTER  
AND RESIDENTIAL TREATMENT PROGRAM PROJECTS  
APPROVAL OF CONSTRUCTION CHANGE ORDERS  
APPROVE REVISED PROJECT BUDGET  
AUTHORIZE ISSUANCE OF SHORT-TERM NOTES AND RELATED SPECS.  
SPECS. 7550; CAPITAL PROJECT NO. 69864 AND 67977  
SPECS. 7554; CAPITAL PROJECT NO. 69872  
SUPERVISORIAL DISTRICTS 3 AND 5  
(4 VOTES)**

**SUBJECT**

Public Works is seeking Board approval to increase the total project budget for the Recuperative Care Center project, authorize issuance of additional short term notes, execute construction change orders with J.R. Abbott Construction, Inc., for the Olive View campus Recuperative Care Center and Residential Treatment Programs projects; reallocate funds within the respective project budgets to the design completion allowances; grant a sewer and utility easement and authorize execution of all documents required to carry out the easement associated with the projects.

**IT IS RECOMMENDED THAT THE BOARD; ACTING ON BEHALF OF THE COUNTY OF LOS ANGELES:**

1. Find that the recommended actions are within the scope of the project impacts analyzed in the certified Environmental Impact Report (EIR) for the Olive View Campus Master Plan project which was previously certified by the Board.
2. Approve the revised project budget for the Recuperative Care Center, Capital Project Nos. 67977 and 69864, from the previous Board-approved amount of \$20,537,000 to \$20,837,000.
3. Authorize the issuance of the tax-exempt Lease Revenue Obligation Notes through the Los Angeles Capital Asset Lease Corporation Lease Revenue Obligation Note Program in the amount of \$300,000 to fund the budget increase for the OVMC RCC Project (C.P. No. 67977).
4. Approve and authorize the Director of Public Works or his designee, to execute a construction change order with J.R. Abbott Construction, Inc., to demolish and abate an unforeseen abandoned aqueduct and steam pipe tunnel and to provide soil back fill for a not-to-exceed amount of \$440,201.

5. Approve and authorize the Director of Public Works or his designee, to execute a construction change order with J.R. Abbott Construction, Inc., to provide earth retaining walls and shoring systems for the Recuperative Care Center and Residential Treatment Programs projects for a not-to-exceed amount of \$1,753,316.
6. Authorize the Director of Public Works or his designee, to reallocate \$543,557 within the Recuperative Care Center original budget to the project's design completion allowance; and \$500,000 within the Residential Treatment Programs original budget to the project's design completion allowance, to fund the \$1,678,000 not-to-exceed cost for the new power re-design work.

**IT IS RECOMMENDED THAT THE BOARD, ACTING AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT:**

1. Acting as a responsible agency for the Olive View Campus Medical Center Master Plan, consider the final Environmental Impact Report prepared and certified by the County of Los Angeles, as lead agency for the approved project; certify that the Board, on behalf of the Los Angeles County Flood Control District (District) has independently reviewed and considered the information contained in the final Environmental Impact Report and reached its own conclusions regarding the environmental effects of the District's approvals related to the project as shown in the Environmental Impact Report; adopt the Mitigation Monitoring and Reporting Program (MMRP), as applicable, finding that the MMRP is adequately designed to ensure compliance with the mitigation measures during project implementation; and determine that the significant adverse effects of the project have either been reduced to an acceptable level or are outweighed by specific considerations of the project, as outlined in the Environmental Findings of Fact and Statement of Overriding Considerations, which Findings and Statement are adopted and incorporated herein by reference, as applicable.
2. Find that the grant of easement for sewer and utility purposes from the Los Angeles County Flood Control District to the County of Los Angeles within Wilson Canyon Channel Parcel 22 and subsequent use of said easement will not interfere with the use of the affected properties by the Los Angeles County Flood Control District.
3. Delegate authority to the Chief Engineer of the Los Angeles County Flood Control District or his designee to execute the Easement document and authorize delivery to the County of Los Angeles in exchange for payment of the fair market value of the easement.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommended actions will find, on behalf of the County, that they are within the scope of the previously certified EIR for the Olive View Campus Master Plan project, and that, on behalf of the District, that its actions comply with the California Environmental Quality Act (CEQA), acting as a

responsible agency. Approval of the actions will also approve the revised total project budget for the Recuperative Care Center, Capital Project Nos. 67977 and 69864; and authorize issuance of additional short term notes; authorize the Director of Public Works to execute change orders with J.R. Abbott Construction, Inc., (J.R. Abbott) to demolish and abate an unforeseen abandoned aqueduct and steam pipe tunnel, provide soil back fill, and to provide earth retaining walls and shoring systems for the Recuperative Care Center (RCC) and Residential Treatment Programs (RTP) projects; reallocate funds within the respective RCC and RTP budgets to the Design Completion Allowance to issue two design changes. Approval of the recommended actions will also allow the Los Angeles County Flood Control District to grant the County an easement for sewer and utility purposes within Wilson Canyon Channel for fair market value.

#### Background (RCC and RTP projects)

On November 12, 2019, the Board approved the RCC and RTP projects, authorized the use of Job Order Contracts to perform make-ready work, and awarded a design-build contract to J.R. Abbott to design and construct the projects. The RCC and RTP will be built on a shared location of approximately 168,000 square feet of existing vacant land on the north-east side of the Olive View campus. Each of the five RTP modular buildings will have an approximate footprint of 9,400 square feet for a total facility of 47,000 square feet. The RCC building will be a two-story modular building with approximately 8,180 square feet for each floor for a total facility floor area of 16,360 square feet. Additionally, the project will provide landscaping improvements, walkways, walking trails, horse trails, and a surface parking lot.

Make-ready work for the projects was performed through the use of a Job Order Contract and included removal of concrete pads, rough grading, and utility preparation work and was completed on May 6, 2020. During the make-ready rough grading work, an abandoned aqueduct and adjacent steam pipe tunnel were uncovered. Since J.R. Abbott, the design builder, is going to take over the site and conduct the final grading activities, the demolition of the abandoned aqueduct and steam pipe tunnel and provision of backfill soils will be more efficiently addressed under the design-build contract through a contract amendment for this added scope of work.

Additionally, due to the removal of the abandoned aqueduct, the adjacent steam pipe tunnel, and other project site debris, the replacement soil volume will be greater than previously anticipated and additional imported soil will be required to back fill the project site to meet the finish grade per approved grading plans.

The total cost of the work to demolish and abate the unforeseen abandoned aqueduct and steam pipe tunnel and provide additional backfill soil has been negotiated for a not-to-exceed cost of \$440,201. The cost will be divided between RCC (\$176,808) and RTP (\$263,393). Public Works has determined that this cost is fair and reasonable for the additional work.

During negotiations with the design-builder, the extent of the retaining walls and the shoring systems for the projects could not be accurately determined prior to the completion of design, and was therefore, not included as part of the original contract. Now that excavation and earthwork have been

performed, the total cost of the work to provide the earth retaining walls and shoring system has been negotiated for a not-to-exceed cost of \$1,753,316. The cost will be divided between RCC (\$350,663) and RTP (\$1,402,653). Public Works has determined it is a fair and reasonable cost for this additional work apportioned to the contractor.

During preliminary site and utility investigations, it was determined that the power to the new buildings could be provided by connecting to a source on Olive View Drive. The cost for this work was included in the design-build contract with J.R. Abbott. However, after further discussions with Department of Water and Power, it has been determined that the Olive View Drive source cannot be used for connection and now the power for the projects will need to connect to a high voltage source located across the existing channel.

Department of Water and Power has also indicated that it will not perform a portion of the installation of the high voltage work, which DWP typically performs. This work includes the general power connection design and subsequent power connection. Accordingly, DWP's portion of the high-voltage work will now need to be performed by Design Builder. Since this work entails a design change, the design contingency allowance is the appropriate source to pay for the associated additional cost. However, there is currently not sufficient funding in the originally approved design completion allowances to cover this design change. There is, however, sufficient funding available in the overall project budgets to reallocate funds from other budget categories into the design completion allowance to pay for the redesign work.

The total cost of the redesign work to provide the new power has been negotiated for a not-to-exceed cost of \$1,678,000. The cost will be divided between RCC (\$671,200) and RTP (\$1,006,800). Public Works has determined that the cost for the additional scope of work is fair and reasonable.

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

The County Strategic Plan directs the provision of Strategy II.2, Support the Wellness of our Communities, and Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability, Objective III.3.2, Manage and Maximize County Assets. The recommended actions help to achieve these goals by using existing buildings or land that will provide centralized services for comprehensive and seamless healthcare services to the residents of the County seeking healthcare assistance.

### **FISCAL IMPACT/FINANCING**

On November 12, 2019, the Board approved the project budgets for the Olive View Campus RCC and RTP projects at \$20,537,000 and \$50,896,000 respectively. The project budgets include construction, change order contingency, design completion allowances, plans and specifications, permit fees, consultant services, inspection services, and County services. The Olive View Campus RCC project was funded with DHS' Obligated Enterprise Fund Balance. The Olive View Campus RTP is funded by the Department of Mental Health (DMH) State 2011 Realignment revenue in the

amount of \$40,896,000 and SB 82 Grant from California Health Facilities Financing Authority in the amount of \$10,000,000 for a total of \$50,896,000.

On September 29, 2020, the Board authorized the issuance of the tax-exempt Lease Revenue Obligation Notes through the Los Angeles County Capital Asset Lease Corporation Lease Revenue Obligation Note Program for the Olive View-UCLA MC RCC (C.P. No. 67977) in the amount of \$16,048,000. Upon Board approval of the proposed actions, the total amount to be debt financed for the Olive View-UCLA MC RCC, C.P. No. 67977, will increase by \$300,000 from \$16,048,000 to \$16,348,000.

With the reallocation of funds from other categories of the budgets to the contingencies, sufficient funds will be available within the project budgets (Enclosure A) to fund the recommended actions. For the RCC and RTP projects, the two proposed change orders of \$440,201 and \$1,753,316, as described above, represent 3.66 percent of the original design build contract amount of \$59,960,804. Funds for the change orders will be reallocated from the change order contingency amount included in the project budget.

The \$1,678,000 not-to-exceed amount proposed to be reallocated to the Design Completion Allowance is 2.8 percent of the original design build contract amount of \$59,960,804. There are not sufficient funds available in the current Design Completion Allowance to cover the entire cost, however, funds are available within the total project budget to cover the short fall. Funds will be reallocated from the change order contingency allowance and soft cost included in the project budget.

Reallocation of funds from other categories of the budgets will allow for the issuance of the proposed change orders and design changes, within the original project budgets. However, issuance of these change orders and design services will deplete the contingency fund for the RCC for potential future unforeseen conditions through the completion of the project. Thus, an increase of \$300,000, to the RCC project budget is recommended to provide contingency in the event further unforeseen conditions are encountered.

The total project budget for the RTP will remain \$50,869,000. The revised total project budget for the RCC will increase from the previously approved amount of \$20,537,000 to \$20,837,000.

The County will also pay the District fair market value for the easement which will be deposited into the Flood Control District Fund.

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

On December 18, 2019, a design-build contract was executed with J.R. Abbott Inc., to complete the design and construction of the RTP and RCC projects for a total amount of \$59,960,804. Public Works has negotiated change orders for various other unforeseen conditions, under delegated authority limits, totaling \$213,201. Upon the Board's approval of the recommended actions, Public Works will execute change orders in the amounts of \$440,201, and \$1,753,316. Section 20137 of the Public Contract Code allows the Board, with a four-fifth vote, to authorize an individual change order

to a construction contract that is 10 percent or less of the original contract amount without having to obtain bids for the work. The two separate change orders hereunder are well within the statutory threshold, and combined form 3.66 percent of the original design build contract amount of \$59,960,804.

The two change orders and the reallocation of \$1,678,000 to the Design Completion Allowances increase the total not-to-exceed design build contract amount to \$63,832,321.

The design build construction contract previously executed with JR ABBOTT Construction, Inc., contains terms and conditions supporting the Board's ordinances, policies, and programs.

The proposed grant of easement is authorized by Section 2, subsection 13, of the Los Angeles County Flood Control Act. This section provides as follows: "The Los Angeles County Flood Control District is hereby declared to be a body corporate and politic and has all the following powers...13. To lease, sell or dispose of any property (or any interest therein) whenever in the judgment of the board of supervisors of the property, or any interest therein or part thereof, is no longer required for the purposes of the district...".

The grant of easement is not considered adverse to District's purposes and will not hinder the use of Wilson Canyon Channel for possible transportation, utility, recreational corridors or flood control purposes. The instrument reserves paramount rights to use the parcel for District purposes.

The Easement document will be approved by County Counsel as to form and will be recorded.

The Director of Public Works, on behalf of the County has existing authority to acquire easements for a purchase price of \$75,000 or less pursuant to Los Angeles County Code Section 2.18.025.

## **ENVIRONMENTAL DOCUMENTATION**

On October 15, 2019, the Board, acting on behalf of the County as the lead agency, under CEQA certified the Environmental Impact Report (EIR) for the OVMC Master Plan project and adopted Findings of Fact (Findings), a Statement of Overriding Consideration (SOC) and a Mitigation Monitoring and Reporting Program (MMRP). The RCC and RTP, as components of the Restorative Care Village projects, are part of the Master Plan and were included at a project level of analysis in the EIR for Tier I. A Notice of Determination was filed with the County Clerk.

The recommended actions by the County are within the scope of the previously certified EIR. There have been no changes to the project or to the circumstances under which it will be undertaken that require further documentation or findings under CEQA, including preparation of a subsequent or supplemental EIR under Sections 15162 or 15163 of the State California Environmental Quality Act Guidelines. The MMRP, Findings of Fact and Statement of Overriding Consideration will continue to apply.

The Los Angeles County Flood Control District (District) is acting as a responsible agency pursuant to CEQA for the OVMC Master Plan project for which an EIR was prepared and certified on behalf of the County by the Los Angeles County Board of Supervisors as discussed above. The Findings, SOC, and MMRP adopted by the County are adopted and incorporated by reference, as applicable to the District's actions.

The easement is required to provide power and sewer utilities to the new buildings. The only location available to provide these utilities is located across the street from the new building locations and the utility lines will have to traverse an area that belongs to Flood Control District; thus, an easement is needed.

Upon the Board's approval of the recommended actions, Public Works will file Notices of Determination on behalf of the County and the Los Angeles County Flood Control District in accordance with sections 21152 of the California Public Resources Code.

The location of the documents and other materials constituting the record of the proceedings upon which the Board decisions for the County and Flood Control District are based in this matter is the County of Los Angeles, Public Works, Project Management Division I, 900 South Fremont Avenue, Alhambra, CA 91803. The custodian of such documents and materials is Project Management Division I, Los Angeles County Department of Public Works.

### **CONTRACTING PROCESS**

The contract provides that the contractor will be compensated for work resulting from a change to the original plans and specifications or changed conditions encountered during the course of construction.

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

Approval of the recommended action will have little or no impact on current services at the existing OVMC. Patient care services will remain fully operational during construction.

### **CONCLUSION**

Please return one adopted copy of this Board letter to Public Works, Project Management Division I.

The Honorable Board of Supervisors  
December 8, 2020  
Page 8

Respectfully submitted,

MARK PESTRELLA  
Director of Public Works

MP:AKM:mae

Enclosures

c: Auditor-Controller  
Chief Executive Office (Capital Programs Division)  
County Counsel  
Executive Office  
Department of Health Services (Capital Project Division)  
Internal Services Department  
Department of Mental Health  
(GAIN/GROW Program)

**CONSTRUCTION CONTRACT  
CONSTRUCTION MANAGEMENT CORE SERVICE AREA  
OLIVE VIEW CAMPUS RECUPERATIVE CARE CENTER  
AND RESIDENTIAL TREATMENT PROGRAM PROJECTS  
APPROVAL OF CONSTRUCTION CHANGE ORDERS  
APPROVE REVISED PROJECT BUDGET  
AUTHORIZE ISSUANCE OF SHORT-TERM NOTES AND RELATED SPECS.  
SPECS. 7550; CAPITAL PROJECT NO. 69864 AND 67977  
SPECS. 7554; CAPITAL PROJECT NO. 69872  
SUPERVISORIAL DISTRICTS 3 AND 5  
(4 VOTES)**

**I. PROJECT SCHEDULE SUMMARY - RCC**

<b>Project Activity</b>	<b>Original Scheduled Completion Date</b>	<b>Revised Scheduled Completion Date</b>
Contract Award	10/30/2019*	11/12/2019*
Construction Start	02/01/2020*	06/16/2020*
Substantial Completion	07/30/2021	07/30/2021
Project Acceptance	09/30/2021	09/30/2021

\*Completed Activity

**II. PROJECT BUDGET SUMMARY - RCC**

<b>Project Activity</b>	<b>Board-Approved Budget</b>	<b>Impact of this Action</b>	<b>Proposed Project Budget</b>
Hard Costs			
Construction (Design-Build)	\$16,789,025	\$ 0	\$16,789,025
Contingencies/Allowances	\$ 1,071,863	\$ 673,557	\$ 1,745,420
JOC Make-Ready	\$ 422,952	\$ 0	\$ 422,952
Civic Art	\$ 169,690		\$ 169,690
<b>Hard Cost Subtotal</b>	<b>\$18,453,530</b>	<b>\$ 673,557</b>	<b>\$19,127,087</b>
Equipment	\$ 60,000	(\$ 60,000)	\$0
Plans and Specifications	\$ 180,000	(\$ 19,837)	\$ 160,163
Consultant Services	\$ 310,125	(\$ 40,259)	\$ 269,866
Miscellaneous Expenditure	\$ 45,598	\$ 0	\$ 45,598
Jurisdictional Review, Plan Check and Permit	\$ 636,409	(\$253,461)	\$ 382,948
County Services	\$ 851,338	\$ 0	\$ 851,338
<b>Total</b>	<b>\$20,537,000</b>	<b>\$ 300,000</b>	<b>\$ 20,837,000</b>

**CONSTRUCTION CONTRACT  
CONSTRUCTION MANAGEMENT CORE SERVICE AREA  
OLIVE VIEW CAMPUS RECUPERATIVE CARE CENTER  
AND RESIDENTIAL TREATMENT PROGRAM PROJECTS  
APPROVAL OF CONSTRUCTION CHANGE ORDERS  
APPROVE REVISED PROJECT BUDGET  
AUTHORIZE ISSUANCE OF SHORT-TERM NOTES AND RELATED SPECS.  
SPECS. 7550; CAPITAL PROJECT NO. 69864 AND 67977  
SPECS. 7554; CAPITAL PROJECT NO. 69872  
SUPERVISORIAL DISTRICTS 3 AND 5  
(4 VOTES)**

**II. PROJECT SCHEDULE SUMMARY - RTP**

<b>Project Activity</b>	<b>Original Scheduled Completion Date</b>	<b>Revised Scheduled Completion Date</b>
Contract Award	10/30/2019*	11/12/2019
Construction Start	02/01/2020*	06/16/2020
Substantial Completion	07/30/2021	07/30/2021
Project Acceptance	09/30/2021	09/30/2021

\*Completed Activity

**II. PROJECT BUDGET SUMMARY - RTP**

<b>Project Activity</b>	<b>Board-Approved Budget</b>	<b>Impact of this Action</b>	<b>Proposed Project Budget</b>
Hard Costs			
Construction (Design-Build)	\$43,171,779	\$ 0	\$43,171,779
Contingencies/Allowances	\$ 2,728,488	\$ 500,000	\$ 3,228,488
JOC Make-Ready	\$ 629,273	\$ 0	\$ 629,273
Civic Art	\$ 434,440		\$ 434,440
<b>Hard Cost Subtotal</b>	<b>\$46,963,980</b>	<b>\$ 500,000</b>	<b>\$47,463,980</b>
Equipment	\$ 60,000	\$ 0	\$ 60,000
Plans and Specifications	\$ 272,224	\$ 0	\$ 272,224
Consultant Services	\$ 328,100	\$ 0	\$ 328,100
Miscellaneous Expenditure	\$ 45,598	\$ 0	\$ 45,598
Jurisdictional Review, Plan Check and Permit	\$ 2,208,278	(\$ 500,000)	\$ 1,708,278
County Services	\$ 1,017,820		\$ 1,017,820
<b>Total</b>	<b>\$50,896,000</b>	<b>\$ 0</b>	<b>\$50,896,000</b>

## BOARD LETTER FACT SHEET

**DRAFT**

Agenda Review Date: November 18, 2020

Board Meeting Date: December 1, 2020

Sup. Dist. / SPA No.: All Supervisorial Districts

**DEPARTMENT: *Mental Health***

**SUBJECT:** Request approval to extend the term of 29 existing Fee-for-Service Medi-Cal Acute Psychiatric Inpatient Hospital Service Agreements and two sole source Indigent Acute Psychiatric Inpatient Hospital Service Agreements

### **I. PUBLIC BENEFIT** (precise description, mandated or non-mandated)

Board approval will ensure continuous acute psychiatric inpatient hospital services are provided to both Medi-Cal beneficiaries and uninsured individuals residing in Los Angeles County

### **II. RECOMMENDED ACTIONS** (summarized)

Approve and authorize the Department of Mental Health (DMH) Director or his designee to execute an amendment to extend the term of 29 Fee-for-Service Medi-Cal Acute Psychiatric Inpatient Hospital Service Agreements and extend two sole source Indigent Acute Psychiatric Inpatient Hospital Service Agreements. The extension will be effective January 1, 2021 through June 30, 2021, with an option to extend the term for one additional fiscal year, as necessary. Delegate authority to execute future FFS Hospital Service Agreements with other licensed hospitals as necessary. Delegate authority to amend the Agreements to add, delete, modify, or replace Statements of Work/Service Exhibits; reflect federal, State and/or County regulatory and/or policy changes; and modify the contract rates provided that sufficient funds are available. Delegate authority to terminate Agreements in accordance with the contract's termination provisions.

### **III. COST AND FUNDING SOURCES**

Cost: Estimated cost of the extension is \$71,731,505

Funding: 2011 Realignment, 2011 Realignment – Managed Care, 2011 Realignment–EPSDT, and FFP Medi-Cal revenues

### **IV. BACKGROUND** (critical and/or insightful)

The current FFS Hospital Service Agreements and two sole source Indigent Hospital Service Agreements expire on December 31, 2020. DMH requires Board approval to extend the term of these contracts while DMH develops new performance measures for new Acute Psychiatric Inpatient Hospital Contracts, which requires collaboration with the State of California, Department of Health Care Services and contractors. DMH will return to your Board to execute new contracts upon completion. Board approval is required to extend these existing Agreements to ensure that continuous medically necessary acute psychiatric inpatient hospital services are provided to Medi-Cal beneficiaries and to the uninsured clients residing in Los Angeles County.

### **V. POTENTIAL ISSUE(S)**

N/A

### **VI. DEPARTMENT & COUNTY COUNSEL CONTACTS**

DMH: Amanda Ruiz, M.D., Interim Director Intensive Care Division - [AmaRuiz@dmh.lacounty.gov](mailto:AmaRuiz@dmh.lacounty.gov)  
County Counsel: Emily Issa, [Elissa@counsel.lacounty.gov](mailto:Elissa@counsel.lacounty.gov)



## DEPARTMENT OF MENTAL HEALTH

hope. recovery. wellbeing.

JONATHAN E. SHERIN, M.D., Ph.D.  
Director

Gregory C. Polk, M.P.A.  
Chief Deputy Director

Curley L. Bonds, M.D.  
Chief Medical Officer

Lisa H. Wong, Psy.D.  
Senior Deputy Director

December 1, 2020

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

Dear Supervisors:

**APPROVAL TO EXTEND THE TERM OF 29 EXISTING FEE-FOR-SERVICE  
MEDI-CAL ACUTE PSYCHIATRIC INPATIENT HOSPITAL SERVICE AGREEMENTS  
AND TWO SOLE SOURCE INDIGENT ACUTE PSYCHIATRIC INPATIENT  
HOSPITAL SERVICE AGREEMENTS  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request approval to extend the term of 29 existing Fee-for-Service Medi-Cal Acute Psychiatric Inpatient Hospital Service Agreements and two sole source Indigent Acute Psychiatric Inpatient Hospital Service Agreements. The extensions will ensure that medically necessary acute psychiatric inpatient hospital services are continuously provided for Medi-Cal beneficiaries and for the uninsured clients residing in Los Angeles County while the Department of Mental Health and the State of California, Department of Health Care Services develop performance measures for new contracts.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and authorize the Department of Mental Health (DMH) Director, or his designee, to prepare, sign, and execute amendments substantially similar to Attachment I to extend the term of the 29 existing Fee-for-Service Medi-Cal Acute Psychiatric Inpatient Hospital (FFS Hospital) Service Agreements listed on Attachment II for the continued provision of medically necessary acute psychiatric inpatient hospital services for Medi-Cal beneficiaries. The amendments will be effective January 1, 2021 through June 30, 2021, with an option to extend the term for one additional fiscal year, as necessary. These contracts do not have a maximum

contract amount, as reimbursement for acute psychiatric inpatient hospital services will be on a fee-for-service basis. The total aggregate estimated cost of the extension for six months is \$69,415,923, fully funded by 2011 Realignment, 2011 Realignment-Managed Care, 2011 Realignment-Early and Periodic Screening Diagnosis and Treatment (EPSDT) and Federal Financial Participation (FFP) Medi-Cal revenues.

2. Approve and authorize the Director, or his designee, to prepare, sign, and execute amendments substantially similar to Attachment III to extend the term of two sole source Indigent Acute Psychiatric Inpatient Hospital (Indigent Hospital) Service Agreements with Aurora Charter Oak-Los Angeles, LLC (Aurora Charter Oak), and College Hospital-Cerritos (College Hospital) for the continued provision of acute psychiatric inpatient hospital services for uninsured clients. The extension amendments for Aurora Charter Oak and College Hospital will be effective January 1, 2021 through June 30, 2021, with an option to extend the term for one additional fiscal year, as necessary. For the six-month extension period, the Maximum Contract Amount (MCA) is \$1,388,117 for Aurora Charter Oak and \$927,465 for College Hospital, fully funded by 2011 Realignment revenue.
3. Delegate authority to the Director, or his designee, to prepare, sign, and execute future FFS Hospital Service Agreements with appropriately licensed hospitals, as necessary, provided that: 1) sufficient funds are available; 2) County Counsel approves the agreement as to form; and 3) the Director, or his designee, provides written notification to the Board and the Chief Executive Officer (CEO).
4. Delegate authority to the Director, or his designee, to prepare, sign, and execute future amendments to the FFS Hospital Service Agreements and Indigent Hospital Service Agreements described in Recommendations 1, 2, and 3 to increase the contract rates; add, delete, modify or replace the Statements of Work/Service Exhibits; and/or reflect federal, State, and/or County regulatory and/or policy changes provided that sufficient funds are available; and the amendments will be subject to prior review and approval as to form by County Counsel, with written notice to the Board and CEO.
5. Delegate authority to the Director, or his designee, to terminate the Agreements described in Recommendations 1, 2, and 3 in accordance with the termination provisions of the Agreements, including Termination for Convenience. The Director, or his designee, will notify the Board and CEO, in writing, of such termination action.

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

Board approval of the first Recommendation will authorize the Director, or his designee, to extend the term of 29 FFS Hospital Service Agreements for the continued provision of acute psychiatric inpatient hospital services for Medi-Cal beneficiaries, effective

January 1, 2021 through June 30, 2021, with an option to extend the term for one additional fiscal year.

Board approval of the second Recommendation will enable DMH to execute an amendment to extend the term of the sole source Indigent Hospital Service Agreements with Aurora Charter Oak and College Hospital, effective January 1, 2021 through June 30, 2021, with an option to extend the term for one additional fiscal year. The extensions will allow DMH to provide continuous acute psychiatric inpatient hospital services for uninsured clients.

Board approval of the third Recommendation will allow DMH to execute future FFS Service Agreements with other licensed hospitals as necessary.

Board approval of the fourth Recommendation will allow DMH to amend the FFS Hospital Service Agreements and Indigent Hospital Service Agreements described in Recommendations 1, 2, and 3 to add, delete, modify, or replace the Statements of Work/Service Exhibits; reflect federal, State, and/or County regulatory and/or policy changes; and modify the contract rates, provided that sufficient funds are available and the amendments will be subject to prior review and approval as to form by County Counsel, with written notice to the Board and CEO.

Board approval of the fifth Recommendation will allow DMH to terminate the Agreements described in Recommendation 1, 2, and 3 in accordance with the contract's termination provisions, including Termination for Convenience, in a timely manner, as necessary.

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

The recommended actions are consistent with the County's Strategic Plan Goal I, Make Investments that Transform Lives, specifically Strategy I.2 – Enhance Our Delivery of Comprehensive Interventions.

#### **FISCAL IMPACT/FINANCING**

The estimated cost for these actions is \$71,731,505, fully funded by 2011 Realignment, 2011 Realignment–Managed Care, 2011 Realignment–EPSDT and FFP Medi-Cal revenues. The funding for these contracts are included in DMH's FY 2020-21 Adopted budget.

There is no net County cost associated with the recommended actions.

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

The current FFS Hospital Service Agreements and two sole source Indigent Hospital Service Agreements listed on Attachment II expire on December 31, 2020. DMH requires

Board approval to extend the term of these contracts while DMH develops new performance measures for new Acute Psychiatric Inpatient Hospital Contracts, which requires collaboration with the State of California, Department of Health Care Services (DHCS) and contractors. DMH will return to your Board to execute new Acute Psychiatric Inpatient Hospital Contracts upon completion. Board approval is required to extend these existing Agreements to ensure that continuous medically necessary acute psychiatric inpatient hospital services are provided to Medi-Cal beneficiaries and to the uninsured clients residing in Los Angeles County (County).

Through the Mental Health Plan (MHP) Agreement between the State DHCS and the County, DMH operates as the local MHP responsible for the provision of specialty mental health services under Welfare and Institutions Code (WIC) Section 14712. Under the MHP Agreement, DMH is responsible for administering all Medi-Cal specialty mental health services to care for eligible Medi-Cal beneficiaries residing in the County in accordance with Title 9, California Code of Regulations (CCR) and to ensure that comprehensive quality services are provided to severely mentally ill clients residing in the County.

Each of the hospitals listed on Attachment II are qualified Lanterman-Petris-Short (LPS) designated hospitals to detain, evaluate, and provide treatment to clients pursuant to WIC Section 5150. These hospitals will provide continuous twenty-four hours per day, seven days per week (24/7) intensive psychiatric services in a licensed Acute Psychiatric Hospital or a distinct acute psychiatric part of a licensed General Acute Care Hospital, with the specific intent to ameliorate the symptoms of danger to self or others, or the inability to provide for food, clothing, and shelter due to a mental disability as determined by a qualified mental health professional staff of the facility.

As mandated by your Board, the performance of all contractors is evaluated by DMH on an annual basis to ensure the contractor's compliance with all contract terms and performance standards.

Attachment I is the extension amendment for DMH's existing 29 FFS Hospitals. Attachment II lists the FFS Hospitals and their addresses, as well as the Service Area (SA), and Supervisorial District(s) served. Attachment III is the extension amendment for the two sole source Indigent Hospital Service Agreements with Aurora Charter Oak and College Hospital.

Under Board Policy No. 5.100 (Sole Source Contracts), DMH is required to provide your Board advance notification for amendments to existing contracts when departments do not have delegated authority to extend the term of the current contract. DMH is requesting an exemption to the Board's Sole Source Contracts policy for the purposes of the FFS Hospital Agreements, because DMH is required as the MHP to ensure that comprehensive quality services are provided to severely mentally ill clients residing in the

County. In addition, as the MHP, DMH has an open application process for licensed hospitals to apply for a FFS Hospital Agreement if they meet County requirements.

DMH notified your Board of its intent to extend the terms of Aurora Charter Oak and College Hospital's sole source Indigent Hospital Service Agreements on October 22, 2020 (Attachment IV). The extension of these sole source Indigent Hospital Service Agreements will ensure continuous acute psychiatric inpatient hospital services for uninsured clients while DMH and the State DHCS develop new performance measures for the new contracts. Aurora Charter Oak and College Hospital are located in SAs 3 and 7, which were identified as strategic SAs in the County's Psychiatric Emergency Services Relief Plan approved by your Board in July 2005 to address overcrowding at County hospitals. The required Sole Source Checklist (Attachment V), identifying and justifying the need for these sole source extensions, has been approved by the CEO.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

These recommended actions will allow DMH to provide continuous medically necessary acute psychiatric inpatient hospital services for Medi-Cal beneficiaries and uninsured clients residing in the County.

Respectfully submitted,

JONATHAN E. SHERIN, M.D., Ph.D.  
Director

JES:GCP:ES  
SK:sc

**Attachments**

- c: Executive Office, Board of Supervisors  
Chief Executive Office  
County Counsel  
Chairperson, Mental Health Commission

CONTRACT NO. MH0600XX

AMENDMENT NO.   

THIS AMENDMENT is made and entered into this        day of January, 2021, by and between the COUNTY OF LOS ANGELES (hereafter "County"), and \_\_\_\_\_ (hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "Mental Health Services Agreement Contract Allowable Rate Fee-For-Service Medi-Cal Acute Psychiatric Inpatient Hospital Services", dated July 1, 2015, and further identified as County Agreement No. MH0600XX, and any amendments thereto (hereafter collectively "Agreement"); and

WHEREAS, on June 2, 2015, the County Board of Supervisors delegated authority to the Director of Mental Health, or designee, to execute amendments to the Agreement that include authority to modify the Agreement language to reflect federal, State, and County regulatory and/or policy changes, and make other designated changes; and

WHEREAS, on December 1, 2020, the County Board of Supervisors delegated authority to the Director of Mental Health, or designee, to execute amendments to the Agreement that include authority to extend the term of the Agreement and modify the Agreement language to reflect federal, State, and/or County regulatory and/or policy changes, and make other designated changes; and

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties; and

WHEREAS, for Fiscal Year (FY) 2020-21, County and Contractor intend to amend the Agreement to extend the term of the Agreement for the six-month period beginning January 1, 2021 through June 30, 2021, and update certain other terms and conditions; and

WHEREAS, Contractor warrants that it continues to possess the competence, expertise, and personnel necessary to provide services consistent with the requirements of the Agreement, and consistent with the professional standard of care for these services.

NOW, THEREFORE, County and Contractor agree that the Agreement shall be amended only as follows:

1. This amendment is effective upon execution.
2. The term of the Agreement is extended for six months, for the period of January 1, 2021 through June 30, 2021.
3. Attachment X shall be deleted in its entirety, and replaced with "Attachment X-\_\_\_," attached hereto and incorporated herein by reference. All references to Attachment X shall be deemed amended to state "Attachment X-\_\_\_".
4. Attachment XII-\_\_\_ (BUSINESS ASSOCIATE AGREEMENT UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)), attached hereto and incorporated herein by reference, shall be added to the Agreement.
5. Attachment XIII-\_\_\_ (DMH BUSINESS ASSOCIATE/CONTRACTOR'S COMPLIANCE WITH INFORMATION SECURITY REQUIREMENTS EXHIBIT), attached hereto and incorporated herein by reference, shall be added to the Agreement.

6. Attachment XIV-\_\_\_\_ (INFORMATION SECURITY CONTRACT/AGREEMENT REQUIREMENTS), attached hereto and incorporated herein by reference, shall be added to the Agreement.
7. Contractor shall provide services in accordance with Contractor's FY\_\_\_\_\_ Contract Package for this Agreement and any addenda thereto approved in writing by County's Director of Mental Health or his designee.
8. Except as provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by the County's Director of Mental Health or his designee, and Contractor has caused this Amendment to be subscribed on its behalf by its duly authorized officer, on the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Jonathan E. Sherin, M.D., Ph.D.  
Director of Mental Health

\_\_\_\_\_  
CONTRACTOR

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_  
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:  
OFFICE OF THE COUNTY COUNSEL

By: Emily D. Issa  
Deputy County Counsel



LOS ANGELES COUNTY  
**DEPARTMENT OF  
MENTAL HEALTH**  
hope. recovery. wellbeing.

Attachment X - \_

**CHIEF INFORMATION OFFICE BUREAU**

**ELECTRONIC DATA TRANSMISSION  
TRADING PARTNER AGREEMENT (TPA)**

This Trading Partner Agreement ('Agreement') is made and entered by and between the Legal Entity or Network Provider named \_\_\_\_\_ ("Trading Partner"), whose legal entity or Network Provider number is \_\_\_\_\_ and the County of Los Angeles – Department of Mental Health ("DMH").

WHEREAS, DMH and Trading Partner exchange information and data electronically in connection with certain healthcare transactions; and

WHEREAS, DMH and Trading Partner will be readily equipped at their own expense with the Systems and trained personnel necessary to engage in the successful exchange of electronic information and data; and

WHEREAS, in the electronic transmission of information and data, the confidentiality and security of the data which is exchanged between the Parties is of the highest priority to both Parties; and

WHEREAS, it is anticipated by DMH that the Trading Partner may use, in the performance of this Agreement, various third parties as the Trading Partner's Agents in the electronic exchange of information;

NOW THEREFORE, in consideration for the mutual promises herein, the Parties agree as follows:

**1. DEFINITIONS**

**1.1. Agents**

Third parties or organizations that contract with the Trading Partner to perform designated services in order to facilitate the electronic transfer of data. Examples of Agents include claims clearinghouses, vendors, and billing services.

**1.2. Confidential Information**

Information relating to specific Individuals which is exchanged by and between DMH, the Trading Partner, and/or the Agents for various business purposes, but which is protected from disclosure to unauthorized persons or entities by The Privacy Act of 1974, The Administrative Simplification Provisions of the federal Health Insurance Portability and Accountability Act and regulations promulgated there under ("HIPAA"). The Insurance Information and Privacy Protections Act, or other applicable state and federal statutes and regulations, which shall hereinafter be collectively referred to as "Privacy Statutes and Regulations."

**1.3. Covered Individuals**

Individual persons who are eligible for payment of certain services or prescriptions rendered or sold to them under the terms, conditions, limitations and exclusions of a health benefit program administered by DMH or by some other Payor.

#### **1.4. Data**

A formalized representation of specific facts or concepts suitable for communication, interpretation, or processing by people or by automatic means.

#### **1.5. Data Log**

A complete written summary of Data and Data Transmissions exchanged between the Parties over the period of time this Agreement is in effect and, including, without limitation, sender and receiver information, the date and time of transmission and the general nature of the transmission.

#### **1.6. Data Transmission**

The automated transfer or exchange of data between Trading Partners or their agents, by means of their systems which are compatible for that purpose, pursuant to the terms and conditions set forth in this Agreement.

#### **1.7. Data Universal Numbering System (“DUNS”)**

Data Universal Numbering System (DUNS) – A unique nine-digit identification number assigned by Dun & Bradstreet (D&B) to a Trading Partner or Agent for the purpose of identifying a business entity. The DUNS can be requested at: <http://fedgov.dnb.com/webform>.

#### **1.8. Digital Key Certificate**

Software that resides on Trading Partner’s workstation or server assigned to the Trading Partner by DMH for the purpose of successfully executing Data Transmissions or otherwise carrying out the express terms of this Agreement.

#### **1.9. Electronic Data Interchange (“EDI”)**

The automated exchange of business data from application to application in an ANSI approved or other mutually agreed format.

#### **1.10. Electronic Remittance Advice (“ERA”)**

A transaction containing information pertaining to the disposition of a specific claim field with DMH by Providers for payment of services rendered to an Individual.

#### **1.11. Envelope**

A control structure in a mutually agreed format for the electronic interchange of one or more encoded Data Transmissions either sent or received by the Parties to this Agreement.

#### **1.12. Individual**

An individual person(s) whose claims for payment of services may be eligible to be paid, under the terms of the applicable federal, state or local governmental program for which DMH processes or administers claims. It is acknowledged and agreed between the Parties that claim payments for purposes of this Agreement will be made directly to Providers on behalf of such Individuals.

#### **1.13. Lost or Indecipherable Transmission**

A Data Transmission which is never received by or cannot be processed to completion by the receiving Party in the format or composition received because it is garbled or incomplete, regardless of how or why the message was rendered garbled or incomplete.

#### **1.14. Payee National Provider Identifier (“NPI”)**

The National Provider Identifier that is specific to the Legal Entity, FFS Group, or FFS Organization. Solo practitioners will enter their individual NPI number in this field.

**1.15. Payor**

A business organization that provides benefit payments on behalf of Covered Individuals eligible for payment for certain services to Covered Individuals.

**1.16. Provider**

Hospitals, clinics or persons duly licensed or certified to provide mental health services to Covered Individuals of Los Angeles County.

**1.17. Secure Identification Cards**

Those cards assigned to the Trading Partner or Agent by DMH for allowing the Trading Partner to transfer files electronically to DMH.

**1.18. Source Documents**

Documents containing Data which is or may be required as part of Data Transmission with respect to a claim for payment for mental health services rendered to an eligible Individual. Examples of Data contained within a specific Source Document include, without limitation, the following: Individual's name and identification number, claim number, diagnosis code for the service rendered, dates of service, procedure code, applicable charges, the Provider's name and/or provider number.

**1.19. Submitter ID Number**

A unique number assigned by DMH to the Trading Partner or Agent for the purpose of identifying the Trading Partner for Data Transmissions.

**1.20. System**

The equipment and software necessary for a successful electronic Data Transmission.

**1.21. Trading Partner**

A Provider who has entered into this Agreement with DMH in order to satisfy all or part of its obligations under a Legal Entity Agreement or Network Provider Agreement by means of EDI.

**2. TERM AND TERMINATION****2.1. Term of Agreement**

This Agreement will be effective on the day the Trading Partner Agreement is approved by the Department of Mental Health and shall continue in full force until terminated by either party.

**2.2. Voluntary Termination**

Either Party may terminate this Agreement for its own convenience on thirty (30) days advance written notice to the other Party.

**2.3. Termination for Cause**

Either party may terminate this Agreement upon ten (10) working days advance written notice to the other Party upon the default by the other Party of any material obligation hereunder, which default is incapable of cure or which, being capable of cure, has not been cured within 30 days after receipt of written notice with reasonable specificity of such default (or such additional cure period as the non-defaulting Party may authorize). However, in the event of a breach by the Trading Partner of the terms of Article IV, Section 4.3 (Express Warranties Regarding Agents) or any Section of Article V (CONFIDENTIALITY AND SECURITY), or in the event a change of ownership of the Trading Partner or its Agents as defined by Article VII Section 7.12 (Change in Ownership of Trading Partner or its Agents) takes place, DMH shall have the unilateral right to

terminate this Agreement immediately without prior notice to the Trading Partner. However, in its right to exercise immediate termination, DMH shall provide the Trading Partner with written notice the day the termination occurs.

### **3. OBLIGATIONS OF THE PARTIES**

#### **3.1. Mutual Obligations**

In addition to the obligations of the respective Parties which are set forth elsewhere in this Agreement, the mutual obligations of DMH, the Trading Partner and/or the Trading Partner's Agents collectively referred to as "the Parties" shall include, but not be limited to, the following:

**(a) Accuracy of EDI Transmission**

The Parties shall take reasonable care to ensure that Data and Data Transmissions are timely, complete, accurate and secure, and shall take reasonable precautions to prevent unauthorized access to the System of the other Party, the Data Transmission itself or the contents of an Envelope which is transmitted either to or from either Party pursuant to this Agreement.

**(b) Re-transmission of Indecipherable Transmissions**

Where there is evidence that a Data Transmission is Lost or Indecipherable Transmission, the sending Party shall make best efforts to trace and re-transmit the original Data Transmission in a manner which allows it to be processed by the receiving Party as soon as practicable.

**(c) Cost of Equipment**

Each Party shall, at its own expense, obtain and maintain its own System and shall update its System as recommended by the manufacturer/owner/licensor of said System. Furthermore, each Party shall pay its own costs for any and all charges related to Data Transmission under this Agreement and specifically including, without limitation, charges for System equipment, software and services, charges for maintaining an electronic mailbox, connect time, terminals, connections, telephones, modems, and any applicable minimum use charges. Each Party shall also be responsible for any and all expenses it incurs for translating, formatting, or sending and receiving communications over the electronic network to the electronic mailbox, if any, of the other Party.

**(d) Back-up Files**

Each Party shall maintain adequate back-up files and/or electronic tapes or other means sufficient to re-create a Data Transmission in the event that such re-creation becomes necessary for any purpose at any time. Such back-up files and/or tapes shall be subject to the terms of this Agreement to the same extent as the original Data Transmission.

**(e) Format of Transmissions**

Except as otherwise provided herein, each Party shall send and receive all Data Transmissions in the ANSI approved format, or such other format as DMH shall designate in writing to the Trading Partner.

**(f) Testing**

Each Party shall, prior to the initial Data Transmission and throughout the term of this Agreement, test and cooperate with the other Party in the testing of the Systems of both Parties as DMH considers reasonably necessary to ensure the accuracy, timeliness, completeness and confidentiality of each Data Transmission.

#### **3.2. Trading Partner Obligations**

In addition to the requirements of Section 3.1 and 5.1 and this section (3.2), the Trading Partner shall also be specifically obligated as follows:

- (a) To refrain from copying, reverse engineering, disclosing, publishing, distributing or altering any Data, Data Transmissions or the contents of an Envelope, except as necessary to comply with the terms of this Agreement, or use the same for any purpose other than that for which the Trading Partner was specifically given access and authorization by DMH;
- (b) To refrain from obtaining by any means to any Data, Data Transmission, Envelope or DMH's System for any purpose other than that which the Trading Partner has received express authorization to receive access. Furthermore, in the event that the Trading Partner receives Data or Data Transmissions, which are clearly not intended for the receipt of the Trading Partner, the Trading Partner shall immediately notify DMH and make arrangements to return the Data or Data Transmission or re-transmit the Data or Data Transmission to DMH. After such re-transmission, the Trading Partner shall immediately delete the Data contained in such Data Transmission from its System.
- (c) To install necessary security precautions to ensure the security of the System or records relating to the System of both DMH and the Trading Partner when the System is not in active use by the Trading Partner.
- (d) To protect and maintain at all times the confidentiality of Secure Identification Cards issued by DMH to the Trading Partner or Agent.
- (e) To provide special protection for security and other purposes where appropriate, by means of authentication, encryption, the use of passwords or by other mutually agreed means, to those specific Data Transmissions which the Parties agree should be so protected shall use at least the same level of protection for any subsequent transmission of the original Data Transmission.
- (f) Prior to or upon execution of this Agreement, to provide DMH in writing with all of the information requested in the Trading Partner Information section of the Trading Partner Agreement (TPA) online application. While this Agreement is in effect, the Trading Partner shall notify DMH in writing within five (5) business days of any material changes in the information originally provided by the Trading Partner in the TPA online application.
- (e) To minimize Data Transmission loss, Trading Partners must notify DMH when System changes are planned by the Trading Partner at least thirty (30) days prior to the change taking place.

### **3.3. DMH Obligations**

In addition to the obligations of DMH which are set forth herein, DMH shall also be specifically obligated as follows:

#### **(a) Availability of Data**

DMH shall subject to the terms of this Agreement, make available to the Trading Partner by electronic means those types of Data and Data Transmissions to which the Trading Partner is entitled to receive by mutual agreement of the Parties or as provided by law.

#### **(b) Notices Regarding Formats**

DMH shall provide Trading Partners a written listing of acceptable electronic data transmission formats (e.g., PDF, XLS, Doc). Should the need arise for DMH to make changes to these transmission formats, the trading Partner will receive no less than 14 days written notice.

## **4. AGENTS**

### **4.1. Responsibility for Agents**

If the Trading Partner uses the services of an Agent in any capacity in order to receive, transmit, store or otherwise process Data or Data Transmissions or perform related activities, the Trading Partner shall be fully liable to DMH for any acts, failures or omissions of the Agent in providing said services as though they were the Trading Partner's own acts, failures, or omissions.

### **4.2. Notices Regarding Agents**

Prior to the commencement of the Agent's services in the performance of this Agreement, the Trading Partner shall designate, in the TPA online application, its specific Agents who are authorized to send and/or receive Data Transmissions in the performance of this Agreement on behalf of the Trading Partner. Except as provided otherwise in the Agreement, the Trading Partner shall notify DMH of any material changes in the information contained in the TPA online application, no less than 14 days prior to the effective date of such changes. The information within the TPA application, when fully executed shall be incorporated into this Agreement by reference and shall be effective on the date of its execution, unless specified otherwise. The Trading Partner's designation of its Agent for purposes of this Agreement is expressly subject to the approval of DMH, which approval shall not be unreasonably withheld.

### **4.3. Express Warranties Regarding Agents**

The Trading Partner expressly warrants that the Agent will make no changes in the Data content of any and all Data Transmissions or the contents of an Envelope, and further that such Agent will take all appropriate measures to maintain the timeliness, accuracy, confidentiality and completeness of each 'Data Transmission. Furthermore, the Trading Partner expressly warrants that its Agents will be specifically advised of, and will comply in all respects with, the terms of this Agreement.

### **4.4. Indemnification Regarding Agents**

The Trading Partner shall indemnify, defend and hold harmless DMH from any and all claims, actions, damages, liabilities, costs and expenses, specifically including, without limitation, reasonable attorney's fees and costs resulting from the acts or omissions of the Trading Partner, its Agents, employees, subcontractors in the performance of this Agreement; provided however, that DMH shall have the option, at its sole discretion, to employ attorneys selected by it to defend any such action, the costs and expenses of which shall be the responsibility of the Trading Partner. DMH for its part shall provide the Trading Partner with timely notice of the existence of such proceedings and such information, documents and other cooperation as reasonably necessary to assist the Trading Partner in establishing a defense to such action. These indemnities shall survive termination of this Agreement and DMH reserves the right, at its option and expense, to participate in the defense of any suit or proceeding through counsel of its own choosing.

## **5. CONFIDENTIALITY AND SECURITY**

### **5.1 General Requirements**

In addition to the requirements of Section 3.1 and 3.2, the Trading Partner shall maintain adequate security procedures to prevent unauthorized access to Data, Data Transmissions, or the System of DMH, and shall immediately notify DMH of any and all unauthorized attempts by any person or entity to obtain access to or otherwise tamper with the Data, Data Transmissions or the System of DMH.

**(a) Confidential Information**

The Trading Partner further agrees to hold DMH harmless for any and all claims or causes of action brought by any party, including third parties, arising from any unauthorized disclosure of Confidential Information by or on behalf of the Trading Partner. In addition, the Trading Partner shall in its performance under this Agreement, comply with any and all applicable Privacy Statutes and Regulations (as defined in Article I, Section 1.4 (Confidential Information) relating to Confidential Information and agrees to maintain the confidentiality of such Confidential Information for the benefit of such Individuals or of DMH as is required by such Privacy Statutes and Regulations. Such Confidential Information concerning Individuals includes, but is not limited to, medical records and information regarding claims and payment of the claims of Individuals.

**(b) Notice of Unauthorized Disclosures**

The Trading Partner will promptly notify DMH of any and all unlawful or unauthorized disclosures of Confidential Information that comes to its attention and will cooperate with DMH in the event any litigation arises concerning the unauthorized use, transfer or disclosure of Confidential Information.

## **6. RECORDS RETENTION AND AUDIT**

### **6.1 Records Retention**

The Trading Partner shall maintain, for a period of no less than seven (7) years from the date of its receipt complete, (except for children for whom records should be retained until 18 years of age) or until the audit is settled, accurate and unaltered copies of any and all Source Documents from all Data Transmissions.

### **6.2 Electronic Transmission and Audit Logs**

Both Parties shall establish and maintain Logs which shall record any and all Data Transmissions taking place between the Parties during the term of this Agreement. Each Party will take necessary and reasonable steps to ensure that all Logs constitutes a current, accurate, complete and unaltered record of any and all Data Transmissions between the Parties, and shall be retained by each Party for no less than twenty-four (24) months following the date of the Data Transmission. The Log may be maintained on computer media or other suitable means provided that, if it is necessary to do so, the information contained in the Log may be timely retrieved and presented in readable form.

## **7. MISCELLANEOUS**

### **7.1 Amendments**

This Agreement may not be changed or modified in any manner except by an instrument in writing signed by a duly authorized officer of each of the Parties hereto.

### **7.2 Dispute Resolution**

With the exception of disputes which are the subject of immediate termination as set forth in this Agreement, the Parties hereby agree that, in the event of a dispute or alleged breach of the terms of this Agreement between the Parties, they will work together in good faith first, to resolve the matter internally and within a reasonable period of time by escalating it as reasonably necessary to higher levels of management of each of the respective Parties, and, then if necessary, to use a mutually agreed alternative dispute resolution technique prior to resorting to litigation, with the exception of disputes involving either fraud or breaches of the

requirements of section 5 (CONFIDENTIALITY AND SECURITY), in which case either Party shall be free to seek available remedies in any appropriate forum at any time.

### **7.3 Mutual Compliance with Applicable Laws and Regulations**

The Parties hereby mutually agree that they will, in the performance of the terms of this Agreement, comply in all respects with any and all applicable local, state and federal ordinances, statutes, regulations, or orders of courts of competent jurisdiction.

### **7.4 Force Majeure**

Each Party shall be excused from performance for any period of time during this Agreement to the extent that it is prevented from performing any obligation of service, in whole or in part, as a result of causes beyond the reasonable control and without the fault or negligence of such Party. Such acts include without limitation, strikes, lockouts, riots, acts of war, fire, communication line failures, power failures, earthquakes, floods or natural disasters. Delays in performance due to the occurrence of such events shall automatically extend such dates for a period equal to the duration of such events. However, such automatic extension shall have no effect on the exercise of either Party's right of voluntary termination as set forth in Section 2.2 (Term of Agreement).

### **7.5 Change of Ownership of Trading Partner**

The Trading Partner shall notify DMH no less than ten days in advance of any transfer of ownership interest in the Trading Partner's business or any transfer of ownership in the business of the Trading Partner's Agent. Furthermore, notwithstanding the providing of notice regarding changes in the ownership of the Trading Partner as required by this section, no such changes in ownership or other information provided by the Trading Partner will alter in any way the obligations of the Parties under the terms of this Agreement without prior written agreement of DMH.

### **7.6 Notices**

Any notices pertaining to this Agreement shall be given in writing and shall be deemed duly given when personally delivered to the Trading Partner or the Trading Partner's authorized representative.

**COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH**

**CHIEF INFORMATION OFFICE BUREAU**

**ELECTRONIC TRADING PARTNER AGREEMENT**

By execution hereof by duly authorized representatives of both Parties, the Parties hereby acknowledge, agree to and shall be bound by all the terms, provisions and conditions of the Trading Partner Agreement.

Agreed To:

---

Trading Partner Name (Legal Entity / Network Provider)  
(Type or Print)

---

**Authorized Personnel**  
(Type or Print)

---

**Authorized Signature**

---

**Title**  
(Type or Print)

---

**Date**

Agreed To:

COUNTY OF LOS ANGELES  
DEPARTMENT OF MENTAL HEALTH  
695 S. VERMONT AVE., LOS ANGELES CA 90005

***Please complete form, print, scan and attach to TPA request for processing.***



LOS ANGELES COUNTY  
**DEPARTMENT OF  
MENTAL HEALTH**  
hope. recovery. wellbeing.

**COUNTY OF LOS ANGELES  
DEPARTMENT OF MENTAL HEALTH  
CHIEF INFORMATION OFFICE BUREAU  
CONFIDENTIALITY OATH  
Non-LACDMH Workforce Members**

(Note: Authorized signatory must sign at time of contract execution. For employee(s) and non-employee(s), Contractor shall make available within three (3) business days upon DMH request)

**ANNUAL**

The intent of this Confidentiality Form is to ensure that all Business Associates, Contractors, Consultants, Interns, Volunteers, Locum Tenens, Non-Governmental Agencies (NGA), Fee-For-Service Hospitals (FFS1), Fee-For-Service Outpatient (FFS2) and Pharmacy users are aware of their responsibilities and accountability to protect the confidentiality of clients' sensitive information viewed, maintained and/or accessed by any DMH on-line systems.

Further, the Department's Medi-Cal and MEDS access policy has been established in accordance with federal and state laws governing confidentiality.

The California Welfare and Institutions Code (WIC) Section 14100.2, cites the information to be regarded confidential. This information includes applicant/beneficiary names, addresses, services provided, social and economic conditions or circumstances, agency evaluation of personal information, and medical data. (See also 22 California Code of Regulations (C.C.R.), Sections 50111 and 51009)

The Medi-Cal Eligibility Manual, Section 2-H, titled "Confidentiality of Medi-Cal Case Records," referring to WIC Section 14100.2, a, b, f, and h, provides in part that:

- “(a) All types of information, whether written or oral, concerning a person, made or kept by any public office or agency in connection with the administration of any provision of this chapter \*... shall be confidential, and shall not be open to examination other than for purposes directly connected with administration of the Medi-Cal program.”
- “(b) Except as provided in this section and to the extent permitted by Federal Law or regulation, all information about applicants and recipients as provided for in subdivision (a) to be safeguarded includes, but is not limited to, names and addresses, medical services provided, social and economic conditions or circumstances, agency evaluation or personal information, and medical data, including diagnosis and past history of disease or disability.”
- “(f) The State Department of Health Services may make rules and regulations governing the custody, use and preservation of all records, papers, files, and communications pertaining to the administration of the laws relating to the Medi-Cal program \*\*....”
- “(h) Any person who knowingly releases or possesses confidential information concerning persons who have applied for or who have been granted any form of Medi-Cal benefits \*\*\*... for which State or Federal funds are made available in violation of this section is guilty of a misdemeanor.”

\*, \*\*, \*\*\* The State of California's Statute for Medicaid Confidentiality can be found at the following web address:  
<http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/Medicaidstatute.aspx>

**Please read the agreement and take due time to consider it prior to signing.**

I understand that Contractors, Consultants, Interns, Volunteers, Locum Tenens, Non-Governmental Agencies (NGA), Fee-For-Service Hospitals (FFS1), Fee-For-Service Outpatient (FFS2) and Pharmacy users are prohibited from sharing their unique logon I.D. and password with anyone.

Further, I understand that data browsing is strictly prohibited and my access to information is restricted to the minimum necessary required to carry out my job responsibilities.

Further, I understand that obtaining, releasing, or using confidential client information from case records or computer records for purposes not specifically related to the administration of services and authorized by WIC Section 14100.2 is prohibited.

Further, I understand the violation of the confidentiality of records or of these policies which are made for protection of the confidentiality of such records, may cause:

1. A civil action under the following provisions of WIC section 5330:
  - a) Any person may bring an action against an individual who has willfully and knowingly released confidential information or records concerning him or her in violation of this chapter, or of Chapter 1 (commencing with Section 11860) of Part 3 of Division 10.5 of the Health and Safety Code, for the greater of the following amounts:
    1. Ten thousand Dollars (\$10,000).
    2. Three times the amount of actual damages, if any sustained by the plaintiff.
  - b) Any person may bring an action against an individual who has negligently released confidential information or records concerning him or her in violation of this chapter, or of Chapter 1 (commencing with Section 11860) of Part 3 of Division 10.5 of the Health and Safety Code, for both of the following:
    1. One thousand dollars (\$1,000) in order to recover under this paragraph; it shall not be a prerequisite that the plaintiff suffer or be threatened with actual damages.
    2. The amount of actual damages, if any, sustained by the plaintiff.
  - c) Any person may, in accordance with Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure, bring an action to enjoin the release of confidential information or records in violation of this chapter, and may in the same action seek damages as provided in this section.
  - d) In addition to the amounts specified in subdivisions (a) and (b), the plaintiff shall recover court costs and reasonable attorney's fees as determined by the court.
2. Disciplinary action including suspension or termination of Contract.
3. Further, I understand that the County will not provide legal protection if violations of these policies or procedures occur.

I hereby certify that I have read this form and I hereby certify that I have read this form and I have knowledge of the requirements of State and Federal confidentiality laws and will comply with all applicable provisions of same.

I, the undersigned, hereby agree not to divulge any information or records concerning any client except in accordance with WIC Section 5328 et seq. and the Health Insurance Portability and Accountability Act of 1996 (HIPAA). I acknowledge that the unauthorized release of confidential information as described in this document may result in disciplinary action up to and including termination of any County Contract or removal of my ability to provide work under a County Contract. I further agree I have read as described in this document that a person may make me subject to a civil action under the provisions of the W&I Code for the unauthorized release of confidential information.

**User's Name:** \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
Print
Signature
Date

**Provider Name:** \_\_\_\_\_ **/ Provider #:** \_\_\_\_\_ **/ Phone #: ( )** \_\_\_\_\_

**Address:** \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
**City** **Zip Code** **Service Area**

***The signed copy of this agreement must be maintained by Business Associate / Contractor***



LOS ANGELES COUNTY  
DEPARTMENT OF  
MENTAL HEALTH  
hope. recovery. wellbeing.

## ELECTRONIC SIGNATURE AGREEMENT Non-LACDMH User

This Agreement governs the rights, duties, and responsibilities of Department of Mental Health in the use of an electronic signature in County of Los Angeles. In addition, I, the undersigned, understand that this Agreement describes my obligations to protect my electronic signature, and to notify appropriate authorities if it is stolen, lost, compromised, unaccounted for, or destroyed.

### I agree to the following terms and conditions:

I agree that my electronic signature will be valid upon the date of issuance until it is revoked or terminated per the terms of this agreement. I agree that I will be required annually to renew my electronic signature and I will be notified and given the opportunity to renew my electronic signature each year and shall do so. The terms of this Agreement shall apply to each such renewal unless superseded.

I will use my electronic signature to establish my identity and sign electronic documents and forms. I am solely responsible for protecting my electronic signature. If I suspect or discover that my electronic signature has been stolen, lost, used by an unauthorized party, or otherwise compromised, then I will immediately notify DMH Helpdesk and request that my electronic signature be revoked. I will then immediately cease all use of my electronic signature. I agree to keep my electronic signature secret and secure by taking reasonable security measures to prevent it from being lost, modified or otherwise compromised, and to prevent unauthorized disclosure of, access to, or use of it or of any media on which information about it is stored.

I will immediately request that my electronic signature be revoked if I discover or suspect that it has been or is in danger of being lost, disclosed, compromised or subjected to unauthorized use in any way. I understand that I may also request revocation at any time for any other reason.

If I have requested that my electronic signature be revoked, or I am notified that someone has requested that my electronic signature be suspended or revoked, and I suspect or discover that it has been or may be compromised or subjected to unauthorized use in any way, I will immediately cease using my electronic signature. I will also immediately cease using my electronic signature upon termination of employment or termination of this Agreement.

I further agree that, for the purposes of authorizing and authenticating electronic health records, my electronic signature has the full force and effect of a signature affixed by hand to a paper document.

Additionally, I am responsible for ensuring that all employees, contractors, volunteers, interns, trainees, or persons whose conduct in the performance of work for LACDMH is under my authority, regardless of whether are paid or unpaid by the County, which are authorized to access Sensitive Information or Confidential Data through LACDMH Systems, have received and signed this Electronic Signature Agreement.

---

Business Associate / Contractor  
Workforce Member's Name

---

Business Associate / Contractor  
Workforce Member's Signature

---

Date

As a representative and Liaison of the Business Associate / Contractor performing in a management or supervisory capacity, I certify that the above signer, whose conduct in the performance of work for accessing LACDMH resources is under my authority, has acknowledged and signed this agreement.

---

Business Associate / Contractor  
Manager's Name

---

Business Associate / Contractor  
Manager's Signature

---

Date



**BUSINESS ASSOCIATE AGREEMENT  
UNDER THE HEALTH INSURANCE PORTABILITY  
AND ACCOUNTABILITY ACT OF 1996 (HIPAA)**

County is a Covered Entity as defined by, and subject to the requirements and prohibitions of, the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), and regulations promulgated thereunder, including the Privacy, Security, Breach Notification, and Enforcement Rules at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164 (collectively, the "HIPAA Rules").

Contractor performs or provides functions, activities or services to County that require Contractor in order to provide such functions, activities or services to create, access, receive, maintain, and/or transmit information that includes or that may include Protected Health Information, as defined by the HIPAA Rules. As such, Contractor is a Business Associate, as defined by the HIPAA Rules, and is therefore subject to those provisions of the HIPAA Rules that are applicable to Business Associates.

The HIPAA Rules require a written agreement ("Business Associate Agreement") between County and Contractor in order to mandate certain protections for the privacy and security of Protected Health Information, and these HIPAA Rules prohibit the disclosure to or use of Protected Health Information by Contractor if such an agreement is not in place.

This Business Associate Agreement and its provisions are intended to protect the privacy and provide for the security of Protected Health Information disclosed to or used by Contractor in compliance with the HIPAA Rules.

Therefore, the parties agree as follows:

**1. DEFINITIONS**

- 1.1 "Breach" has the same meaning as the term "breach" at 45 C.F.R. § 164.402.
- 1.2 "Business Associate" has the same meaning as the term "business associate" at 45 C.F.R. § 160.103. For the convenience of the parties, a "business associate" is a person or entity, other than a member of the workforce of covered entity, who performs functions or activities on behalf of, or provides certain services to, a covered entity that involve access by the business associate to Protected Health Information. A "business associate" also is a subcontractor that creates, receives, maintains, or transmits Protected Health Information on behalf of another business associate. And in

reference to the party to this Business Associate Agreement "Business Associate" shall mean Contractor.

- 1.3 "Covered Entity" has the same meaning as the term "covered entity" at 45 C.F.R. § 160.103, and in reference to the party to this Business Associate Agreement, "Covered Entity" shall mean County.
- 1.4 "Data Aggregation" has the same meaning as the term "data aggregation" at 45 C.F.R. § 164.501.
- 1.5 "De-identification" refers to the de-identification standard at 45 C.F.R. § 164.514.
- 1.6 "Designated Record Set" has the same meaning as the term "designated record set" at 45 C.F.R. § 164.501.
- 1.7 "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to other than its workforce. (See 45 C.F.R. § 160.103.)
- 1.8 "Electronic Health Record" means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff. (See 42 U.S. C. § 17921.)
- 1.9 "Electronic Media" has the same meaning as the term "electronic media" at 45 C.F.R. § 160.103. For the convenience of the parties, electronic media means (1) Electronic storage material on which data is or may be recorded electronically, including, for example, devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the Internet, extranet or intranet, leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media if the information being exchanged did not exist in electronic form immediately before the transmission.
- 1.10 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" at 45 C.F.R. § 160.103, limited to Protected Health Information created or received by Business Associate from or on behalf of Covered

Entity. For the convenience of the parties, Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.

- 1.11 "Health Care Operations" has the same meaning as the term "health care operations" at 45 C.F.R. § 164.501.
- 1.12 "Individual" has the same meaning as the term "individual" at 45 C.F.R. § 160.103. For the convenience of the parties, Individual means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502 (g).
- 1.13 "Law Enforcement Official" has the same meaning as the term "law enforcement official" at 45 C.F.R. § 164.103.
- 1.14 "Minimum Necessary" refers to the minimum necessary standard at 45 C.F.R. § 164.502 (b).
- 1.15 "Protected Health Information" has the same meaning as the term "protected health information" at 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity. For the convenience of the parties, Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is created, received, maintained, or transmitted by Business Associate from or on behalf of Covered Entity, and includes Protected Health Information that is made accessible to Business Associate by Covered Entity. "Protected Health Information" includes Electronic Protected Health Information.
- 1.16 "Required by Law" has the same meaning as the term "required by law" at 45 C.F.R. § 164.103.
- 1.17 "Secretary" has the same meaning as the term "secretary" at 45 C.F.R. § 160.103
- 1.18 "Security Incident" has the same meaning as the term "security incident" at 45 C.F.R. § 164.304.
- 1.19 "Services" means, unless otherwise specified, those functions, activities, or services in the applicable underlying Agreement, Contract, Master Agreement, Work Order, or Purchase Order or

other service arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

- 1.20 "Subcontractor" has the same meaning as the term "subcontractor" at 45 C.F.R. § 160.103.
- 1.21 "Unsecured Protected Health Information" has the same meaning as the term "unsecured protected health information" at 45 C.F.R. § 164.402.
- 1.22 "Use" or "Uses" means, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate's internal operations. (See 45 C.F.R § 164.103.)
- 1.23 Terms used, but not otherwise defined in this Business Associate Agreement, have the same meaning as those terms in the HIPAA Rules.

## **2. PERMITTED AND REQUIRED USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION**

- 2.1 Business Associate may only Use and/or Disclose Protected Health Information as necessary to perform Services, and/or as necessary to comply with the obligations of this Business Associate Agreement.
- 2.2 Business Associate may Use Protected Health Information for de-identification of the information if de-identification of the information is required to provide Services.
- 2.3 Business Associate may Use or Disclose Protected Health Information as Required by Law.
- 2.4 Business Associate shall make Uses and Disclosures and requests for Protected Health Information consistent with the Covered Entity's applicable Minimum Necessary policies and procedures.
- 2.5 Business Associate may Use Protected Health Information as necessary for the proper management and administration of its business or to carry out its legal responsibilities.
- 2.6 Business Associate may Disclose Protected Health Information as necessary for the proper management and administration of its business or to carry out its legal responsibilities, provided the Disclosure is Required by Law or Business Associate obtains reasonable assurances from the person to whom the Protected Health Information is disclosed (i.e., the recipient) that it will be held confidentially and Used or further Disclosed only as Required by

Law or for the purposes for which it was disclosed to the recipient and the recipient notifies Business Associate of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.

- 2.7 Business Associate may provide Data Aggregation services relating to Covered Entity's Health Care Operations if such Data Aggregation services are necessary in order to provide Services.

**3. PROHIBITED USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION**

- 3.1 Business Associate shall not Use or Disclose Protected Health Information other than as permitted or required by this Business Associate Agreement or as Required by Law.
- 3.2 Business Associate shall not Use or Disclose Protected Health Information in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except for the specific Uses and Disclosures set forth in Sections 2.5 and 2.6.
- 3.3 Business Associate shall not Use or Disclose Protected Health Information for de-identification of the information except as set forth in section 2.2.

**4. OBLIGATIONS TO SAFEGUARD PROTECTED HEALTH INFORMATION**

- 4.1 Business Associate shall implement, use, and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information other than as provided for by this Business Associate Agreement.
- 4.2 Business Associate shall comply with Subpart C of 45 C.F.R Part 164 with respect to Electronic Protected Health Information, to prevent the Use or Disclosure of such information other than as provided for by this Business Associate Agreement.
- 4.3 Business Associate shall be responsible for the provision of an annual mandatory information security and privacy training, for all staff that create, receive, maintain, or transmit Protected Health Information on behalf of Business Associate or the County, at the time of initial employment and on an ongoing basis as required by federal and State law, including but not limited to Health Insurance Portability and Accountability Act (HIPAA).
- 4.3.1 Business Associate shall monitor, track, document and make available upon request by the federal, State and/or County government the annual information security and privacy training (e.g., training bulletins/flyers, sign-in sheets

specifying name and function of staff, and/or individual certificates of completion, etc.) provided to Business Associate's workforce members, including clerical, administrative/management, clinical, subcontractors, and independent contractors that create, receive, maintain, or transmit Protected Health Information on behalf of Business Associate or the County.

- 4.4 Business Associate shall ensure that all workforce members, including clerical, administrative, management, clinical, subcontractors, and independent contractors that create, receive, maintain, or transmit Protected Health Information on behalf of Business Associate or the County, sign a confidentiality statement that includes, at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access sensitive content such as Protected Health Information. The statement must be renewed annually.
- 4.5 Appropriate sanctions must be applied against workforce members who fail to comply with any provisions of Business Associate's security and privacy policies and procedures, including termination of employment where appropriate.

**5. REPORTING NON-PERMITTED USES OR DISCLOSURES, SECURITY INCIDENTS, AND BREACHES OF UNSECURED PROTECTED HEALTH INFORMATION**

- 5.1 Business Associate shall report to Covered Entity any Use or Disclosure of Protected Health Information not permitted by this Business Associate Agreement, any Security Incident, and/ or any Breach of Unsecured Protected Health Information as further described in Sections 5.1.1, 5.1.2, and 5.1.3.
  - 5.1.1 Business Associate shall report to Covered Entity any Use or Disclosure of Protected Health Information by Business Associate, its employees, representatives, agents or Subcontractors not provided for by this Agreement of which Business Associate becomes aware.
  - 5.1.2 Business Associate shall report to Covered Entity any Security Incident of which Business Associate becomes aware.
  - 5.1.3. Business Associate shall report to Covered Entity any Breach by Business Associate, its employees, representatives, agents, workforce members, or Subcontractors of Unsecured Protected Health Information that is known to Business Associate or, by exercising

reasonable diligence, would have been known to Business Associate. Business Associate shall be deemed to have knowledge of a Breach of Unsecured Protected Health Information if the Breach is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the Breach, who is an employee, officer, or other agent of Business Associate, including a Subcontractor, as determined in accordance with the federal common law of agency.

- 5.2 Except as provided in Section 5.3, for any reporting required by Section 5.1, Business Associate shall provide, to the extent available, all information required by, and within the times frames specified in, Sections 5.2.1 and 5.2.2.

5.2.1 Business Associate shall make an immediate telephonic report upon discovery of the non-permitted Use or Disclosure of Protected Health Information, Security Incident or Breach of Unsecured Protected Health Information to **(562) 940-3335** that minimally includes:

- (a) A brief description of what happened, including the date of the non-permitted Use or Disclosure, Security Incident, or Breach and the date of Discovery of the non-permitted Use or Disclosure, Security Incident, or Breach, if known;
- (b) The number of Individuals whose Protected Health Information is involved;
- (c) A description of the specific type of Protected Health Information involved in the non-permitted Use or Disclosure, Security Incident, or Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code or other types of information were involved);
- (d) The name and contact information for a person highly knowledgeable of the facts and circumstances of the non-permitted Use or Disclosure of PHI, Security Incident, or Breach

5.2.2 Business Associate shall make a written report without unreasonable delay and in no event later than three (3) business days from the date of discovery by Business Associate of the non-permitted Use or Disclosure of Protected Health Information, Security Incident, or Breach of Unsecured Protected Health Information and to the **HIPAA**

**Compliance Officer at: Hall of Records, County of Los Angeles, Chief Executive Office, Risk Management Branch-Office of Privacy, 320 W. Temple Street, 7th Floor, Los Angeles, California 90012, [PRIVACY@ceo.lacounty.gov](mailto:PRIVACY@ceo.lacounty.gov)**, that includes, to the extent possible:

- (a) A brief description of what happened, including the date of the non-permitted Use or Disclosure, Security Incident, or Breach and the date of Discovery of the non-permitted Use or Disclosure, Security Incident, or Breach, if known;
- (b) The number of Individuals whose Protected Health Information is involved;
- (c) A description of the specific type of Protected Health Information involved in the non-permitted Use or Disclosure, Security Incident, or Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code or other types of information were involved);
- (d) The identification of each Individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, Used, or Disclosed;
- (e) Any other information necessary to conduct an assessment of whether notification to the Individual(s) under 45 C.F.R. § 164.404 is required;
- (f) Any steps Business Associate believes that the Individual(s) could take to protect him or herself from potential harm from the non-permitted Use or Disclosure, Security Incident, or Breach;
- (g) A brief description of what Business Associate is doing to investigate, to mitigate harm to the Individual(s), and to protect against any further similar occurrences; and
- (h) The name and contact information for a person highly knowledgeable of the facts and circumstances of the non-permitted Use or Disclosure of PHI, Security Incident, or Breach.

- 5.2.3 If Business Associate is not able to provide the information specified in Section 5.2.1 or 5.2.2 at the time of the required report, Business Associate shall provide such information promptly thereafter as such information becomes available.
- 5.3 Business Associate may delay the notification required by Section 5.1.3, if a law enforcement official states to Business Associate that notification would impede a criminal investigation or cause damage to national security.
  - 5.3.1 If the law enforcement official's statement is in writing and specifies the time for which a delay is required, Business Associate shall delay its reporting and/or notification obligation(s) for the time period specified by the official.
  - 5.3.2 If the statement is made orally, Business Associate shall document the statement, including the identity of the official making the statement, and delay its reporting and/or notification obligation(s) temporarily and no longer than 30 days from the date of the oral statement, unless a written statement as described in Section 5.3.1 is submitted during that time.

## **6. WRITTEN ASSURANCES OF SUBCONTRACTORS**

- 6.1 In accordance with 45 C.F.R. § 164.502 (e)(1)(ii) and § 164.308 (b)(2), if applicable, Business Associate shall ensure that any Subcontractor that creates, receives, maintains, or transmits Protected Health Information on behalf of Business Associate is made aware of its status as a Business Associate with respect to such information and that Subcontractor agrees in writing to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such information.
- 6.2 Business Associate shall take reasonable steps to cure any material breach or violation by Subcontractor of the agreement required by Section 6.1.
- 6.3 If the steps required by Section 6.2 do not cure the breach or end the violation, Contractor shall terminate, if feasible, any arrangement with Subcontractor by which Subcontractor creates, receives, maintains, or transmits Protected Health Information on behalf of Business Associate.
- 6.4 If neither cure nor termination as set forth in Sections 6.2 and 6.3 is feasible, Business Associate shall immediately notify County.

- 6.5 Without limiting the requirements of Section 6.1, the agreement required by Section 6.1 (Subcontractor Business Associate Agreement) shall require Subcontractor to contemporaneously notify Covered Entity in the event of a Breach of Unsecured Protected Health Information.
- 6.6 Without limiting the requirements of Section 6.1, agreement required by Section 6.1 (Subcontractor Business Associate Agreement) shall include a provision requiring Subcontractor to destroy, or in the alternative to return to Business Associate, any Protected Health Information created, received, maintained, or transmitted by Subcontractor on behalf of Business Associate so as to enable Business Associate to comply with the provisions of Section 18.4.
- 6.7 Business Associate shall provide to Covered Entity, at Covered Entity's request, a copy of any and all Subcontractor Business Associate Agreements required by Section 6.1.
- 6.8 Sections 6.1 and 6.7 are not intended by the parties to limit in any way the scope of Business Associate's obligations related to Subcontracts or Subcontracting in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

## **7. ACCESS TO PROTECTED HEALTH INFORMATION**

- 7.1 To the extent Covered Entity determines that Protected Health Information is maintained by Business Associate or its agents or Subcontractors in a Designated Record Set, Business Associate shall, within two (2) business days after receipt of a request from Covered Entity, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and shall provide such Individuals(s) or other person(s) designated by Covered Entity with a copy the specified Protected Health Information, in order for Covered Entity to meet the requirements of 45 C.F.R. § 164.524.
- 7.2 If any Individual requests access to Protected Health Information directly from Business Associate or its agents or Subcontractors, Business Associate shall notify Covered Entity in writing within two (2) days of the receipt of the request. Whether access shall be provided or denied shall be determined by Covered Entity.
- 7.3 To the extent that Business Associate maintains Protected Health Information that is subject to access as set forth above in one or more Designated Record Sets electronically and if the Individual requests an electronic copy of such information, Business

Associate shall provide the Individual with access to the Protected Health Information in the electronic form and format requested by the Individual, if it is readily producible in such form and format; or, if not, in a readable electronic form and format as agreed to by Covered Entity and the Individual.

## **8. AMENDMENT OF PROTECTED HEALTH INFORMATION**

- 8.1 To the extent Covered Entity determines that any Protected Health Information is maintained by Business Associate or its agents or Subcontractors in a Designated Record Set, Business Associate shall, within ten (10) business days after receipt of a written request from Covered Entity, make any amendments to such Protected Health Information that are requested by Covered Entity, in order for Covered Entity to meet the requirements of 45 C.F.R. § 164.526.
- 8.2 If any Individual requests an amendment to Protected Health Information directly from Business Associate or its agents or Subcontractors, Business Associate shall notify Covered Entity in writing within five (5) days of the receipt of the request. Whether an amendment shall be granted or denied shall be determined by Covered Entity.

## **9. ACCOUNTING OF DISCLOSURES OF PROTECTED HEALTH INFORMATION**

- 9.1 Business Associate shall maintain an accounting of each Disclosure of Protected Health Information made by Business Associate or its employees, agents, representatives or Subcontractors, as is determined by Covered Entity to be necessary in order to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.
- 9.1.1 Any accounting of disclosures provided by Business Associate under Section 9.1 shall include:
- (a) The date of the Disclosure;
  - (b) The name, and address if known, of the entity or person who received the Protected Health Information;
  - (c) A brief description of the Protected Health Information Disclosed; and
  - (d) A brief statement of the purpose of the Disclosure.

- 9.1.2 For each Disclosure that could require an accounting under Section 9.1, Business Associate shall document the information specified in Section 9.1.1 and shall maintain the information for six (6) years from the date of the Disclosure.
- 9.2 Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of a written request from Covered Entity, information collected in accordance with Section 9.1.1 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528
- 9.3 If any Individual requests an accounting of disclosures directly from Business Associate or its agents or Subcontractors, Business Associate shall notify Covered Entity in writing within five (5) days of the receipt of the request, and shall provide the requested accounting of disclosures to the Individual(s) within 30 days. The information provided in the accounting shall be in accordance with 45 C.F.R. § 164.528.

## **10. COMPLIANCE WITH APPLICABLE HIPAA RULES**

- 10.1 To the extent Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 C.F.R. Part 164, Business Associate shall comply with the requirements of Subpart E that apply to Covered Entity's performance of such obligation(s).
- 10.2 Business Associate shall comply with all HIPAA Rules applicable to Business Associate in the performance of Services.
- 10.3 Business Associate must demonstrate its compliance with Los Angeles County Board of Supervisors Policies and the requirements stated in this Business Associate Agreement Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Business Associate must attest that it has implemented adequate controls to meet the expected baseline set forth in Attachment XIV-\_\_, Information Security Contract/Agreement Requirements, at the commencement and during the renewal of this agreement with the County. The completed Attachment XIII-\_\_, DMH Business Associate/Contractor's Compliance with Information Security Requirements Exhibit questionnaire must be returned to DMH Information Security Officer (DISO) for approval within ten (10) business days from the signed date of this agreement and annually thereafter. Business Associate must be prepared to provide supporting evidence upon request.

- 10.4 During the term of the agreement, Business Associate must notify the Covered Entity within ten (10) days of implementation, in writing, about any significant changes such as technology changes, modification in the implemented security safeguards or any major infrastructure changes. Dependent on the adjustment, Business Associate may be asked to re-submit Attachment XIII-\_\_, DMH Business Associate/Contractor's Compliance with Information Security Requirements Exhibit questionnaire, to document the change.
- 10.5 Business Associate must ensure that prior to access, workforce members including Subcontractors that create, receive, maintain, or transmit Protected Health Information on behalf of Business Associate or the County acknowledge and sign the Attachment X-\_\_, the Confidentiality Oath (Non-LAC-DMH Workforce Members), to this agreement. Business Associate must maintain and make available upon request by the federal, State and/or County government.

## **11. AVAILABILITY OF RECORDS**

- 11.1 Business Associate shall make its internal practices, books, and records relating to the Use and Disclosure of Protected Health Information received from or created or received by Business Associate on behalf of Covered Entity available to the Secretary for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations.
- 11.2 Unless prohibited by the Secretary, Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.

## **12. MITIGATION OF HARMFUL EFFECTS**

- 12.1 Business Associate shall mitigate, to the extent practicable, any harmful effect of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Business Associate Agreement that is known to Business Associate.

## **13. BREACH NOTIFICATION TO INDIVIDUALS**

- 13.1 Business Associate shall, to the extent Covered Entity determines that there has been a Breach of Unsecured Protected Health Information by Business Associate, its employees, representatives, agents or Subcontractors, provide breach notification to the Individual in a manner that permits Covered Entity to comply with its obligations under 45 C.F.R. § 164.404.

- 13.1.1 Business Associate shall notify, subject to the review and approval of Covered Entity, each Individual whose Unsecured Protected Health Information has been, or is reasonably believed to have been, accessed, acquired, Used, or Disclosed as a result of any such Breach.
- 13.1.2 The notification provided by Business Associate shall be written in plain language, shall be subject to review and approval by Covered Entity, and shall include, to the extent possible:
- (a) A brief description of what happened, including the date of the Breach and the date of the Discovery of the Breach, if known;
  - (b) A description of the types of Unsecured Protected Health Information that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);
  - (c) Any steps the Individual should take to protect him or herself from potential harm resulting from the Breach;
  - (d) A brief description of what Business Associate is doing to investigate the Breach, to mitigate harm to Individual(s), and to protect against any further Breaches; and
  - (e) Contact procedures for Individual(s) to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.
- 13.2 Covered Entity, in its sole discretion, may elect to provide the notification required by Section 13.1 and/or to establish the contact procedures described in Section 13.1.2.
- 13.3 Business Associate shall reimburse Covered Entity any and all costs incurred by Covered Entity, in complying with Subpart D of 45 C.F.R. Part 164, including but not limited to costs of notification, internet posting, or media publication, as a result of Business Associate's Breach of Unsecured Protected Health Information; Covered Entity shall not be responsible for any costs incurred by Business Associate in providing the notification required by 13.1 or in establishing the contact procedures required by Section 13.1.2.

**14. INDEMNIFICATION**

- 14.1 Business Associate shall indemnify, defend, and hold harmless Covered Entity, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, expenses (including attorney and expert witness fees), and penalties and/or fines (including regulatory penalties and/or fines), arising from or connected with Business Associate's acts and/or omissions arising from and/or relating to this Business Associate Agreement, including, but not limited to, compliance and/or enforcement actions and/or activities, whether formal or informal, by the Secretary or by the Attorney General of the State of California.
- 14.2 Section 14.1 is not intended by the parties to limit in any way the scope of Business Associate's obligations related to Insurance and/or Indemnification in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

**15. OBLIGATIONS OF COVERED ENTITY**

- 15.1 Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the Use or Disclosure of Protected Health Information that would affect Business Associate's performance of the Services, and Business Associate shall thereafter restrict or limit its own Uses and Disclosures accordingly.
- 15.2 Covered Entity shall not request Business Associate to Use or Disclose Protected Health Information in any manner that would not be permissible under Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except to the extent that Business Associate may Use or Disclose Protected Health Information as provided in Sections 2.3, 2.5, and 2.6.

**16. TERM**

- 16.1 Unless sooner terminated as set forth in Section 17, the term of this Business Associate Agreement shall be the same as the term of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other service arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
- 16.2 Notwithstanding Section 16.1, Business Associate's obligations under Sections 11, 14, and 18 shall survive the termination or expiration of this Business Associate Agreement.

**17. TERMINATION FOR CAUSE**

- 17.1 In addition to and notwithstanding the termination provisions set forth in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, if either party determines that the other party has violated a material term of this Business Associate Agreement, and the breaching party has not cured the breach or ended the violation within the time specified by the non-breaching party, which shall be reasonable given the nature of the breach and/or violation, the non-breaching party may terminate this Business Associate Agreement.
- 17.2 In addition to and notwithstanding the termination provisions set forth in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, if either party determines that the other party has violated a material term of this Business Associate Agreement, and cure is not feasible, the non-breaching party may terminate this Business Associate Agreement immediately.

**18. DISPOSITION OF PROTECTED HEALTH INFORMATION UPON TERMINATION OR EXPIRATION**

- 18.1 Except as provided in Section 18.3, upon termination for any reason or expiration of this Business Associate Agreement, Business Associate shall return or, if agreed to by Covered entity, shall destroy as provided for in Section 18.2, all Protected Health Information received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, that Business Associate, including any Subcontractor, still maintains in any form. Business Associate shall retain no copies of the Protected Health Information.
- 18.2 Destruction for purposes of Section 18.2 and Section 6.6 shall mean that media on which the Protected Health Information is stored or recorded has been destroyed and/or electronic media have been cleared, purged, or destroyed in accordance with the use of a technology or methodology specified by the Secretary in guidance for rendering Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals.
- 18.3 Notwithstanding Section 18.1, in the event that return or destruction of Protected Health Information is not feasible or Business Associate determines that any such Protected Health Information is necessary for Business Associate to continue its proper

management and administration or to carry out its legal responsibilities, Business Associate may retain that Protected Health Information for which destruction or return is infeasible or that Protected Health Information which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities and shall return or destroy all other Protected Health Information.

18.3.1 Business Associate shall extend the protections of this Business Associate Agreement to such Protected Health Information, including continuing to use appropriate safeguards and continuing to comply with Subpart C of 45 C.F.R Part 164 with respect to Electronic Protected Health Information, to prevent the Use or Disclosure of such information other than as provided for in Sections 2.5 and 2.6 for so long as such Protected Health Information is retained, and Business Associate shall not Use or Disclose such Protected Health Information other than for the purposes for which such Protected Health Information was retained.

18.3.2 Business Associate shall return or, if agreed to by Covered entity, destroy the Protected Health Information retained by Business Associate when it is no longer needed by Business Associate for Business Associate's proper management and administration or to carry out its legal responsibilities.

18.4 Business Associate shall ensure that all Protected Health Information created, maintained, or received by Subcontractors is returned or, if agreed to by Covered entity, destroyed as provided for in Section 18.2.

## **19. AUDIT, INSPECTION, AND EXAMINATION**

19.1 Covered Entity reserves the right to conduct a reasonable inspection of the facilities, systems, information systems, books, records, agreements, and policies and procedures relating to the Use or Disclosure of Protected Health Information for the purpose determining whether Business Associate is in compliance with the terms of this Business Associate Agreement and any non-compliance may be a basis for termination of this Business Associate Agreement and the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, as provided for in section 17.

- 19.2 Covered Entity and Business Associate shall mutually agree in advance upon the scope, timing, and location of any such inspection.
- 19.3 At Business Associate's request, and to the extent permitted by law, Covered Entity shall execute a nondisclosure agreement, upon terms and conditions mutually agreed to by the parties.
- 19.4 That Covered Entity inspects, fails to inspect, or has the right to inspect as provided for in Section 19.1 does not relieve Business Associate of its responsibility to comply with this Business Associate Agreement and/or the HIPAA Rules or impose on Covered Entity any responsibility for Business Associate's compliance with any applicable HIPAA Rules.
- 19.5 Covered Entity's failure to detect, its detection but failure to notify Business Associate, or its detection but failure to require remediation by Business Associate of an unsatisfactory practice by Business Associate, shall not constitute acceptance of such practice or a waiver of Covered Entity's enforcement rights under this Business Associate Agreement or the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
- 19.6 Section 19.1 is not intended by the parties to limit in any way the scope of Business Associate's obligations related to Inspection and/or Audit and/or similar review in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

## **20. MISCELLANEOUS PROVISIONS**

- 20.1 Disclaimer. Covered Entity makes no warranty or representation that compliance by Business Associate with the terms and conditions of this Business Associate Agreement will be adequate or satisfactory to meet the business needs or legal obligations of Business Associate.
- 20.2 HIPAA Requirements. The Parties agree that the provisions under HIPAA Rules that are required by law to be incorporated into this Amendment are hereby incorporated into this Agreement.
- 20.3 No Third Party Beneficiaries. Nothing in this Business Associate Agreement shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

- 20.4 Construction. In the event that a provision of this Business Associate Agreement is contrary to a provision of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, the provision of this Business Associate Agreement shall control. Otherwise, this Business Associate Agreement shall be construed under, and in accordance with, the terms of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
- 20.5 Regulatory References. A reference in this Business Associate Agreement to a section in the HIPAA Rules means the section as in effect or as amended.
- 20.6 Interpretation. Any ambiguity in this Business Associate Agreement shall be resolved in favor of a meaning that permits the parties to comply with the HIPAA Rules.
- 20.7 Amendment. The parties agree to take such action as is necessary to amend this Business Associate Agreement from time to time as is necessary for Covered Entity or Business Associate to comply with the requirements of the HIPAA Rules and any other privacy laws governing Protected Health Information.

*/ / / / / / / / / /*

**COUNTY OF LOS ANGELES**

**By**

Jonathan E. Sherin, M.D., Ph. D.  
**Authorized Signatory Name**

Director of Mental Health  
**Authorized Signatory Title**

**Authorized Signatory Signature**

Date \_\_\_\_\_

## BUSINESS ASSOCIATE

**By**

**Authorized Signatory Name**

Authorized Signatory Title

**Authorized Signatory Signature**

Date \_\_\_\_\_

## DMH BUSINESS ASSOCIATE / CONTRACTOR'S COMPLIANCE WITH INFORMATION SECURITY REQUIREMENTS EXHIBIT

**Business Associate / Contractor Agency Name:** \_\_\_\_\_

Business Associate / Contractor shall provide information about its information security practices by completing this Exhibit **annually**. By submitting this Exhibit, Business Associate / Contractor certifies that will be compliant with Los Angeles County Board of Supervisors Policies and attest that it has implemented adequate controls to meet the following expected Information Security minimum standard, at the commencement and during the term of any awarded agreement. Business Associate must be prepared to provide supporting evidence upon request. The completed forms must be returned to DMH Information Security Officer (DISO) for approval within ten (10) business days from the signed date of this agreement. Any significant changes during the term of the contract/agreement must be reported within ten (10) business days of implementation. Dependent on the adjustment, Business Associate / Contractor may be asked to re-submit this exhibit to document the change.

### COMPLIANCE QUESTIONS

				DOCUMENTATION AVAILABLE	
	YES	NO	N/A	YES	NO
1 Will County's non-public data stored on your workstation(s) be encrypted? <i>If "NO", or N/A please explain.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Will County data stored on your laptop(s) be encrypted? <i>If "NO", or N/A please explain.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Will County non-public data stored on removable media be encrypted? <i>If "NO", or N/A please explain.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Will County data be encrypted when transported? <i>If "NO", or N/A please explain.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Will you maintain a copy of any validation / attestation reports generated by its encryption tools? <i>If "NO", or N/A please explain.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Will County data be stored on remote servers*? *Cloud storage, Software-as-a-Service or SaaS <i>Please provide public URL and hosting information for the server.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Will all users with access to County data participate in an annual information security awareness training? <i>If "NO", or N/A please explain.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Will County data residing on endpoints be protected by an up-to-date antivirus and/or anti-malware software? <i>If "NO", or N/A please explain.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YES	NO	N/A	<input type="checkbox"/>	YES NO

9	Will all endpoints accessing and/or storing County data be physically secured? <i>If "NO", or N/A please explain.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
		YES	NO	N/A		YES	NO
10	Will all security incidents involving County data be promptly reported? <i>If "NO", or N/A please explain.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
		YES	NO	N/A		YES	NO
11	Will all users' access be formally authorized, and users provided with unique logon IDs & complex passwords for accessing County data? <i>If "NO", or N/A please explain.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
		YES	NO	N/A		YES	NO
12	Will all users' activities be monitored to ensure they are accessing the minimum information necessary to perform their assignments? <i>If "NO", or N/A please explain.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
		YES	NO	N/A		YES	NO
13	Will users' access be modified once their role no longer justifies such access or access promptly suspended upon discharge/termination? <i>If "NO", or N/A please explain.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
		YES	NO	N/A		YES	NO
14	Will all endpoints accessing and/or storing County data be regularly patched and updated for known vulnerabilities? <i>If "NO", or N/A please explain.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
		YES	NO	N/A		YES	NO
15	Will all endpoints accessing and/or storing County data be rendered unreadable and/or unrecoverable, prior to disposition? <i>If "NO", or N/A please explain.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
		YES	NO	N/A		YES	NO
16	Will Business Associate / Contractor inspect and conduct annual risk assessments on its systems involving County data to identify and mitigate weaknesses and vulnerabilities? <i>If "NO", or N/A please explain.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
		YES	NO	N/A		YES	NO
17	Does the entity have policies and procedures to ensure continuity and availability of critical business processes during emergencies or disasters and ability to restore/recover data from ransomware attacks? <i>If "NO", or N/A please explain.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
		YES	NO	N/A		YES	NO
18	Will Business Associate / Contractor return or destroy non-public County data upon expiration or termination of their contract? <i>If "NO", or N/A please explain.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
		YES	NO	N/A		YES	NO

\_\_\_\_\_  
**Authorized Signatory Name (Print)**

\_\_\_\_\_  
**Authorized Signatory Official Title**

\_\_\_\_\_  
**Authorized Signatory Signature**

\_\_\_\_\_  
**Date**



## **INFORMATION SECURITY CONTRACT/AGREEMENT REQUIREMENTS**

This Attachment sets forth information security requirements and procedures to be established by Contractor/Business Associate before the effective date of the Contract/Agreement and maintained throughout the term of the Contract/Agreement. These requirements and procedures are a minimum standard and are in addition to the requirements of the Contract/Agreement and any other Arrangements between the parties. However, it is Contractor/Business Associate's sole obligation to: (i) implement appropriate measures to secure its systems and all Information (as defined by County Board of Supervisors Policy 6.104), against internal and external threats and risks; and (ii) continuously review and revise those measures to address ongoing threats and risks. Failure to comply with the minimum requirements and procedures set forth in this Attachment will constitute a material, non-curable breach of the Contract/Agreement by Contractor/Business Associate, entitling County, in addition to and cumulative of all other remedies available to it at law, in equity, or under the Contract/Agreement, to immediately terminate the Contract/Agreement. Unless specifically defined in this Attachment, capitalized terms shall have the meanings set forth in the Contract/Agreement.

### **1. NON-EXCLUSIVE EQUITABLE REMEDY**

Contractor/Business Associate acknowledges and agrees that due to the unique nature of County Non Public Information (NPI) there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach may result in irreparable harm to County, and therefore, that upon any such breach, County will be entitled to appropriate equitable remedies, and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies either of them might have at law or equity. Any breach of Section 5 (Confidentiality) shall constitute a material breach of this Contract/Agreement and be grounds for immediate termination of this Contract/Agreement in the exclusive discretion of the County.

### **2. INFORMATION SECURITY PROGRAM**

Contractor/Business Associate shall establish and maintain a company-wide Information Security Program (Information Security Management System [ISMS]) designed to evaluate risks to the confidentiality, availability and integrity of the information in their possession.

Contractor/Business Associate's Information Security Program shall include the creation and maintenance of security policies, standards and procedures (collectively "**Information Security Policy**"). The Information Security Policy will be communicated to all Contractor/Business Associate personnel in a relevant, accessible, and understandable form and will be regularly reviewed and evaluated to ensure its operational effectiveness, compliance with all applicable laws and regulations, and to address new threats/risks.

### **3. PROPERTY RIGHTS TO INFORMATION**

All Information, as defined by County Board of Supervisors Policy 6.104 - Information Classification Policy, provided for the County or collected by Contractor/Business Associate on behalf of the County, is deemed property of the County and shall remain the property of County and County shall retain exclusive rights and ownership thereto.

The County Information shall not be used by Contractor/Business Associate for any purpose other than as required under this Contract/Agreement, nor shall such information or any part of such information be disclosed, sold, assigned, leased, or otherwise disposed of to third-parties by Contractor/Business Associate or commercially exploited or otherwise used by, or on behalf of, Contractor/Business Associate, its officers, directors, employees, or agents. Contractor/Business Associate may assert no lien on or right to withhold from County, any information it receives from, receives addressed to, or stores on behalf of, County.

Notwithstanding the foregoing, Contractor/Business Associate may aggregate, compile, and use County Information in order to improve, develop or enhance the System Software and/or other services offered, or to be offered, by Contractor/Business Associate; provided that no County Information in such aggregated or compiled pool is identifiable as originating from, or can be traced back to, County or a County, and such Information cannot be associated or matched with an identifiable profile or personally identifiable information. Contractor/Business Associate specifically consents to the County's access to such County Information held, stored, or maintained on any and all devices Contractor owns, leases or possesses.

#### 4. CONTRACTOR/BUSINESS ASSOCIATE'S USE OF INFORMATION

Contractor/Business Associate may use the Information only as necessary to carry out its obligations under this Contract/Agreement, and for no other purpose other than observation and reporting to the County on County's usage of the Information and making recommendations for improved usage.

#### 5. CONFIDENTIALITY

- a) **Non-public Information.** Contractor/Business Associate agrees that all information supplied by its affiliates and agents to the County including, without limitation, (a) any information relating to County's customers, patients, business partners, or personnel; (b) Personally Identifiable Information (as defined below); (c) any non- public information as defined in the Gramm-Leach-Bliley Act or the California Financial Information Privacy Act, and (d) any Protected Health Information as defined in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and The Health Information Technology for Economic and Public Health Act (HITECH), will be deemed confidential and proprietary to the County, regardless of whether such information was disclosed intentionally or unintentionally or marked as "confidential". To be deemed "Non-public Information" (NPI) as defined in Board of Supervisors Policy 6.104 – Information Classification Policy, trade secrets and mask works must be plainly and prominently marked with restrictive legends.
- b) **Nondisclosure of NPI.** NPI provided by the County either before or after Contract/Agreement award shall only be used for its intended purpose. Contractor/Business Associate and Subcontractors shall not utilize nor distribute County NPI in any form without the prior express written approval of the County.
- c) **Non-Disclosure Obligation.** While performing work under this Contract/Agreement, the Contractor/Business Associate and Subcontractors may encounter NPI such as personal information, licensed technology, drawings, schematics, manuals, sealed court records, and other materials described as "Internal Use", "Confidential" or "Restricted" as defined in Board of Supervisors Policy 6.104 – Information Classification Policy as NPI. The Contractor/Business Associate shall not disclose or publish any information and material received or used in performance of this Contract/Agreement. This obligation is perpetual. The Contract/Agreement imposes no obligation upon the Contractor/Business Associate with respect to County NPI which the Contractor/Business Associate can establish that: a) was in the possession of, or was rightfully known by the Contractor/Business Associate without an obligation to maintain its confidentiality prior to receipt from the County or a third party; b) is or becomes generally known to the public without violation of this Contract/Agreement; c) is obtained by the Contractor/Business Associate in good faith from a third party having the right to disclose it without an obligation of confidentiality; or, d) is independently developed by the Contractor/Business Associate without the participation of individuals who have had access to the County's or the third party's NPI. If the Contractor/Business Associate is required by law to disclose NPI the Contractor/Business Associate shall notify the County of such requirement prior to disclosure.
- d) **Personally Identifiable Information.** "Personally Identifiable Information" (PII) shall mean any information about an individual maintained by an organization or other entity, including (1) any information that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information.

In connection with this Contract/Agreement and performance of the services, Contractor/Business Associate may be provided or obtain, from County or otherwise, PII pertaining to County's current and prospective personnel, directors and officers, agents, investors, patients, and customers and may need to process such PII and/or transfer it, all subject to the restrictions set forth in this Contract/Agreement and otherwise in compliance with all applicable foreign and domestic laws and regulations for the sole purpose of performing the services.

- e) **Treatment of County Non-public Information.** Without limiting any other warranty or obligations specified in this Contract/Agreement, and in particular the Confidentiality provisions of the Contract/Agreement, during the term of this Contract/Agreement and thereafter in perpetuity, Contractor/Business Associate will not gather, store, log, archive, use, or otherwise retain any County NPI in any manner and will not disclose, distribute, sell, share, rent, or otherwise retain any County NPI to any third-party, except as expressly required to perform its obligations under this Contract/Agreement or as Contractor/Business Associate may be expressly directed in advance in writing by County.

Contractor/Business Associate represents and warrants that Contractor/Business Associate will use and process County NPI only in compliance with (a) this Contract/Agreement, (b) County's then current information security and privacy policies, and (c) all applicable County, state, and federal laws and regulations.

- f) **Retention of County Non-public Information.** Contractor/Business Associate will not retain any County NPI for any period longer than necessary for Contractor/Business Associate to fulfill its obligations under this Contract/Agreement or required by Contractor/Business Associate's records retention policies and applicable law.
- g) **Return of County Non-public Information.** On County's written request or upon expiration or termination of this Contract/Agreement for any reason, Contractor/Business Associate will promptly return or destroy, at County's option, all originals and copies of all documents and materials it has received containing County's NPI; (b) if return or destruction is not permissible under applicable law, continue to protect such information in accordance with the terms of this Contract/Agreement; and (c) deliver or destroy, at County's option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by Contractor/Business Associate, prepared under its direction, or at its request, from the documents and materials referred to in Subsection 5(a) of this Attachment, and provide a notarized written statement to County certifying that all documents and materials referred to in Subsections 5(a) and (b) of this Attachment have been delivered to County or destroyed, as requested by County.

On termination or expiration of this Contract/Agreement, County will return or destroy all Contractor/Business Associate's information marked as confidential (excluding items licensed to County hereunder or that provided to County by Contractor/Business Associate hereunder), at County's option.

## 6. CONTRACTOR/BUSINESS ASSOCIATE PERSONNEL

Within the limitations of law, Contractor/Business Associate shall screen and conduct background investigations on all Contractor/Business Associate personnel, Contractor/Business Associates and third-parties as appropriate to their role, with actual or potential physical or logical access to County's NPI for potential security risks. Such background investigations, based on the individual's role and interaction with NPI, may include criminal and financial history and will be repeated on a regular basis.

Contractor/Business Associate shall require all employees and Contractor/Business Associate s to sign an appropriate written confidentiality/non- disclosure agreement.

All agreements with third-parties involving access to Contractor/Business Associate's systems and Information, including all outsourcing arrangements and maintenance and support agreements (including facilities maintenance), shall specifically address security risks, controls, and procedures for information systems.

Contractor/Business Associate shall supply each of its Contractor/Business Associate personnel with appropriate, ongoing training regarding information security procedures, risks, and threats.

Contractor/Business Associate shall have an established set of procedures to ensure Contractor/Business Associate personnel promptly report actual and/or suspected breaches of security.

## 7. STORAGE, TRANSMISSION AND DESTRUCTION OF COUNTY NON-PUBLIC INFORMATION

All County NPI shall be rendered unusable, unreadable, or indecipherable to unauthorized individuals. Without limiting the generality of the foregoing, Contractor/Business Associate will encrypt all workstations, portable devices (e.g., mobile, wearables, tablets,) and removable media (portable or removable hard disks, floppy disks, USB memory drives, CDs, DVDs, magnetic tape, and all other removable storage media) that store County's NPI in accordance with Federal Information Processing Standard (FIPS) 140-2 or otherwise approved by the County's Chief Information Security Officer.

## 8. HARDWARE RETURN

Upon termination or expiration of the Contract/Agreement or at any time upon County's request, Contractor/Business Associate shall return all hardware, if any, provided by County to County.

The hardware should be physically sealed and returned via a bonded courier or as otherwise directed by County.

## 9. PHYSICAL AND ENVIRONMENTAL SECURITY

Contractor/Business Associate facilities that process County Information will be housed in secure areas and protected by perimeter security such as barrier access controls (e.g., the use of guards and entry badges) that provide a physically secure environment from unauthorized access, damage, and interference.

Contractor/Business Associate facilities that process County Information will be maintained with physical and environmental controls (temperature and humidity) that meet or exceed hardware manufacturer's specifications.

## 10. COMMUNICATIONS AND OPERATIONAL MANAGEMENT

Contractor/Business Associate shall: (i) monitor and manage all of its information processing facilities, including, without limitation, implementing operational procedures, change management and incident response procedures; and (ii) deploy adequate anti-malware software and adequate back-up systems to ensure essential business information can be promptly recovered in the event of a disaster or media failure; and (iii) ensure its operating procedures are adequately documented and designed to protect information and computer media from theft and unauthorized access.

## 11. ACCESS CONTROL

Subject to and without limiting the requirements under Section 7 (Storage, Transmission and Destruction of Information), County's NPI: (i) may only be made available and accessible to those parties explicitly authorized under the Contract/Agreement or otherwise expressly approved by County in writing; (ii) if transferred across the Internet, any wireless network (e.g., cellular, 802.11x, or similar technology), or other public or shared networks, must be protected using appropriate encryption technology as designated or approved by County's Chief Information Security Officer in writing; and (iii) if transferred using Removable Media (as defined above) must be sent via a bonded courier and protected using encryption technology designated by Contractor/Business Associate and approved by County's Chief Information Security Officer in writing. The foregoing requirements shall apply to back-up media stored by Contractor/Business Associate at off-site facilities.

Contractor/Business Associate shall implement formal procedures to control access to County systems, services, and/or data, including, but not limited to, user account management procedures and the following controls:

- a) Network access to both internal and external networked services shall be controlled, including, but not limited to, the use of properly configured firewalls;
- b) Operating systems will be used to enforce access controls to computer resources including, but not limited to, authentication, authorization, and event logging;
- c) Applications will include access control to limit user access to information and application system functions; and
- d) All systems will be monitored to detect deviation from access control policies and identify suspicious activity. Contractor/Business Associate shall record, review and act upon all events in accordance with incident response policies set forth below.

In the event any hardware, storage media, or removable media must be disposed of or sent off-site for servicing, Contractor/Business Associate shall ensure all County NPI, has been cleared, purged, or scrubbed from such hardware and/or media using industry best practices as discussed in Section 7 (Storage, Transmission and Destruction of County Non-Public Information).

## 12. SECURITY INCIDENT

A "Security Incident" shall mean the successful unauthorized access, use, disclosure, or modification of

County NPI or interference with system operations in an information system.

- a) Contractor/Business Associate will promptly notify, within three (3) business days after the detection, the County's Chief Information Security Officer by telephone and subsequently via written letter of any Security Incidents.
- b) The notice shall include the approximate date and time of the occurrence and a summary of the relevant facts, including a description of measures being taken to address the occurrence. Contractor/Business Associate will

provide a quarterly report of all Security Incidents noting the actions taken. This will be provided via a written letter to the County's Chief Information Security Officer on or before the first (1st) week of each calendar quarter (January, March, June and September). County or its third-party designee may, but is not obligated to, perform audits and security tests of Contractor/Business Associate's environment that may include, but are not limited to, interviews of relevant personnel, review of documentation, or technical inspection of systems, as they relate to the receipt, maintenance, use, retention, and authorized destruction of County NPI.

- c) Notwithstanding any other provisions in this Contract/Agreement, Contractor/Business Associate shall be liable for all damages, fines, corrective action and legally required notifications arising from a security incident that results in unauthorized access, modification, destruction or compromise of County Information caused by Contractor/Business Associate's weaknesses, negligence, errors, or lack of information security or privacy controls or provisions hereunder.

### 13. AUDIT

When not prohibited by regulation, Contractor/Business Associate will provide to County a summary of: (1) the results of any security audits, security reviews, or other relevant audits, conducted by Contractor/Business Associate or a third party; and (2) corrective actions or modifications, if any, Contractor/Business Associate will implement in response to such audits.

During the term of this Contract/Agreement, County or a mutually agreed third-party designee may annually, or more frequently as agreed in writing by the parties, request a security audit of Contractor/Business Associate's Information Security Management System (ISMS), data center, services and/or systems containing or processing County Information.

The audit will take place at a time mutually agreed to by the parties, but in no event on a date more than ninety (90) days from the date of the request by County.

County's request for security audit will specify the scope and areas (e.g., Administrative, Physical and Technical) that are subject to the audit and may include but not limited to physical controls inspection, process reviews, policy reviews evidence of external and internal vulnerability scans, penetration tests results, evidence of code reviews, and evidence of system configuration and audit log reviews. County shall pay for all third-party costs associated with the audit. It is understood that the results may be filtered to remove the specific information of other Contractor/Business Associate customers such as IP address, server names, etc.

Contractor/Business Associate shall cooperate with County in the development of the scope and methodology for the audit, and the timing and implementation of the audit. Any of the County's regulators shall have the same right upon request, to request an audit as described above. Contractor/Business Associate agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes.

### 14. SPECIFIC SOFTWARE AS A SERVICE (SaaS) CONTRACTUAL TERMS AND CONDITIONS

- a) **License.** Subject to the terms and conditions set forth in this Contract/Agreement, including payment of the license fees by County to Contractor/Business Associate, Contractor/Business Associate hereby grants to County a non-exclusive, non-transferable worldwide license to use the service during the term of this Contract/Agreement to achieve the purposes stated herein, as well as any documentation and training materials.
- b) **Business Continuity.** In the event that Contractor/Business Associate's infrastructure or Information becomes lost, damaged or destroyed, Contractor/Business Associate shall immediately, and not longer than one (1) business day, implement the Contractor/Business Associate's Business Continuity Plan, in order to continue to provide the service. Contractor/Business Associate's obligation to reimburse the County's costs related to lost, damaged or destroyed Information shall be determined by the County.

The plan, at a minimum, shall include the services of a third-party recovery provider for which the County shall be the first in the order of recovery among Contractor/Business Associate's customers. The third-party recovery provider shall provide and assist Contractor/Business Associate in its operations, system management and technical support.

The Contractor/Business Associate shall include in its Business Continuity Plan a service offering, a distributed IT infrastructure and a mirrored critical system, Contractor/Business Associate will assist the County in providing such a system within one (1) Day of the County's notification.

In the event that the service is interrupted, the Information may be accessed and retrieved within two (2) hours at any point in time. Additionally, Contractor/Business Associate shall store a backup of all Information in an off-site "hardened" facility no less than daily, maintaining the security of Information, the security requirements of which are described herein.

- c) **Enhancements, Upgrades, Replacements and New Versions.** The Contractor/Business Associate agrees to Provide to the County, at no cost, prior to, and during installation and implementation of the system any Software/firmware Enhancements, Upgrades and replacements which the Contractor/Business Associate initiates or generates that are within the scope of the products licensed and that are made available at no charge to other Contractor/Business Associate customers.

During the term of this Contract/Agreement, the Contractor/Business Associate shall notify the County of the availability of newer versions of the software and within thirty (30) Days provide the County with this new version.

The Contractor/Business Associate shall provide any Updated Documentation in the form of new revision manuals or changed pages to current manuals consistent with the original Documentation supplied and reflecting the changes included in the new version of the software as they are made available. The Contractor/Business Associate shall also provide installation instructions, procedures and any installation program required by the Enhancement, Upgrade, Replacement or new versions.

During the Contract/Agreement term, Contractor/Business Associate shall not delete or disable a feature or functionality unless the Contractor/Business Associate provides sixty (60) Days advance notice and the County provides written consent to the deleted or disabled feature or functionality. Should there be a replacement feature or functionality, the County shall have the sole discretion whether to accept such replacement. The replacement shall be at no additional cost to the County.

- d) **Contractor/Business Associate's Use of Information.** Contractor/Business Associate may use the Information only as necessary to carry out its obligations under this Contract/Agreement, and for no other purpose other than the following:

- i) May observe and report back to the County on County's usage of the service and make recommendations for improved usage.

- e) **Disposition of Information; Back-up Information.** County retains the right to use the service to access and retrieve County content and data stored on Contractor/Business Associate's infrastructure at its sole discretion.

Contractor/Business Associate shall back up Information once in each 24-hour period.

- f) **Location of Information.** Contractor/Business Associate warrants and represents that it shall store and process County Information and content only in the continental United States and that at no time will County Information traverse the borders of the continental United States in an unencrypted manner.

- g) **Data Center Audit and Certification.** An SOC 3 audit certification shall be conducted annually, and a copy of the results provided to the County both during and prior to the commencement of the Contract/Agreement. The results of the SOC 3 audit and Contractor/Business Associate's plan for addressing or resolving the audit findings shall be shared with the County within ten (10) business days of Contractor/Business Associate's receipt of the audit results. Contractor/Business Associate agrees to provide the County with the current SOC 2 or any comparable compliance certification upon the County's request.

At its own expense, the County shall have the right to confirm Contractor/Business Associate's infrastructure and security practices via an onsite inspection at least once a year. In lieu of an on-site audit and upon the County's request, Contractor/Business Associate shall complete an audit questionnaire regarding Contractor/Business Associate's information security program.

- h) Services Provided by a Subcontractor.** Prior to the use of any Subcontractor for SaaS services under this Contract/Agreement, Contractor/Business Associate shall notify the County of the Subcontractor(s) that will be involved in providing any services to the County and obtain the County's written consent.

In the event that Contractor/Business Associate terminates its agreement with the Subcontractor, Contractor/Business Associate shall first allow the County to assume all of the rights and obligations of Contractor/Business Associate under the agreement and to transfer the agreement to the County, provided there shall be no changes in the services requirement. Contractor/Business Associate shall provide the County with advance written notice of its intent to terminate the Subcontractor agreement and at least thirty (30) Days to respond and indicate whether the County wishes to assume the rights and obligations under the Subcontractor agreement.

- i) Information Import Requirements at Termination.** Within one (1) Day of notification of termination of this Contract/Agreement, the Contractor/Business Associate shall provide the County with a complete and secure copy of all County Information suitable for import into commercially available database software (e.g. MS-SQL), such as XML format, including all schema and transformation definitions and/or delimited text files with documented, detailed schema definitions along with attachments in their native format. These files will be comprised of data contained in the Contractor/Business Associate's system. The structure of the relational database will be specific to the data and will not be representative of the proprietary Contractor/Business Associate database.
- j) Termination Assistance Services.** During the ninety (90) Day period prior to, and or following the expiration or termination of this Contract/Agreement, in whole or in part, Contractor/Business Associate agrees to provide reasonable termination assistance services at no additional cost to the County, which may include:
- i)** Developing a plan for the orderly transition of the terminated or expired SaaS from Contractor/Business Associate to the successor;
  - ii)** Providing reasonable training to County staff or the successor in the performance of the SaaS then being performed by Contractor/Business Associate;
  - iii)** Using its best efforts to assist and make available to County any third-party services then being used by Contractor/Business Associate in connection with the SaaS; and
  - iv)** Such other activities upon which the parties may agree.

## 15. CERTIFICATION

The County must receive within ten (10) business days of its request, a certification from Contractor/Business Associate (for itself and any Subcontractors) that certifies and validates compliance with the minimum standard set forth above. In addition, Contractor/Business Associate shall maintain a copy of any validation/attestation reports that its product(s) generate, and such reports shall be subject to audit in accordance with the agreement. Failure on the part of the Contractor/Business Associate to comply with any of the provisions of this Attachment, Information Security Contract/Agreement Requirements shall constitute a material breach of this arrangement upon which the County may terminate or suspend this agreement.

## 16. REPORTING REQUIREMENTS FOR SIGNIFICANT CHANGES

During the term of this contract/agreement, Contractor/Business Associate must notify the Covered Entity within ten (10) days of implementation, in writing, about any significant changes such as technology changes, modification in the implemented security safeguards or any major infrastructure changes. Dependent on the adjustment, Contractor/Business Associate may be asked to re-submit the Attachment III - \_\_\_ to document the change.

## 17. COMPLIANCE

Contractor/Business Associate shall provide information about its information security practices by completing Attachment III - \_\_\_ "DMH Business Associate/ Contractor's Compliance with Information Security Requirements Attachment" questionnaire. By submitting, Contractor/Business Associate certifies that it will be in compliance with Los Angeles County Board of Supervisors Policies, and the expected minimum standard set forth above at the commencement of this agreement with the County and during the term of any arrangement that may be awarded pursuant to this agreement. The completed forms must be returned to DMH Information Security Officer (DISO) within ten (10) business days and approved to certify compliance.

## COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH

**APPROVAL TO EXTEND THE TERM OF 29 EXISTING FEE-FOR-SERVICE  
MEDI-CAL ACUTE PSYCHIATRIC INPATIENT HOSPITAL SERVICES  
AGREEMENTS AND TWO SOLE SOURCE INDIGENT ACUTE PSYCHIATRIC  
INPATIENT HOSPITAL SERVICES AGREEMENTS**

#	Acute Psychiatric Inpatient Hospital DBA Name (Corporation Name)	Supervisory District	Service Area	Type of Hospital	FFS Medi-Cal Hospital	Sole Source Indigent Hospital
1	Adventist Health Glendale (Adventist Health) 1509 Wilson Terrace Glendale, CA 91206	5	2	GACH	X	
2	Adventist Health White Memorial (Adventist Health) 1720 E. Cesar Chavez Ave Los Angeles, CA 90033	1	4	GACH	X	
3	Antelope Valley Hospital (Antelope Valley Healthcare District) 1600 West Avenue J Lancaster, CA 93534	5	1	GACH	X	
4	Aurora Charter Oak (Aurora Charter Oak Hospital LLC) 1161 E. Covina Blvd Covina, CA 91724	5	3	APH	X	X
5	Aurora Las Encinas Hospital (Aurora Las Encinas Hospital LLC) 2900 E. Del Mar Blvd Pasadena, CA 91102	5	3	APH	X	

## COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH

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#	Acute Psychiatric Inpatient Hospital DBA Name (Corporation Name)	Supervisory District	Service Area	Type of Hospital	FFS Medi-Cal Hospital	Sole Source Indigent Hospital
6	BHC Alhambra Hospital (BHC Alhambra Hospital, Inc.) 4619 N. Rosemead Blvd Rosemead, CA 91770	1	3	APH	X	
7	College Hospital Cerritos (College Hospital Inc.) 10802 College Place Cerritos, CA 90703	4	7	APH	X	X
8	College Hospital Costa Mesa (College Hospital Inc.) 301 Victoria Street Costa Mesa, CA 92627	OOC	OOC	GACH	X	
9	College Medical Center (CHLB, LLC) 2776 Pacific Ave Long Beach, CA 90806	4	8	GACH	X	
10	Del Amo Hospital, Inc. 23700 Camino Del Sol Torrance, CA 90505	4	8	APH	X	

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#	Acute Psychiatric Inpatient Hospital DBA Name (Corporation Name)	Supervisory District	Service Area	Type of Hospital	FFS Medi-Cal Hospital	Sole Source Indigent Hospital
11	Emanate Health Inter-Community Hospital (Emanate Health Medical Center) 210 W. San Bernardino Road Covina, CA 91723	5	3	GACH	X	
12	Encino Hospital Medical Center (Prime Healthcare Services - Encino, LLC.) 16237 Ventura Blvd Encino, CA 91436	3	2	GACH	X	
13	Glendale Memorial Hospital and Health Center (Dignity Health) 1420 S. Central Ave Glendale, CA 91204	5	2	GACH	X	
14	Glendora Oaks Behavioral Health Hospital (East Valley Glendora Hospital, LLC) 150 West Route 66 Glendora, CA 91740	5	3	APH	X	
15	Huntington Memorial Hospital (Pasadena Hospital Association LTD.) 100 W. California Blvd Pasadena, CA 91109	5	3	GACH	X	

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#	Acute Psychiatric Inpatient Hospital DBA Name (Corporation Name)	Supervisory District	Service Area	Type of Hospital	FFS Medi-Cal Hospital	Sole Source Indigent Hospital
16	Joyce Eisenberg Keefer Medical Center (Grancell Village of the Los Angeles Jewish Home for the Aging) 7150 Tampa Ave Reseda, CA 91335	3	2	APH	X	
17	L.A. Downtown Medical Center (L.A. Downtown Medical Center, LLC) 7500 East Hellman Ave Rosemead, CA 91770	1	3	GACH	X	
18	Mission Community Hospital (Deanco Healthcare, LLC) 14850 Roscoe Blvd. Panorama City, CA 91402	3	2	GACH	X	
19	Northridge Hospital Medical Center (Dignity Health) 18300 Roscoe Blvd Northridge, CA 91328	3	2	GACH	X	
20	Pacifica Hospital of the Valley (Pacifica of the Valley Corporation) 9449 San Fernando Road Sun Valley, CA 91352	3	2	GACH	X	

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#	Acute Psychiatric Inpatient Hospital DBA Name (Corporation Name)	Supervisory District	Service Area	Type of Hospital	FFS Medi-Cal Hospital	Sole Source Indigent Hospital
21	Providence Little Company of Mary Medical Center San Pedro (Providence Health System-Southern California) 1300 W. 7th Street San Pedro, CA 90732	4	8	GACH	X	
22	San Gabriel Valley Medical Center (AHMC San Gabriel Valley Medical Center, LP) 438 West Las Tunas Drive San Gabriel, CA 91776	5	3	GACH	X	
23	Sherman Oaks Hospital (Prime Healthcare Services II, LLC) 4929 Van Nuys Blvd. Sherman Oaks, CA 91403	3	2	GACH	X	
24	Southern California Hospital at Culver City (Southern California Healthcare System, Inc.) 3828 Delmas Terrace Culver City, CA 90232	2	5	GACH	X	
25	Southern California Hospital at Van Nuys (Southern California Healthcare System, Inc.) 14433 Emelita Street Van Nuys, CA 90051	3	2	GACH	X	

## COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH

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#	Acute Psychiatric Inpatient Hospital DBA Name (Corporation Name)	Supervisory District	Service Area	Type of Hospital	FFS Medi-Cal Hospital	Sole Source Indigent Hospital
26	St. Francis Medical Center 3630 E. Imperial Hwy Lynwood, CA 90262	2	6	GACH	X	
27	Tarzana Treatment Center, Inc. 18646 Oxnard St. Tarzana, CA 9156	3	2	APH	X	
28	The Regents of the University of California on behalf of the Resnick Neuropsychiatric Hospital at UCLA 750 Westwood Blvd., Los Angeles, CA 90024	3	5	APH	X	
29	USC Verdugo Hills Hospital (USC Verdugo Hills Hospital, LLC) 1812 Verdugo Blvd Glendale, CA 91208	5	2	GACH	X	

AGREEMENT NO. MH190xxx

AMENDMENT NO. \_\_\_\_

THIS AMENDMENT is made and entered into this \_\_\_\_ day of January, 2021, by and between the County of Los Angeles (hereafter "County") and Aurora Charter Oak Los Angeles, LLC or College Hospital - Cerritos (hereafter "Contractor").

WHEREAS, reference is made to the certain document entitled "Indigent – Acute Psychiatric Intensive Inpatient Hospital Services", dated July 1, 2016, and further identified as Agreement Number MH190xxx, including any amendments thereto, (hereafter collectively "Agreement"); and

WHEREAS, on December 1, 2020, the County Board of Supervisors delegated authority to the Director of Mental Health, or designee, to execute amendments to the Agreement; and

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties; and

WHEREAS, County and Contractor intend to amend the Agreement to extend the term for six months, beginning January 1, 2021; and

WHEREAS, the Maximum Contract Amount (MCA) for the extension is \$\_\_\_\_.

WHEREAS, Contractor warrants that it continues to possess the competence, expertise and personnel necessary to provide services consistent with the requirements of this Agreement and consistent with the professional standard of care for these services.

NOW, THEREFORE, County and Contractor agree that the Agreement shall be amended as follows:

1. This amendment is effective as of January 1, 2021.
2. The Agreement is extended for the six-month period of January 1, 2021 through June 30, 2021.
3. The MCA for the extension is \$\_\_\_\_\_.
4. Paragraph 1 (TERM) sub-paragraph (B) (4), shall be revised as follows:

“(4) Optional Extension Period: The optional extension period shall commence on January 1, 2021 and shall continue in full force and effect through June 30, 2021, unless earlier terminated or extended.”
5. Attachment II of the Agreement, Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph D(4) (Reimbursement for Optional Extension Period) shall be revised as follows:

“(4). REIMBURSEMENT FOR OPTIONAL EXTENSION PERIOD

(1) The MCA for the Optional Extension Period of January 1, 2021 through and including June 30, 2021, of this Agreement as described in Paragraph I (TERM) of the Agreement shall not exceed \_\_\_\_\_DOLLARS (\$\_\_\_\_\_) and shall consist of Funded Programs as shown on the Financial Summary.”
6. Financial Summary (Attachment III) – \_\_\_\_ for FY 2020-21, shall be deleted in its entirety, and replaced with Financial Summary (Attachment III) - \_\_\_\_\_ for FY 2020-21 attached hereto and incorporated herein by reference. All references in Agreement to Financial Summary (Attachment III) – \_\_\_\_ for FY 2020-21, shall be

deemed amended to state “Financial Summary (Attachment III) - \_\_\_\_ for FY 2020-21.”

7. Contractor shall provide services in accordance with Contractor’s FY \_\_\_\_\_ Agreement Package for this Agreement and any addenda thereto approved in writing by the County’s Director of Mental Health or designee.
8. Except as provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by County's Director of Mental Health, or designee, and Contractor has caused this Amendment to be subscribed on its behalf by its duly authorized officer, on the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
JONATHAN E. SHERIN, M.D., Ph.D.  
Director of Mental Health

\_\_\_\_\_  
CONTRACTOR

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_  
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:  
OFFICE OF THE COUNTY COUNSEL

By: Emily D. Issa  
Deputy County Counsel



# DEPARTMENT OF MENTAL HEALTH

hope. recovery. wellbeing.

**JONATHAN E. SHERIN, M.D., Ph.D.**  
Director

**Gregory C. Polk, M.P.A.**  
Chief Deputy Director

**Curley L. Bonds, M.D.**  
Chief Medical Officer

**Lisa H. Wong, Psy.D.**  
Senior Deputy Director

October 22, 2020

TO: Supervisor Kathryn Barger, Chair  
Supervisor Hilda L. Solis  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Janice Hahn

FROM: Jonathan E. Sherin, M.D., Ph.D.  
Director

SUBJECT: **NOTICE OF INTENT TO EXTEND THE TERM OF TWO EXISTING SOLE  
SOURCE INDIGENT ACUTE PSYCHIATRIC INPATIENT HOSPITAL  
SERVICES AGREEMENTS**

In accordance with the Los Angeles County Board of Supervisors' (Board) Policy No. 5.100 (Sole Source Contracts), the Department of Mental Health (DMH) is notifying your Board of our Department's intent to extend the term of two existing sole source Indigent Acute Psychiatric Inpatient Hospital Services (Indigent Hospital) Agreements with Aurora Charter Oak-Los Angeles, LLC (Aurora Charter Oak) and College Hospital-Cerritos (College Hospital).

DMH will request that your Board approve an extension effective January 1, 2021 through June 30, 2021, with an option to extend the term for one additional fiscal year, as necessary.

## **JUSTIFICATION**

The current two sole source Indigent Hospital Agreements with Aurora Charter Oak and College Hospital expire on December 31, 2020. DMH and the State Department of Health Care Services (DHCS) are in the process of finalizing the performance measures for the new acute hospital contracts, which requires collaboration with the DHCS and the contractors.

The sole source Indigent Hospital Agreements with Aurora Charter Oak and College Hospital are located in Service Areas (SAs) 3 and 7, which were identified as strategic SAs in the County's Psychiatric Emergency Services (PES) Relief Plan approved by your Board in July 2005 to address overcrowding at County hospitals.

Board approval of the extension will ensure medically necessary acute psychiatric inpatient hospital services are continuously provided for uninsured clients residing in Los Angeles County while DMH and the State of California – DHCS finalize the performance measures for the new contracts.

### **NOTIFICATION TIMELINE**

Pursuant to Board Policy No. 5.100 (Sole Source Contracts) DMH is required to notify your Board at least six months prior to the expiration of an existing contract when departments do not have delegated authority to execute amendments to extend the term. If requested by your Board office or the Chief Executive Office, DMH will place this item on the Health and Mental Health Services Cluster Agenda. DMH is a little behind in notifying your Board of its intent to extend the term of these contracts, as the performance measures for the new acute hospital contracts are still pending approval.

Unless otherwise instructed by your Board office within four weeks of this notice, DMH will present your Board a letter for approval to extend the term of two existing sole source Indigent Hospital Agreements with Aurora Charter Oak and College Hospital to ensure continuous acute psychiatric inpatient hospital services are provided to uninsured clients residing in Los Angeles County.

If you have any questions or concerns, please contact me at (213) 738-4601, or your staff may contact Stella Krikorian, Division Manager, Contracts Development and Administration Division, at (213) 738-4023.

JES:GCP:ES:SK  
SC:atm

c: Executive Office, Board of Supervisors  
Chief Executive Office  
County Counsel  
Curley L. Bonds, M.D.  
Gregory C. Polk

## SOLE SOURCE CHECKLIST

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

☐ New Sole Source Contract

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

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

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

\_\_\_\_\_  
Date