



SACHI A. HAMAI  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

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

*"To Enrich Lives Through Effective And Caring Service"*

Board of Supervisors  
HILDA L. SOLIS  
First District

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Second District

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February 16, 2016

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

11 February 16, 2016

  
PATRICK O'GAWA  
ACTING EXECUTIVE OFFICER

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

Dear Supervisors:

**LEASE RENEWAL  
DEPARTMENT OF PUBLIC SOCIAL SERVICES  
12860 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY  
(FIRST DISTRICT)  
(3 VOTES)**

### SUBJECT

A seven-year lease renewal for approximately 55,000 square feet of office space, and 220 on-site parking spaces for the Department of Public Social Services.

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

1. Find that the proposed lease renewal is categorically exempt from the provisions of the California Environmental Quality Act, pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chair to sign the seven-year lease renewal with RR&C Development Company for approximately 55,000 square feet of office space, and 220 on-site parking spaces located at 12860 Crossroads Parkway South, City of Industry, for the Department of Public Social Services, at an annual first year base rent not to exceed \$825,918.84, first-year operating expense rent not to exceed \$341,400, and reimbursable annual real property taxes in the approximate amount of \$132,345. Electricity charges of approximately \$184,560 will be paid by the County of Los Angeles, directly to the utility provider. The total rental cost is 91 percent subvented by State and federal funds, and 9 percent net County cost.

3. Authorize the Chief Executive Officer and the Director of Public Social Services to implement the lease renewal, and execute any other ancillary documentation necessary to effectuate the lease renewal, which will be effective upon approval by the Board of Supervisors.

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

The Department of Public Social Services (DPSS), which houses the Director, Executive Management, and support staff, has been in the facility continuously since 1992. This is an administrative services program.

The renewal will allow DPSS, which has been on holdover since June 30, 2015, to continue its operation at the subject facility commencing upon approval by the Board of Supervisors.

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

The Countywide Strategic Plan of Goal Effectiveness/Fiscal Sustainability (Goal 1), directs that we maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services, and the Goal of Community Support and Responsiveness (Goal 2), directs that we enrich lives of Los Angeles County residents by providing enhanced services, and effectively planning and responding to economic, social, and environmental challenges. The proposed lease renewal is in conformance with the Asset Management Principles, as further outlined in Attachment A.

### **FISCAL IMPACT/FINANCING**

The first-year cost, including a monthly base rent of \$68,826.57, operating expense rent of \$28,450.00 per month, and reimbursement of property taxes in the approximate amount of \$11,028.82 per month for the first year of this lease, should not exceed \$1,299,664.60 based on the terms and conditions of the lease agreement. Electricity charges of approximately \$184,560 will be paid by the County directly to the utility provider. The lease cost is 91 percent subvented by State and federal funds, and 9 percent net County cost.

Sufficient funding for the proposed lease renewal cost is included in the Fiscal Year 2015-16 Rent Expense budget, and will be billed back to DPSS. DPSS has sufficient funds in its operating budget to cover the lease renewal costs. Attachment B is an overview of the proposed lease renewal costs.

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

The County entered into this full service lease in July 2010 for the 55,000 square feet of office space. The proposed lease renewal includes the following provisions.

- The term commences upon the Board of Supervisors' approval, and expires seven years thereafter.
- There is a termination provision allowing the County the right to cancel the lease, effective the day which immediately precedes the fifth (5th) anniversary of the commencement date (five (5) years) of the new term, upon 180 days prior written notice.

- County will have two options to renew the lease for an additional period of five (5) years each, upon 180 days prior written notice of the end of the applicable term.
- The rent includes on-site parking for 220 vehicles, and 100 temporary off-site vehicle parking spaces managed through a separate gratis license agreement across the street at 12801 Crossroads Parkway South.
- This is a full service lease whereby the Landlord, RR&C Development Company (Landlord) is responsible for all operating maintenance except for supplemental HVAC units, which shall be the responsibility and expense of DPSS, with an annual cap of operating expenses associated with the DPSS occupancy. Property taxes are to be reimbursed by the County.
- The base rent is subject to annual Consumer Price Index (CPI) increases of the new base year rent throughout the term to a maximum of 3 percent, or \$2,064.80 monthly. The operating expense rent is subject to an annual maximum increase of 3.75 percent per year on a cumulative, compounded basis, on each anniversary of the commencement date.
- Upon renewal of the lease, the Landlord will provide at its sole cost, tenant improvements to the reasonable satisfaction of the County, as described on Exhibit F of the lease agreement, throughout the premises.

The Chief Executive Office (CEO) Real Estate Division staff surveyed the City of Industry area as specified by DPSS, in order to maintain close proximity within the service area. Staff was unable to identify any sites in the surveyed area that could accommodate the requirement more economically at this time. Attachment C shows all County-owned and leased facilities within the surrounding City of Industry area, and there are no County-owned or leased facilities available for the programs.

Staff has determined that the building, and the requisite amount of parking, demanded an expanded market survey of properties that encompassed a broad rental range. Based upon this market survey of properties in the City of Industry area, a full-service rental rate including parking for office properties is between \$22.20 and \$30.96 per square foot, per year full-service. The proposed lease renewal terms provide an annual rent of \$26.98 per square foot, which represents a rate within market range for the area.

The proposed lease renewal will provide a convenient and appropriate location in relation to the designated service area, which is consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012, as outlined in Attachment D.

## **ENVIRONMENTAL DOCUMENTATION**

The CEO has concluded that this project is exempt from the California Environmental Quality Act (CEQA), as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

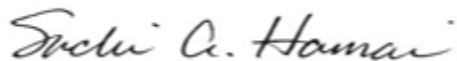
**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed lease renewal will provide the necessary office space for this County requirement. DPSS concurs with the proposed lease renewal.

**CONCLUSION**

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

Respectfully submitted,



SACHI A. HAMAI  
Chief Executive Officer

SAH:DPH:CMM  
SDH:JT:ns

Enclosures

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

**DEPARTMENT OF PUBLIC SOCIAL SERVICES**  
**12860 Crossroads Parkway South, City of Industry**  
**Asset Management Principles Compliance Form<sup>1</sup>**

1.	<u>Occupancy</u>	Yes	No	N/A
A	Does lease consolidate administrative functions? <sup>2</sup>	X		
B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>	X		
C	Does this lease centralize business support functions? <sup>2</sup>			X
D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>253 sq. ft. per person.</b>	X		
2.	<u>Capital</u>			
A	Is it a substantial net County cost (NCC) program? <b>91 percent State and federal Funding.</b>		X	
B	Is this a long term County program?	X		
C	If yes to 2 B or C; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Attachment B?	X		
G	Was build-to-suit or capital project considered?		X	
3.	<u>Portfolio Management</u>			
A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?		X	
D	Why was this program not co-located?			
	1. ___ The program clientele requires a "stand alone" facility.			
	2. ___ No suitable County occupied properties in project area.			
	3. <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>County pays for electricity charges and reimburses Landlord for Property taxes</b>		X	
F	Has growth projection been considered in space request?		X	
G	Has the Dept. of Public Works completed seismic review/approval?	X		
	<sup>1</sup> As approved by the Board of Supervisors 11/17/98			
	<sup>2</sup> If not, why not? <span style="float: right;">Please <b>bold</b> any written responses.</span>			

**FISCAL IMPACT / FINANCING  
OVERVIEW OF LEASE CHANGES**

<b>12860 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY</b>	<b>EXISTING LEASE NO. 63808</b>	<b>SEVEN-YEAR LEASE</b>	<b>CHANGE</b>
Area (square feet)	55,000	55,000	None
Term	07/01/10 – 06/30/15 On Month to Month	Upon Board approval	+Seven years
Annual Base Rent	\$832,467.72	\$825,918.84	-\$6,548.88
Annual Operating Expense Rent (including Taxes)	\$634,536	\$473,745.84 (excludes electricity charges)	-\$160,790.16
Tenant Improvement Reimbursement	None	None	None
Maximum First Year Rent	\$1,465,003.70	\$1,299,664.60 (excludes electricity charges)	-\$167,339.10
Parking	220 parking spaces	220 parking spaces +100 temporary licensed parking spaces	100 temporary licensed parking spaces
Termination	End of the fifth year by the County	The day which immediately precedes the fifth (5 <sup>th</sup> ) anniversary of the commencement date	The day which immediately precedes the fifth (5 <sup>th</sup> ) anniversary of the commencement date
Option to Renew	One option to renew for five years	Two (2) options to renew for additional period of five (5) years each respective term	Two (2) options to renew for additional period of five (5) years each respective term
Rental Adjustment	Annual CPI adjustment capped at 4 percent of Base Rent.	Annual CPI adjustment capped at 3 percent of Base Rent, and 3.75 percent fixed increase to Base Operating Expense Rent	Cap reduction of 1 percent on the Base Rent adjustment and cap of 3.75 percent on the Base Operating Expense Rent

**SPACE SEARCH – WITHIN SERVICE AREA OF DPSS CLIENT PARTICIPANTS  
DEPARTMENT OF PUBLIC SOCIAL SERVICES  
12860 Crossroads Parkway South, City of Industry**

LACO	FACILITY NAME	ADDRESS	OWNERSHIP	GROSS SQFT	NET SQFT	TB Pg	TB GI	Bldg Use	SQFT Available
A130	DPSS-ADMINISTRATIVE HEADQUARTERS	12860 CROSSROADS PKWY S, CITY OF INDUSTRY 91745	LEASED	55,000	41,943	637	F6	OFFICE	NONE
B002	DPSS-ADMINISTRATIVE HEADQUARTERS EAST ANNEX	12900 CROSSROADS PKWY S, CITY OF INDUSTRY 91745	LEASED	34,245	31,420	637	F6	OFFICE	NONE
A507	DPSS-ADMINISTRATIVE HEADQUARTERS WEST ANNEX	12820 CROSSROADS PKWY S, CITY OF INDUSTRY 91745	LEASED	33,331	28,331	637	F6	OFFICE	NONE
B119	ASSESSOR-EAST DISTRICT OFFICE	1190 DURFEE AVE, SOUTH EL MONTE 91733	LEASED	38,000	34,200	637	C5	OFFICE	NONE
0032	PW ROAD-DIV #146/446 YARD OFFICE	9521 E BEVERLY BLVD, PICO RIVERA 90660	OWNED	660	594	676	H2	OFFICE	NONE
4348	PW ROAD-DIV #146/446 MAINTENANCE YARD OFFICE	9521 E BEVERLY BLVD, PICO RIVERA 90660	OWNED	1,080	708	676	H2	OFFICE	NONE
4533	EAST SERVICES AGENCY-OFFICE BUILDING	265 CLOVERLEAF DR, BALDWIN PARK 91706	OWNED	1,440	1,055	637	G2	OFFICE	NONE
D522	PROBATION STAFF TRAINING OFFICE(STO)	3300 SANDOVAL AVE, PICO RIVERA 90660	LEASED	19,363	18,395	676	J1	OFFICE	NONE
D930	SAN GABRIEL VALLEY SERVICE CENTER	1441 SANTA ANITA AVE, SOUTH EL MONTE 91733	OWNED	17,650	12,701	637	B4	SERVICE CENTER	NONE
Y212	PUBLIC LIBRARY-SOUTH EL MONTE LIBRARY	1430 N CENTRAL AVE, SOUTH EL MONTE 91733	OWNED	6,416	5,408	637	B4	LIBRARY	NONE
0080	PW ROAD-DIV #416 MAINTENANCE YARD OFFICE	14959 E PROCTOR AVE, CITY OF INDUSTRY 91746	OWNED	660	594	638	B6	OFFICE	NONE
Y366	STEINMETZ PARK-SENIOR CENTER	1545 S STIMSON AVE, HACIENDA HEIGHTS 91745	OWNED	3,200	3,040	678	C3	SERVICE CENTER	NONE
5952	PUBLIC LIBRARY-HACIENDA HEIGHTS LIBRARY	16010 LA MONDE ST, HACIENDA HEIGHTS 91745	OWNED	10,223	8,367	678	C4	LIBRARY	NONE

## FACILITY LOCATION POLICY ANALYSIS

- **Proposed Lease Agreement:** A Lease agreement for the Department of Public Social Services (DPSS) – 12860 Crossroads Parkway South, City of Industry – 1st District – Seven-year lease agreement with an option to terminate the day which immediately precedes the fifth (5<sup>th</sup>) anniversary of the commencement date (60 months) upon at least 180 days prior written notice. County will have two (2) options to renew the Lease for an additional period of five (5) years each upon 180 days prior written notice of the end of the applicable term.

**A. Establish Service Function Category** – Administrative service function. The space will continue to house DPSS' Director, Executive Management, and support staff.

**Determination of the Service Area** –The proposed lease will allow the DPSS to continue its operation at the subject facility.

### B. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: N/A.
- Need for proximity to existing County facilities: N/A
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: The City of Industry is in the forefront of Southern California's growing leadership in industrial development. Availability of prime industrial land in Los Angeles County is the key factor in maintaining a strong industrial/employment base; the City of Industry, prime industrial land available in a municipal area which openly welcomes industry, is able to assume its proper role in Southern California's efforts to attain a balanced economy.
- Proximity to public transportation: The location is adequately served by Rapid Transit services.
- Availability of affordable housing for County employees: The surrounding area provides for affordable rental opportunities.
- Use of historic buildings: N/A



- Availability and compatibility of existing buildings: There are no existing County buildings available to meet the Department's service needs.
- Compatibility with local land use plans: The Department of Public Works previously inspected the facility and its recommendation concluded the facility met the requirements for County occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

**C. Estimated acquisition/construction and ongoing operational costs**: The initial annual base rent of \$825,918.84, plus the operating expense rent (excluding electricity) cost of \$341,400, electricity costs of \$184,560, and property taxes in the amount of approximately \$132,345 comprises the total annual lease costs for the facility. Sufficient funding for the proposed lease is included in the Fiscal year (FY) 2015-16 Rent Expense Budget and will be charged back to DPSS. DPSS has sufficient funding in its FY 2015-16 operating budget to cover the proposed lease costs, which are 91 percent funded by federal and State subvention and 9 percent County cost. Attachment B is an overview of the lease costs.

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

The Chief Executive Office (CEO) Real Estate Division (RED) conducted a market survey of properties within the project area to determine the availability of comparable and more economical sites. Based upon this market survey of properties in the City of Industry area, a base rental range including parking for office properties is between \$18.60 and \$19.80 per square foot per year triple-net. The proposed lease renewal terms provide a \$15.02 per square foot base annual rent, which represents a below market rental rate of the market range. The proposed facility provides the most viable space to house DPSS's program within the service area at this time. Attachment C shows County-owned and leased facilities within the search area for these programs and none are available to house these programs.

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

This program is anticipated to continue in the long-term, therefore, the space that is currently occupied will not change.

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

**COUNTY OF LOS ANGELES - Tenant  
RR&C DEVELOPMENT COMPANY – Landlord**

**12860 CROSSROADS PARKWAY SOUTH  
CITY OF INDUSTRY**

**63808 Supplement No. 2**

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EXHIBITS

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SUPPLEMENTAL LEASE DOCUMENTS:

Document I: ..... Subordination, Non-disturbance and Attornment Agreement  
Document II: .....Tenant Estoppel Certificate  
Document III: .....Community Business Enterprises Form  
Document IV: ..... Memorandum of Lease  
Document V: ..... Request for Notice

COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE  
LEASE AGREEMENT

THIS LEASE ("Lease") is entered into as of the 16th day of February, 2016 between RR&C DEVELOPMENT COMPANY ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant").

Landlord and Tenant agree:

**1. BASIC LEASE INFORMATION**

1.1. Terms

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

- a. Landlord's Address for Notice: 13191 Crossroads Parkway North  
6<sup>th</sup> Floor  
City of Industry, California, 91746
- b. Tenant's Address for Notice: Board of Supervisors  
Kenneth Hahn Hall of Administration  
Room 383  
500 West Temple Street  
Los Angeles, California 90012

With a copy to:

Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate  
Fax Number: (213) 830-0926

- c. Premises: Approximately 55,000 rentable/gross square feet in the Building (defined below) as shown on Exhibit A attached hereto and parking lot.
- d. Building: The Building located at 12860 Crossroads Parkway South, City of Industry, CA. 91746, which is currently assessed by the County

Assessor as APN 8125-059-013 and described more particularly in Exhibit B attached hereto (the "Property")

- e. Term: Seven years commencing upon approval of this Lease by the Los Angeles County Board of Supervisors ("Commencement Date") (The Los Angeles County Board of Supervisors is hereinafter referred to as the "Board of Supervisors").
  
- f. Projected Commencement Date: February 1, 2016
  
- g. Irrevocable Offer Expiration Date: March 31, 2016
  
- h. Rent: Initial total Base Rent and Operating Expenses Rent is \$97,276.57 per month for the first year of the Term, as follows:  
  
Base Rent: \$68,826.57 per month for the first year of the Term (adjusted for future years of the Term as Section 6 provides)  
  
Operating Expense Rent: \$28,450.00 per month for the first year of the Term (adjusted for future years of the Term as Section 7 provides)
  
- i. Early Termination Notice: At least 180 days prior written notice
  
- j. Early Termination Date: The day which immediately precedes the fifth (5th) anniversary of the Commencement Date (five (5) years)
  
- k. Use: The Premises together with all appurtenances belonging to, or in any wise appertaining, shall be used as governmental office space or for other government purposes (all of which shall be consistent

	
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Initials



with the uses of "class A" office space in the vicinity of the Building) during normal working hours, after normal working hours, and on weekends and holidays.

- l. Initial Departmental Use: Department of Public and Social Services administrative offices
- m. Parking Spaces: 220 parking spaces at the Building, and 100 parking spaces across the street at 12801 Crossroads Parkway South at no charge per separate temporary license agreement dated September 24, 1998.
- n. Normal Working Hours: 6:30am to 6:00pm Monday Through Friday.
- o. Asbestos Report: A report dated October 15, 2015, prepared by SCS Engineers, a licensed California Asbestos contractor.
- p. Disabled Access Survey A report dated 3/04/2015 prepared by the CEO, Disability Civil Rights.
- q. Seismic Report A report dated 2/04/2015 prepared by the Department of Public Works.

1.2. Defined Terms Relating to Landlord's Work Letter

- a. Base Tenant Improvement Allowance:           N/A
- b. Additional Tenant Improvement Allowance:           N/A
- c. Maximum Change Order Allowance:           N/A
- d. Additional Tenant           N/A           percent (        %) per annum

	
Initials	

Improvement and Change  
Order Amortization Rate:

e. Base Rent Reduction:       N/A       and        /100 dollars  
(\$       ) per month for every one  
thousand dollars (\$1000) of the unused Base  
Tenant Improvement Allowance.

f. Tenant's Work Letter  
Representative:       N/A      

g. Landlord's Work Letter  
Representative:       N/A      

h. Landlord's Address for  
Work Letter Notice:       N/A      

i. Tenant's Address for  
Work Letter Notice: Board of Supervisors  
Kenneth Hahn Hall of Administration  
Room 383  
500 West Temple Street  
Los Angeles, California 90012

With a copy to:

Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate  
Fax Number: (213) 830-0926

1.3. Exhibits to Lease: Exhibit A - Floor Plan of Premises  
Exhibit B - Legal Description of Property  
(Incorporated herein by this Exhibit C - Commencement Date  
reference): Memorandum and  
Confirmation of Lease Terms  
Exhibit D - Heating, Ventilation, and Air  
Conditioning Standards  
Exhibit E - Cleaning and Maintenance  
Schedule  
Exhibit F - Tenant Improvements

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

**2. PREMISES**

- 2.1. Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto. Notwithstanding any contrary provision of this Lease, the parties acknowledge and agree that (i) Tenant currently leases and occupies the Premises pursuant to a previous lease with Landlord under a separate lease preceding this Lease, (ii) Tenant shall be occupying the Premises pursuant to said preceding lease until immediately prior to the Commencement Date, (iii) Tenant will already be in occupancy of the Premises as of the Commencement Date, and (iv) upon the Commencement Date, subject to Landlord's obligations under Section 27 below, Tenant shall accept the Premises in its then existing "as is" condition.
- 2.2. For purposes of this Lease, "rentable/gross square feet" of the Premises shall be deemed as set forth in Section 1 above.

**3. COMMON AREAS**

Tenant may use the following areas ("Common Areas") in common with Landlord and other tenants of the Building: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Building, 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 Areas 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 day immediately preceding the seventh (7<sup>th</sup>) anniversary of the

Commencement Date. Within 30 days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement and Termination Dates by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached as Exhibit C. The Commencement Date shall begin upon approval by the County Board of Supervisors.


4.2. Early Termination

Tenant shall have the right to terminate this Lease effective as of the Early Termination Date, as defined in Section 1, by giving Landlord not less than 180 days prior written notice executed by the Chief Executive Officer of Tenant.

4.3. Option Extension Terms

a. Terms of Options. Provided that no material Default has occurred and is continuing under the Lease at the time the applicable option is exercised, Tenant shall have two (2) options to renew this Lease for an additional period of five (5) years each (respectively, the "First Extension Term" and the "Second Extension Term", and collectively, the "Extension Term(s)").

b. Exercise of Option. Tenant shall exercise any of its options to extend this Lease by giving Landlord written notice (the "Tenant's Exercise Notice") of its election to do so no later than one hundred eighty (180) days prior to the end of the initial Term, or the First Extension Term, as applicable. Within fifteen (15) business days following Landlord's receipt of Tenant's Exercise Notice, Landlord shall give Tenant written notice (the "Landlord's Operating Expense Rent Notice") of the amount of Operating Expense Rent to be payable by Tenant during the applicable Extension Term, including the annual increase thereto to be applicable during such Extension Term. Tenant shall thereafter have the right to rescind Tenant's Exercise Notice by giving Landlord written notice of such rescission within twenty (20) business days following Tenant's receipt of Landlord's Operating Expense Rent Notice. If Tenant timely rescinds Tenant's Exercise Notice, then the applicable option and any succeeding option shall automatically be null and void, and of no further force or effect. If Tenant does not timely rescind Tenant's Exercise Notice, then the parties acknowledge that the County Board of Supervisors must thereafter, by formal vote at a public hearing, approve Tenant's exercise of the applicable option in order for Tenant's exercise thereof to be binding. In the event that the Board of Supervisors fails to approve Tenant's exercise of any option granted pursuant to this Section 4.3 within two hundred seventy (270) days following Tenant's delivery of Tenant's Exercise Notice, then Tenant's exercise of such option (and Tenant's right to any succeeding option) shall automatically be null and void, and of no further force or effect. On the other hand, if the Board of Supervisors approves Tenant's exercise of any option granted pursuant to this Section 4.3 within two hundred seventy (270) days following Tenant's delivery of Tenant's

	
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Exercise Notice, such option will then be deemed effectively exercised. Tenant's options to renew this Lease are personal to (and may only be exercised by) the Tenant originally named in this Lease (and not any assignee, subtenant, or other transferee), and may only be exercised if Tenant is not then subleasing any part of the Premises.

- c. Terms and Conditions of Extension Terms. Any of the Extension Terms shall be on all the terms and conditions of this Lease, provided that (i) Base Rent shall continue to be increased on every anniversary of the Adjustment Date during the applicable Extension Term in accordance with Section 6 below, and (ii) Operating Expense Rent for the applicable Extension Term shall be set forth in Landlord's Operating Expense Rent Notice. In no event shall Landlord be responsible for payment of any brokerage fees or commissions to any broker or finder retained by Tenant or representing Tenant.
- d. Amendment of Lease. Immediately after the Board of Supervisors approves the exercise of any option granted pursuant to this Section 4.3, and such option is exercised, Landlord and Tenant shall execute an amendment to this Lease setting forth the new Base Rent and Operating Expense Rent in effect.

**5. BASE RENT**

Tenant shall pay Landlord the Base Rent stated in Section 1 during the Term hereof within 15 days after a claim therefor for each such month has been filed by Landlord with the Auditor of the County of Los Angeles (the "County") prior to the first day of each month. Base Rent for any partial month shall be prorated in proportion to the number of days in such month. Base Rent payments shall be subject to adjustment pursuant to Section Six(6) herein and payable within fifteen days after the first day of each and every month of the term hereof provided Landlord has caused a claim therefor for each such month to be filed with the Auditor of the County of Los Angeles prior to the first day of each month. Landlord's failure to timely file any claim shall not constitute a waiver of Tenant's obligation to pay Base Rent hereunder, provided that the Base Rent for any month for which Landlord submits a late claim shall instead be payable by Tenant within fifteen (15) days following Landlord's filing of such late claim.

**6. BASE RENT ADJUSTMENTS**

- a. CPI. From and after the first 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 adjusted by applying the CPI Formula set forth below. The "Base Index" shall be the Index published for the month the Lease commences.
- b. CPI Formula. The Index means the Consumer Price Index for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Original Base Rent multiplied by a fraction, the numerator being the Index (the "New Index") published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Index published for the month the Lease commenced. If the Index is changed so that the Index differs from that used as of the Commencement Date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.
- c. Illustration of Formula. The formula for determining the new Base Rent shall be as follows:

$$\begin{array}{l} \text{New Index} \\ \text{[Base} \quad \quad \quad \times \$68,826.57 \text{ (Original Base Rent)} \\ \text{Index]} \\ \\ = \text{Monthly Base Rent} \end{array}$$

- d. Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI Formula result in an annual increase greater than 3.00% of the amount of the Original Base Rent, i.e. \$2,064.80 per month (\$24,777.60 per year).

**7. OPERATING EXPENSE RENT**

In addition to Base Rent, Tenant shall pay Landlord, concurrently with its payment of Base Rent, additional rent for the operating expenses ("Operating Expense Rent") associated with Landlord's ownership, maintenance, operation and management of the

	
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Building in the amount of \$28,450.00 per month. The Operating Expense Rent shall be increased by 3.75% per year on a cumulative, compounded basis, on each anniversary of the Commencement Date. Prior to the first anniversary of the Commencement Date and each anniversary thereafter, Landlord shall provide Tenant with the amount due under this Lease for Operating Expense Rent for the ensuing twelve (12) months.

**8. INTENTIONALLY OMITTED**

**9. USES**

The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use provided such new use is consistent with the uses of "class A" office space in the vicinity of the Building.

**10. 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 at least 90 days written notice from Landlord or at least 30 days written notice from the Chief Executive Officer of Tenant at the last monthly Base Rent and Operating Expense Rent payable under this Lease (as such Base Rent and Operating Expense Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

**11. COMPLIANCE WITH LAW**

Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the Term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the Term hereof, including without limitation, the Americans with Disabilities Act to the reasonable satisfaction of Tenant, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or preexisting or future improvements to the Premises.

**12. DAMAGE OR DESTRUCTION**

12.1. Damage

In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenable 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 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 tenantable again using standard working methods. The failure to do so shall be a material default hereunder. Base Rent, Operating Expense Rent, and reimbursement of Real Property Taxes 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.

12.2. Tenant and Landlord Termination Rights

In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days after Landlord's receipt of insurance proceeds covering the costs of restoration and building permits for any reason, then either Landlord or Tenant may terminate this Lease by giving written notice within 10 days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Base Rent, Operating Expense Rent, and Tenant's obligation to reimburse for Real Property Taxes shall be abated from the date the Premises became untenable. In the event that neither party elects to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided insurance proceeds are available to repair the damages. In addition, and notwithstanding any contrary provision of this Section 12, Landlord shall have the right to terminate this Lease if (i) the holder of any mortgage on the Building or ground lessor with respect to the Building shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground lease, as the case may be, or (ii) the damage is not fully covered by Landlord's insurance policies.

12.3. Damage In Last Year

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

- a. Landlord shall have no obligation to restore the Premises;
- b. Landlord may retain all insurance proceeds relating to such destruction; and



- c. This Lease shall terminate as of the date which is 30 days after such written notice of termination.

12.4. Default By Landlord

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

- a. Declare a default hereunder, or
- b. Exercise the "Tenant's Self-Help Remedy" in accordance with Section 13.4(a) below.

13. REPAIRS AND MAINTENANCE

13.1. Landlord Representations

To its best knowledge without duty of investigation or research, Landlord represents to Tenant that:

- a. The Premises, the Building and all Common Areas (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) has complied with all laws, codes, and ordinances, including the Americans With Disabilities Act, to the Building at the time that the Building was constructed; and are in reasonable good working order and condition as of the date of this Lease;
- b. The Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirement in effect as of the date of this Lease;
- c. Except to the extent set forth in that certain asbestos inspection screening report and findings for 12860 Crossroads Parkway South, City of Industry, California, prepared by SCS Engineers, dated October 15, 2015, for File No. 01215249.00, addressed to Mr. Luke Duval of Majestic Management Co., and that certain "Phase I Environmental Site Assessment Report, Crossroads Business Park, Buildings 10 and 11, 12820 and 12860 Crossroads Parkway South, Industry, California 91746" prepared by Nova Consulting Group, Inc., dated March 3, 2011, Nova Project No. B11-0233, copies of which have previously been provided to Tenant, as of the date of this Lease the Premises, Building and Common Areas are free of the presence of Hazardous Materials (as hereinafter defined); and
- d. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation as of the date of this Lease.

Landlord represents, based upon the Asbestos Report, that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Asbestos Report). Based on the Asbestos Report, as of the date of this Lease there is no asbestos containing material required by applicable law to be abated at the Premises. Landlord shall, prior to the Commencement Date, abate, at Landlord's sole cost and expense, all asbestos containing materials in the Premises to the extent required by applicable law as of the date of this Lease and provide Tenant with an updated report from a licensed California Asbestos contractor to that effect.

13.2. Landlord Obligations

- a. Subject to Tenant's obligations under Section 13.3 below, 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, roof, concealed plumbing, stairways, and concealed electrical systems;
  - (ii) mechanical (including the 4 package HVAC units currently in place on the Building roof, but otherwise excluding the supplemental HVAC units set forth in Section 13.3 below which shall be Tenant's responsibility), electrical, plumbing and fire/life systems and emergency generator serving the Building;
  - (iii) the Common Areas, including, without limitation, parking areas;
  - (iv) exterior windows of the Building; and
  - (v) elevators serving the Building.
- b. Subject to Tenant's obligations under Section 13.3 below, 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 to the reasonable satisfaction of the Tenant. Landlord's repair obligations include, without limitation, repairs to:
- (i) the floor covering (provided that if such floor covering is carpet, then Landlord shall only be required to replace individual carpet tiles on an as needed basis, and Landlord shall only replace the carpeting throughout the Premises, if reasonably necessary, once during each Extension Term (as defined below), if any, and the foregoing work shall include furniture lifting where necessary;
  - (ii) interior walls and doors;

- (iii) the interior side of demising walls (which Landlord shall only repaint, if reasonably necessary, once during each Extension Term, if any);
- (iv) emergency exit signage and egress battery replacement; and
- (v) Fire equipment and systems.

13.3. Tenant Obligations

Notwithstanding any contrary provision of Section 13.2 above, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area within the Building, the Premises, and the Common Areas which are damaged by Tenant or Tenant's agents, employees, invitees and visitors, and for maintaining, repairing and replacing Tenant's signage at the Building or in the Common Areas, the 6 supplemental HVAC units [**two** 5 ton split systems that handles room 155 server room 1<sup>st</sup> floor middle bldg., unit #1 mo#24ABR360A530 SER#2306E39033, unit #2 mo#24ABR360A6 SER#1406E39153 both Carrier; **two** 8 ton split systems that handles room 229 server room 2<sup>nd</sup> floor middle bldg., unit#1 mo#38ARZ008--611—ser#3608G30188, unit #2 mo#38ARZ008—611—SER#3608G30189 both Carrier; **one** 5 ton split system that handles room 140 telephone room 1<sup>st</sup> floor middle bldg., mo#38HDR018310 SER#4414x93453 Carrier; and **one** 5 ton split system that handles room 142 (print/copy room) 1<sup>st</sup> floor middle bldg., mo#PA13PR060-J SER # 4511X65647 Concord] that serve the server rooms, telephone room, and print/copy room in the Premises (and any additional HVAC supplemental units approved by Tenant in writing added to the Premises during the Term) ("Supplemental HVAC"), and the low voltage electronic, phone and data cabling (including, without limitation, telephone intra-building network cable) 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 selected by Landlord and approved by Tenant, which consent shall not be unreasonably withheld or delayed,
- b. be at least equal in quality, value and utility to the original work or installation, and
- c. be in accordance with all applicable laws.

Tenant shall reimburse Landlord within 15 days of Tenant's receipt of an invoice for any costs incurred by Landlord under this Section 13.3.

13.4. Tenant's Right to Repair

- a. If Landlord fails to undertake and complete the work that this Lease requires of Landlord under Section 12 above or Section 27 below,
  - (i) following 20 days' prior written notice from Tenant, or such longer period if Landlord promptly begins and diligently completes the work requiring more than 30 days to complete, or

- (ii) following shorter, reasonable advance oral or written notice if emergency repairs are needed to avoid imminent loss of life, property or injury to person(s) or the complete disruption of Tenant's business,

then Tenant, on five (5) business days' additional written notice (the "Work Start Notice") to Landlord, may perform such work; provided, however, that if such work will affect the Building's life safety systems, heating, ventilation and air conditioning, or elevators, Tenant shall use only those contractors that Landlord has included on an approved written vendor list delivered by Landlord to Tenant within five (5) business days of Landlord's receipt of the Work Start Notice or (in the event Landlord fails to timely provide the vendor list) who are authorized to perform such work without voiding any equipment warranties, and further provided that Landlord's approved vendors are able to begin the work within ten (10) business days of Landlord's receipt of the Work Start Notice.

If Tenant desires Landlord to reimburse Tenant for its out-of-pocket costs incurred in performing such work required of Landlord, Tenant shall provide Landlord with an invoice, including a reasonably particularized breakdown and explanation, of such costs. If Landlord does not object to Tenant in writing within five (5) business days after receiving Tenant's invoice and explanation, Landlord shall pay such invoiced costs promptly or Tenant may deduct such costs from any Base Rent next due. If, however, Landlord does timely object to such invoice, setting forth with reasonable particularity the reasons Landlord contends that the Lease does not require such work of Landlord, then Tenant shall not be entitled to such deduction from Base Rent but may claim a Landlord default under the Lease. The foregoing provisions of this Section 13(a) shall be known as "Tenant's Self-Help Remedy".

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

## 14. SERVICES AND UTILITIES

### 14.1. 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 provided that the Building

HVAC is designed to satisfy the standard set forth in Exhibit D attached hereto.

b. Electricity

Landlord shall furnish to the Premises, at Tenant's sole cost, adequate electrical wiring and facilities and power for normal general office use as determined by Landlord. Tenant's use of electricity for the Premises, including, without limitation, for the Supplemental HVAC, and Tenant shall pay the cost thereof directly to the utility provider.

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 janitorial service on a five nights per week basis, generally consistent with that furnished in comparable office buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit E attached hereto.

f. Access

Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building.

g. Pest Control

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

h. Tenant's Security System

Tenant shall be solely responsible, at Tenant's sole cost and expense, for the monitoring, operation, repair, maintenance and removal of Tenant's existing security system in the Premises ("Tenant's Security System"). Tenant shall provide Landlord with any information reasonably required regarding Tenant's Security System in the event access to the Premises is necessary in an emergency. At Tenant's election prior to the expiration or earlier termination of this Lease, Tenant shall leave the Tenant's Security System in the Premises upon the expiration or earlier termination of this Lease, in which event Tenant's Security System shall be surrendered with the Premises upon the expiration or earlier termination of this Lease, and Tenant shall thereafter have no further rights with respect thereto. In the event that Tenant fails to elect to have Tenant's Security System left in the Premises upon the expiration or earlier termination of this Lease, then Tenant shall remove Tenant's Security System prior to the expiration or earlier termination of this Lease, and repair all damage to the Building resulting from such removal, at Tenant's sole cost and expense.

14.2. Utilities

Landlord agrees to pay when due all charges for the use of the sewer, trash, effluent treatment, when and if imposed by any governmental authority, all water, sprinkler standby charges, gas, heating and Common Area power and lighting, power charges associated with the Building HVAC (but excluding the Supplemental HVAC), and other utility rents and charges accruing or payable in connection with the Premises during the Term of this Lease or any renewal, extension, or holdover thereof, whether the same are pro-rated or measured by separate meters. Notwithstanding the foregoing, Tenant shall pay for the cost of all electricity for the Premises as set forth in Section 14.1(b) above.

15. TAXES

Landlord shall pay promptly all real property taxes, assessments and special assessments which may be levied or assessed against the Premises or Building during the Term of this Lease or any renewal or holdover period thereof ("Taxes").

Tenant shall reimburse Landlord for all Taxes paid by Landlord hereunder within 60 days following Tenant's receipt of Landlord's claim therefor, provided that Landlord presents to Tenant proof of payment together with the claim for reimbursement. In no event shall Tenant be responsible to Landlord for (a) any delinquencies, service charges or penalties incurred by Landlord in the payment of said Taxes; (b) any real property taxes attributable to alterations and improvements installed by Landlord without the prior written consent of the Tenant.

In the event Landlord fails or refuses to pay any or all Taxes when due, Tenant may, at its sole discretion, give Landlord thirty (30) calendar days prior written notice and, provided

that Landlord does not pay such Taxes and does not object in writing to Tenant's payment thereof, then Tenant may thereafter pay such Taxes and deduct the payments from the installments of Base Rent next due as a charge against the Landlord.

16. **LANDLORD ACCESS**

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

17. **TENANT DEFAULT**

17.1. **Default**

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

- a. the failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten 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.

17.2. **Remedies Upon Default by Tenant**

Upon the occurrence of a Default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity (all of which remedies shall be distinct, separate and cumulative), the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

17.2.1 Terminate this Lease, in which event Tenant shall within 90 days following the issuance of a judgment against Tenant for unlawful detainer, surrender the Premises to Landlord (provided that if the Lease has previously been assigned by the County of Los Angeles to a third party, then Tenant shall instead be required to immediately surrender the Premises to Landlord), and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or

arrears in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim for damages therefor; and Landlord may recover from Tenant the following:

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

17.2.1.2 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

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

17.2.1.4 The term "rent" as used in this Section 17.2.1 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 17.2.1.1 and 17.2.1.2, above, the "worth at the time of award" shall be computed by allowing interest at the Interest Rate. As used in Section 17.2.1.3, 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%).

17.2.1.5 In the event that the Lease has previously been assigned by the County of Los Angeles to a third party, then in addition to the foregoing, Landlord may also recover the following from such assignee (but not from the Tenant originally named in this Lease): 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, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

	
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17.2.2 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). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

17.2.3 Landlord shall at all times have the rights and remedies (which shall be cumulative with each other and cumulative and in addition to those rights and remedies available under Sections 17.2.1 and 17.2.2, above, or any law or other provision of this Lease), without prior demand or notice except as required by applicable law, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease, or restrain or enjoin a violation or breach of any provision hereof.

17.3. 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.

**18. LANDLORD DEFAULT**

18.1. Remedies

In addition to the provisions for Landlord's default provided by Sections 12.4, 13.4, 23.1(c), and 24.2, Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within five days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 13.4); provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such five 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 pursue the remedy of specific performance; or
- b. to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease.

18.2. 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 (except to the extent expressly set forth in this Lease as Tenant's obligation).

18.3. Emergency

Notwithstanding the foregoing cure period, Tenant may cure any Landlord Default without notice 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.

**19. ASSIGNMENT AND SUBLETTING**

Tenant may assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises without first obtaining Landlord's prior consent: provided, however, no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which 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.

**20. ALTERATIONS AND ADDITIONS**

20.1. 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 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.

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

20.2. 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.

21. CONDEMNATION

21.1. 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.

21.2. 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").

21.3. Partial Taking

If more than ten percent (10%), but not all, of the floor area of the Premises is taken by Condemnation, this Lease shall remain in effect unless either Landlord or Tenant elects to terminate this Lease. Either party electing to so terminate this Lease must exercise its right to terminate the Lease by giving notice to the other party 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 the electing party has notified the other party 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 the electing party has designated. If neither party elects to terminate this Lease within thirty (30) days after the Determination Date, all provisions of this Lease shall remain in effect, except that Base Rent and Operating Expenses Rent shall be equitably abated.

21.4. Restoration

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

21.5. 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.

21.6. 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.

**22. INDEMNIFICATION**

22.1. Tenant's Indemnity

Tenant shall indemnify, defend and hold Landlord harmless from and against all loss, liability, cost and expense, including attorneys' fees, arising from the use and occupancy of the Premises, Building or Common Areas by Tenant, or its officers, contractors, licensees, agents, employees, guests or visitors, or from Tenant's breach or default under this Lease. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties to the extent caused by the negligence or willful misconduct of Landlord, or its officers, contractors licensees, agents, employees or invitees. Nothing in this Lease shall be construed to waive, limit, or supersede any of Tenant's rights or immunities under the California Labor Code, including but not limited to a waiver pursuant to Labor Code section 3864.

22.2. Landlord's Indemnity

Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, liability, cost and expense, including attorneys' fees, arising from the active negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests or visitors, or from Landlord's breach or

default under this Lease. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties to the extent caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

**23. INSURANCE**

**23.1. Landlord's Insurance**

During the Term of this Lease, Landlord shall maintain the following insurance:

- a. Commercial property insurance which shall:
  - (i) cover damage to Landlord's property, including improvements and betterments, from perils covered by a special form all risk or a special causes of loss form (Accord 24 or its equivalent), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates), and
  - (ii) be written for full replacement cost of the property, with a deductible of no greater than five percent (5%) of the property value.

Insurance proceeds shall be payable to Landlord and subject to Section 12 above, shall be utilized for repair and restoration of the Premises.

- b. General liability insurance (written on an Accord form 25 or its equivalent) with limits of not less than the following:
  - (i) per occurrence and general aggregate amount of \$5,000,000;
  - (ii) products/completed operations aggregate of \$2,000,000; and
  - (iii) personal and advertising injury of \$1,000,000.
- c. Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or subject to Section 12 above, to use any insurance proceeds to repair and restore the Premises after written notice from Tenant and the expiration of a reasonable opportunity for Landlord's cure shall constitute a breach of this Lease.

**23.2. Insurance Requirements**

All insurance policies required to be maintained by Landlord or Tenant under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All liability and property damage and other casualty policies of Landlord shall be

written as primary policies, not contributing with, and not in excess of coverage which Tenant may carry.

23.3. Certificates

Landlord shall deliver to Tenant on the Commencement Date of this Lease and thereafter upon written request of Tenant (but in no event more than once per calendar year), certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates shall include the address of the Premises and must document that each party has named the other as an additional insured (or its equivalent) on its general liability policy. Further, all certificates shall expressly provide that no less than 30 days' prior written notice shall be given to Tenant in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

23.4. Waiver of Subrogation

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

23.5. Tenant Insurance

During the Term of this Lease, Tenant shall maintain the following insurance (provided that the original Tenant hereunder shall be entitled to self-insure for such coverages, and any self-insurance shall be deemed to contain all of the terms and conditions applicable to such insurance as required in this Section 23, including, without limitation, a full waiver of subrogation. If the original Tenant hereunder elects to so self-insure, then with respect to any claims which may result from incidents occurring during the Term such self-insurance obligation shall survive the expiration or earlier termination of the Lease to the same extent as the insurance required would survive):

- a. Commercial property insurance covering all furniture and furnishings in the Premises, and all modular furniture installed in the Premises.
- b. General liability insurance (written on an Accord form 25 or its equivalent) with limits of not less than the following:
  - (i) per occurrence and general aggregate amount of \$5,000,000;
  - (ii) products/completed operations aggregate of \$2,000,000; and
  - (iii) personal and advertising injury of \$1,000,000.

- c. Failure by Tenant to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease (subject to the original Tenant's right to self-insure) shall constitute a breach of this Lease.
- d. The provisions of Sections 23.2, 23.3 and 23.4 above shall apply with respect to Tenant's insurance obligations hereunder.

## 24. PARKING

### 24.1. Tenant's Rights

Tenant shall have the right to the number of exclusive reserved parking stalls set forth in Section 1 without charge for the Term of this Lease. No tandem parking shall be permitted and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants of the Building. Tenant acknowledges that all other parking spaces in the parking area for the Building 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.

### 24.2. Remedies

Landlord acknowledges that it is a material term of this Lease that Tenant receive all of the parking spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the parking spaces required above are not available to Tenant (in addition to the rights given to Tenant under Section 18 and Sections 12 and 21 in the event of casualty or condemnation) then Tenant shall have one of these remedies, available in the following priority, upon thirty (30) days' written notice to Landlord:

- (i) Landlord shall provide Tenant an alternative parking space in the parking lot of Landlord's commercial office property located adjacent to the Building at 12801 Crossroads Parkway;
- (ii) If such alternative parking spaces are not available in accordance with subsection 24.2(i), Landlord shall provide Tenant other reasonably comparable parking spaces with shuttle bus service from parking spaces that are located more than one-quarter (1/4) mile away from the Premises; or
- (iii) If neither remedy in subsection 24.2(i) or 24.2(ii) is available, then Landlord will reduce the monthly Base Rent thereafter accruing by an amount equal to Seventy-Five and 00/100 Dollars (\$75.00) per unavailable parking space.

## 25. ENVIRONMENTAL MATTERS

### 25.1. Hazardous Materials

Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants to cause or permit, any Hazardous Materials (defined below) to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed of 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 (defined below). 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.

### 25.2. Landlord Indemnity

Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials other than caused by Tenant. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Each party shall promptly deliver to the other party 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.

25.3 Methane Gas Detection System

As Crossroads Business Park (of which the Building is a part) is located near a landfill, Landlord has previously installed a passive methane barrier system (the "Methane Gas Detection System"). Landlord (including its successors and assigns, but excluding and lender of financial institution) shall maintain and operate the Methane Gas Detection System in accordance with industry standards.

26. ESTOPPEL CERTIFICATES

Tenant shall, within 30 business days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Document II in the Supplemental Lease Documents delivered to Landlord concurrently herewith (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

27. TENANT IMPROVEMENTS

Landlord, at its sole cost and expense, agrees to commence the "Tenant Improvements" as shown on Exhibit F to be constructed at the Premises and to begin within thirty (30) days from the Commencement Date, and to be completed within one hundred twenty (120) days thereafter to the reasonable satisfaction of the Tenant. Should Landlord fail to comply with the completion of the Tenant Improvements within such one hundred twenty (120) days, then Tenant's Self-Help Remedy shall apply.

28. 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. Each party hereby indemnifies, defends and holds the other party harmless from any liability or loss (including reasonable attorneys' fees and costs) from any such lien it causes or allows to attach to its interest in this Lease or the Premises.

29. SUBORDINATION AND MORTGAGES

29.1. 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 or the

Property; provided however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently herewith and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included herein.

29.2. Existing Deeds of Trust

The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently herewith within 30 days after the execution of this Lease.

29.3. Request for Notice

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

29.4. Notice of Default

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

**30. 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 trade 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).

**31. SIGNAGE**

Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances.

**32. QUIET ENJOYMENT**

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

**33. GENERAL**

33.1. 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.

33.2. 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 permitted assigns.

33.3. 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 Majestic Realty Co. representing Landlord, as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense (including reasonable attorneys' fees and costs) 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.

33.4. Entire Agreement

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

33.5. 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.

33.6. Notices

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

33.7. Governing Law and Forum

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.

33.8. 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.

33.9. Time of Essence

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

33.10. Consent

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

33.11. Community Business Enterprises

Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Document III in the Supplemental Lease Documents delivered to Landlord concurrently herewith.

33.12. Memorandum of Lease

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

33.13. Landlord Exculpation

The liability of Landlord, its partners, subpartners, and their respective officers, agents, servants, employees, and independent contractors (the "Landlord Parties") to Tenant for any default by Landlord under this Lease or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Property, the Building, or the Premises shall be limited solely and exclusively to an amount which is equal to the lesser of (a) the interest of Landlord in the Building or (b) the equity interest Landlord would have in the Building if the Building were encumbered by third-party debt in an amount equal to eighty percent (80%) of the value of the Building (as such value is determined by Landlord), provided that in no event shall such liability extend to any sales or insurance proceeds received by Landlord or the Landlord Parties in connection with the Property, Building or Premises. Neither Landlord, nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. The limitations of liability contained in this Section 33.14 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of Landlord (if Landlord is a partnership), or trustee or beneficiary (if Landlord or any partner of Landlord is a trust), have any liability for the performance of Landlord's obligations under this Lease. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

33.14. Force Majeure

Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, acts of war, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to rent and other charges to be paid by Tenant pursuant to this Lease (collectively, a "Force Majeure"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such

prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

33.15. Waiver of Redemption by Tenant

Tenant hereby waives, for Tenant and for all those claiming under Tenant, any and all rights now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

33.16. Independent Covenants

This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the rent or other amounts owing hereunder against Landlord, except as expressly set forth in this Lease.

34. **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 Officer of the County or its delegatee (the "Chief Executive Officer") 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.

**35. ACKNOWLEDGEMENT BY LANDLORD**

Landlord acknowledges that it is aware of the following provisions:

35.1. 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.

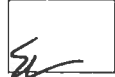
35.2. Solicitation of Consideration

It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the Landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the Lease or that landlord's failure to provide such consideration may negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the Lease.


Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County Manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the Landlord's submission being eliminated from consideration.

35.3. 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), and Landlord may execute any and all instruments providing for the payment of rent directly to an assignee or transferee. Tenant agrees that in the event of any such assignment or transfer, Landlord shall automatically be released from all liability under this Lease and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer and such transferee shall be deemed to have fully assumed and be liable for all obligations of this Lease to be performed by Landlord, and Tenant shall attorn to such transferee.

	
Initials	

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

	
Initials	



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.

**36. IRREVOCABLE OFFER**

In consideration for the time and expense that Tenant will invest, including, but not limited to, preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County 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.

<i>a</i>	
----------	--

Initials

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

LANDLORD:

RR&C DEVELOPMENT COMPANY,  
a California general partnership

BY: [Signature]  
EDWARD P. ROSKI, JR., Trustee of the  
Roski Community Property Trust dated  
November 1, 1987, as amended

BY: CURCI INVESTMENTS, LLC,  
a California limited liability company

By: [Signature]  
Its: Thomas H. Purcell  
Chairman

By: [Signature]  
Its: Michael T. Curci  
President



TENANT:

COUNTY OF LOS ANGELES,  
a body politic and corporate

[Signature]  
HILDA L. SOLIS  
Chair, Board of Supervisors

ATTEST:

PATRICK OGAWA  
Acting Executive Officer-Clerk  
of the Board of Supervisors



I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.

PATRICK OGAWA  
Acting Executive Officer  
Clerk of the Board of Supervisors

By: [Signature]  
Deputy

By: [Signature]  
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM  
County Counsel

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

By: [Signature]  
Deputy

11 FEB 16 2016

[Signature]  
PATRICK OGAWA  
ACTING EXECUTIVE OFFICER

[Signature]  
Initials

63808 Supplement No. 2

**EXHIBIT A**

FLOOR PLAN OF PREMISES

Floor Plan on file and incorporated herein.

**EXHIBIT B**

LEGAL DESCRIPTION OF PROPERTY

**Assessor Parcel Number (APN): 8125-059-013**

Lot 3 in the City of Industry, County of Los Angeles, State of California, as shown on Parcel Map No. 225, filed in Book 175, Page(s) 89 and 90 of Parcel Maps, in the office of the County Recorder of said County.

**EXHIBIT C**

COMMENCEMENT DATE MEMORANDUM  
AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain lease ("Lease") dated \_\_\_\_\_, 201\_\_\_\_, between County of Los Angeles, a body politic and corporate ("Tenant"), and RR&C Development Company ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 12860 Crossroads Parkway South, City of Industry, Ca. 91746 ("Premises"),

Landlord and Tenant hereby acknowledge as follow:

- 1) Tenant has accepted possession of the Premises under the Lease as of the "Commencement Date" (defined below) and now occupies the same;
- 2) The Lease commenced on \_\_\_\_\_ ("Commencement Date"), and the Termination Date of the Lease is \_\_\_\_\_;
- 3) The Premises contain 55,000 rentable/gross square feet of space; and

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

- 1) Base Rent is \$ \_\_\_\_\_ per month as of the date hereof;
  - 2) The Base Index Month is \_\_\_\_\_.
  - 3) The Base Index is \_\_\_\_\_.
  - 4) The New Index Month is \_\_\_\_\_.
- 2) Operating Expense Rent is \$ \_\_\_\_\_ per month as of the date hereof.

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

<p>Tenant:</p> <p>COUNTY OF LOS ANGELES, a body politic and corporate</p> <p>By: _____ Name _____ Its _____</p>	<p>Landlord:</p> <p>_____</p> <p>a _____</p> <p>By: _____ Name _____ Its _____</p>
---	--

## 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 8a.m. to 5p.m.
  
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. 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.
- B. 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. (TBD).
- 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:
  - i. heavy traffic areas as defined by Tenant as needed with a minimum frequency of monthly [twelve (12) times per year];
  - ii. moderate traffic areas cleaned as needed with a minimum of once every six (6) months [two (2) times per year]; and
  - iii. clean light traffic areas a minimum of once per year.

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

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



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**

**TENANT IMPROVEMENTS**

<b>Main Building - 12860 Crossroads Parkway South (E3)</b>	
<b>Location</b>	<b>Item</b>
ADA	Complete ADA Access requirements per sheet from County
Corridor	Touch up paint in hallways and common areas (Paint entire wall if needed)
Elevator	Interior Elevator Cabs - Install New wood look vinyl flooring
Elevator	Rescue -vators for elevators - bids from Amtech
Elevator	Interior and Exterior Elevator cabs - metal maintenance/scratch removal
General	Refinish/Touch up wood doors through out - Stoddards (includes stairwell touchup too)
General	Monthly carpet cleaning in high traffic areas. Monthly spot carpet cleaning. Yearly carpet cleaning.
General	Install New carpet in lobby and 1st floor corridor (near conference rooms)
General	Add LVT - (wood look vinyl) in near northwest employee only entrance
General	Paint ceiling grid and replace ceiling tiles 1st floor corridor
General	Instll three stop signs and "5 MPH" speed limit signs.
General	Blinds - Repair or Replace mini-blinds as needed
General	Replace all windows with condensate issues - High Rise Windows
General	Entry - acid wash
General	Implement portal or website in order to submit service request and collect data (e.g., completion dates)
General	Once lease is signed and approved, carpet cleaning for entire building.
Kitchens	Replace kitchen cabinets and countertops in 1st floor lunchroom and 2nd floor Executive lunchroom
Kitchens	1st and 2nd floor kitchens- new sink, faucet, disposal, hot water spicket
Kitchens	Install a stove & stove vent in 1st floor lunchroom
Kitchens	Replace all VCT in kitchens and break room areas with the tile used in the main building 1st floor kitchen
Kitchens	Paint all walls, ceiling grid, change ceiling tiles in first floor break room
Restrooms	New mirrors in bathroom
Restrooms	New bathroom faucets throughout (w/battery powered auto sensor)
Restrooms	New drain caps in all bathroom sinks
Restrooms	New combo towel/trash receptacle
Restrooms	New surface mount towel cabinets
Restrooms	New soap dispensers
Restrooms	Install Sink-top towel holders in bathrooms with vanaites that have more than 3 sinks.
Restrooms	Additional 1/2 round trash cans
Restrooms	Replace any missing hooks in stalls
Restrooms	Metered or gel air freshener dispensers
Restrooms	Toilet tissue dispenser - replacements as needed
Restrooms	Seat cover dispenser - replacements as needed
Restrooms	Restrooms - clean floor and wall tile and grout, seal grout
Restrooms	Corian countertops - strip, clean, hone, seal, finish polish
Restrooms	Marble thresholds - strip, clean, hone, seal, finish polish

\*All replacement Tenant Improvements set forth in this Exhibit F shall be substantially similar in all respects to the original improvements they are replacing.

**SUPPLEMENTAL LEASE DOCUMENTS**

**For**

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

**DEPARTMENT: PUBLIC SOCIAL SERVICES**

**TENANT: COUNTY OF LOS ANGELES**

**LANDLORD: RR&C DEVELOPMENT COMPANY**

**12860 Crossroads Parkway South, City of Industry, CA. 91746**

\*\*\*\*\*

Document I - Subordination, Non-disturbance and Attornment Agreement

Document II - Tenant Estoppel Certificate

Document III - Community Business Enterprises Form

Document IV - Memorandum of Lease

Document V - Request for Notice



## 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, such provisions shall not be affected or diminished by any such subordination, which is conditioned upon the nondisturbance agreement of Borrower and Lender in Section 3 of this Agreement.

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

3. Nondisturbance. So long as Tenant is not in default, beyond the applicable notice and cure periods, under the Lease, the Transfer of the Property or any enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby, or deprive Tenant of any other property rights granted pursuant to the Lease.

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

5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; 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; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; 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 unless the amendment or modification shall have been approved in writing by the Lender.

6. Notices. Tenant shall give Lender notice of Borrower's default under the Lease and an opportunity to cure as provided for in Section 29.4 of the Lease. 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  
222 South Hill Street, 3rd 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 and construed in accordance with the internal laws of the State of California without regard to the choice of law rules of that State. Any litigation with respect to this Agreement shall be conducted in the County of Los Angeles, State of California.

**DOCUMENT I**

1. TENANT:  
a body politic and corporate
2. APPROVED AS TO FORM
- 3.
4. County Counsel
- 5.

COUNTY OF LOS ANGELES,

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

By: \_\_\_\_\_  
Christopher M. Montana  
Director of Real Estate

BORROWER: [*Insert name of Landlord*]

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

LENDER: [*Insert name of Landlord*]

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

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

## EXHIBIT A

### LEGAL DESCRIPTION OF PROPERTY

**Assessor Parcel Number (APN): 8125-059-013**

Lot 3 in the City of Industry, County of Los Angeles, State of California, as shown on Parcel Map No. 225, filed in Book 175, Page(s) 89 and 90 of Parcel Maps, in the office of the County Recorder of said County.



**DOCUMENT II**

**TENANT ESTOPPEL CERTIFICATE**

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

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

County of Los Angeles (“Tenant”) hereby certifies that as of the date hereof:

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

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

(b) The current Rent is set forth above.

(c) The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Except as specified in the Lease, Tenant has no option or right to renew, extend or cancel the Lease.

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

(e) Tenant has no option or preferential right to purchase all or any part of the Premises (or the land of which the Premises are a part).

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

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

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

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

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

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

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

COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
Christopher M. Montana  
Director of Real Estate

APPROVED AS TO FORM

County Counsel

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

**DOCUMENT III**

**COMMUNITY BUSINESS ENTERPRISES 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. On final analysis and consideration of lease will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR Section 23.5.

I. MINORITY/WOMEN PARTICIPATION IN FIRM (Partners, Associates Partners, Managers, Staff, etc.)

FIRM:            NAME  
  
                      ADDRESS  
  
                      CONTACT                            TELEPHONE NO.

TOTAL NUMBER OF EMPLOYEES IN FIRM: \_\_\_\_\_  
   OWNERS/PARTNERS            MANAGERS            STAFF  
   ASSOCIATE PARTNERS

Black/African American	_____	_____	_____
Hispanic/Latin America	_____	_____	_____
Asian American	_____	_____	_____
Portuguese American	_____	_____	_____
American Indian/ Alaskan Native	_____	_____	_____
All Others	_____	_____	_____
Women (Should be included in counts above <u>and</u> also reported here separately)	_____	_____	_____

II.      PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

TYPE OF BUSINESS STRUCTURE: \_\_\_\_\_  
   \_\_\_\_\_ (Corporation, Partnership, Sole Proprietorship, etc.)

TOTAL NUMBER OF OWNERSHIP/PARTNERS, ETC.: \_\_\_\_\_

PERCENTAGE OF OWNERSHIP

Black/African American \_\_\_\_\_  
Hispanic/Latin American \_\_\_\_\_  
Asian American \_\_\_\_\_  
Portuguese American \_\_\_\_\_  
American Indian/ \_\_\_\_\_  
Alaskan Native \_\_\_\_\_  
All Others \_\_\_\_\_  
Women \_\_\_\_\_  
(Should be included in counts  
above and also reported  
here separately)

III. CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

IS YOUR FIRM CURRENTLY CERTIFIED AS A MINORITY OWNED BUSINESS FIRM BY THE:

State of California?	Yes	No
City of Los Angeles?	Yes	No
Federal Government?	Yes	No

IV. FIRM'S DESIRE NOT TO RESPOND TO INFORMATION

WE DO NOT WISH TO PROVIDE THE INFORMATION REQUIRED IN THIS FORM.

Firm Name:

Signed:

Date:

Title:

DOCUMENT IV

**MEMORANDUM OF LEASE**

**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  
Attention: Director of Real Estate

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

---

**MEMORANDUM OF LEASE**

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

[Tenant has the option to extend the term of the Lease for two periods of \_\_\_\_\_ ( ) year each, subject to the terms and conditions of the Lease.]

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

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

LANDLORD:

TENANT:

\_\_\_\_\_

\_\_\_\_\_

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

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

**DOCUMENT V**

**REQUEST FOR NOTICE**

**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  
Attention: Director of Real Estate

---

**REQUEST FOR NOTICE**

**(UNDER SECTION 2924B CIVIL CODE)**

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

Date of Recording of Deed of Trust

Instrument Number of Deed of Trust

Trustor

Trustee

Beneficiary

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

"LENDER:

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
SIGNEE'S NAME

Its: SIGNEE'S TITLE

(ALL SIGNATURES MUST BE ACKNOWLEDGED)



COUNTY OF \_\_\_\_\_ ss.

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_  
a Notary Public in and for the State of California, personally appeared \_\_\_\_\_  
\_\_\_\_\_ personally known to me (or proved 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

Signature \_\_\_\_\_

My commission expires \_\_\_\_\_.