



WILLIAM T FUJIOKA  
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"*

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May 21, 2013

**REVISED**

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

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

18 May 21, 2013

Dear Supervisors:

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

**SEVEN-YEAR LEASE  
COUNTY COUNSEL AND REGISTRAR-RECORDER/COUNTY CLERK  
44509 16th STREET, LANCASTER  
(FIFTH DISTRICT)  
(3 VOTES)**

**SUBJECT**

This recommendation is for a new seven-year lease for 4,367 rentable square feet of office space and 30 parking spaces for County Counsel and the Registrar-Recorder/County Clerk.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Consider the Negative Declaration together with the fact that no comments were received during the public review process, find that the project will not have a significant effect on the environment, find that the Negative Declaration reflects the independent judgment of the County of Los Angeles to approve the Negative Declaration, find that the project will have no adverse effect on wildlife resources, and ~~authorize the Chief Executive Office to complete and file a Certificate of Fee-Exemption for the project.~~ adopt the Negative Declaration.
2. Approve and instruct the Chairman to sign the seven-year lease with 16th Street Builders, LLC (Landlord), for the occupancy of 4,367 rentable square feet of office space and 30 parking spaces for use by County Counsel and the Registrar-Recorder/County Clerk, at 44509 16th Street, Lancaster, for a maximum first year rental amount of \$ 350,855, which includes an initial annual rent of \$101,140, plus a maximum first year payment of approximately \$249,715 lump sum payment for additional tenant improvements and change order allowance. The rental cost is approximately 100 percent revenue funded for both County Counsel and the Registrar-Recorder/County Clerk.

3. Authorize the Landlord and/or Director of Internal Services, at the discretion of the Chief Executive Officer, to acquire telephone systems for County Counsel and the Registrar-Recorder/County Clerk at a cost of approximately \$250,000. All of the telephone, data, and low voltage systems will be paid in lump sum.

4. Authorize the Chief Executive Officer, County Counsel, the Directors of Registrar-Recorder/County Clerk and Internal Services to implement the project. The lease terms and rent will commence upon completion of the improvements by the Landlord and acceptance of the improvements by the County of Los Angeles.

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

The Monterey Park Dependency Court (Court) has closed Department 406 at the Edelman Court in Monterey Park. In order to hear a growing number of dependency cases in the Antelope Valley, the Court is opening Dependency Courtroom 426 at the McCourtney Courthouse campus in Lancaster. County Counsel will be relocating staff from the Edelman Court to the McCourtney Court to support the growing dependency caseloads. County Counsel currently provides a direct revenue funded program servicing dependency clients in the Antelope Valley area. Three attorneys and two support staff will be housed in approximately 2,141 rentable square feet of office space at the proposed 16th Street office in Lancaster. The proposed leased space is needed because there is insufficient space at the McCourtney Courthouse campus to house the five County Counsel staff that will be assigned to process dependency cases in Courtroom 426.

The Registrar-Recorder/County Clerk (RR/CC) has requested new space in the Antelope Valley to relocate its district office from the existing location at 1028 W. Avenue J2, Lancaster. Approximately 2,226 square feet of office space has been identified to house the program in a more efficient and improved office environment.

The RR/CC Antelope district office is currently housed in a County-owned modular trailer situated in a County parking lot at the McCourtney Courthouse campus in Lancaster. The district office provides similar services that are offered at RR/CC headquarters in Norwalk and the nearest district office is Van Nuys, which is 60 miles from the proposed Lancaster location. The RR/CC district office provides/issues copies of birth, death, and marriage records, marriage licenses and marriage ceremonies, recording of real property documents, fictitious business name statement filings, domestic partnership registration, voter abstracts, and campaign filing documents. The proposed lease for a new district office space will greatly assist the RR/CC in improving the delivery of services to the constituents residing in the Antelope Valley area.

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

The Countywide Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we maximize the effectiveness of the County's operations to support the timely delivery of customer-oriented and effective public services. Approval of this lease will provide the occupancy of administrative support staff servicing customers in the northern part of the County. The lease is in conformance with the Asset Management principles as outlined in Attachment A.

### **FISCAL IMPACT/FINANCING**

The annual base lease cost for the proposed facility will initially be \$45,556 for County Counsel and \$55,584 for RR/CC. The 16th Street Builders, LLC (Landlord) will also provide \$131,010 for Tenant

Improvements (TI) at their sole cost included in the rental rate and a maximum of approximately \$249,725 for additional TI and change order allowance for construction thereof. Attachment B is an overview of the new lease.

The lease requires the County to reimburse the Landlord in a lump sum for the additional TI and change order allowance including all or part of the telephone, data, and low voltage systems if provided by Landlord within 30 days after acceptance of the premises by the County or amortize additional TI and change order allowances over a term of 60 months at 7 percent.

The monthly rent under the lease will be a \$1.93 per square foot modified full-service which will be adjusted annually at a minimum of 2 percent to a maximum of 4 percent of the prior year's base rent.

The total estimated cost for the telephone, data, and low voltage systems is not to exceed \$250,000. The purchase includes a current telephone system that is upgradeable to the current Voice over Internet Protocol and data network systems that are sufficiently robust to allow for future voice, data, and video convergence. Should the Landlord be able to provide the aforementioned work at a cost at or below the County's cost, the recommendation herein allows for the payment of these costs to the Landlord, or at the discretion of the Chief Executive Office (CEO), all or part of these costs may be paid to the Landlord on a lump sum basis.

All TI, telecommunication/data and low voltage systems, and rent expenses will be paid proportionately from County Counsel's operating budget. Funding is projected to be sufficient to fund the initial three years of the seven-year lease. In the event funding is not identified for the final four years of the seven-year lease term, the County may cancel Premises 1, which is 2,141 rentable square feet in the lease, upon 180 days notice to the Landlord. Additionally, all TI, telecommunication/data and low voltage systems, and rent expenses will be paid proportionately from RR/CC's operating budget.

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

The proposed lease provides 4,367 rentable square feet of office space and 30 parking spaces. The lease contains the following provisions:

- The seven-year term of the lease begins 15 days after completion of improvements by the Landlord and acceptance of the improvements by the County.
- The monthly base rent is \$8,428 (\$3,796 for County Counsel and \$4,632 for RR/CC) or \$1.93 per rentable square foot.
- TI and change order allowance totaling \$249,715 in reimbursable TI funds is available. Any amount utilized for TI will be paid back to the Landlord in a lump sum payment within 30 days of acceptance of the improvements by the County or amortize over a term of 60 months at 7 percent or \$4,945 monthly.
- The Landlord will provide 30 parking spaces included in the rental rate which are sufficient to meet the parking needs of the department and patrons.
- The lease is on a modified full-service basis whereby the Landlord will be responsible for all structural and exterior and interior maintenance costs. The County must pay for its metered electricity consumption.

- A cancellation provision is provided in the lease which allows the County to cancel Premises 1, which is 2,141 rentable square feet, at or any time after the 36th month and Premises 2, which is 2,226 rentable square feet, at or any time after the 60th month, both with 180 days prior written notice.
- The County has two five-year options to renew the lease.

CEO-Real Estate staff surveyed the North Regional area to determine the market rate of comparable sites. Based upon said survey, staff has established that the base rental range including parking for similar property is between \$23 and \$26 per square foot per year modified full-service. Thus, the base annual rent of \$23.16 per square foot for the base lease cost is within market rate for this area. Attachment C shows County-owned and leased facilities within the search area for these programs and none are available to house these programs.

The Department of Public Works was not required to inspect this facility as it was built in 2011 and meets current standards for the County's occupancy.

It is not feasible to construct a child care center in the proposed leased premises. However, there are several private child care centers available within a one-mile radius of the subject location.

Notices have been sent to the City of Lancaster (City) pursuant to Government Code Sections 65402 and 25352. The City has not objected to the proposed lease.

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

The proposed lease will provide the necessary space to establish administrative office space and parking for support personnel in addition to space to accommodate the RR/CC district office. County Counsel and RR/CC concur with this recommendation.

### **CONCLUSION**

It is requested that the Executive Officer, 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 at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

The Honorable Board of Supervisors

5/21/2013

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Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. T. Fujioka', with a long horizontal line extending to the right.

WILLIAM T FUJIOKA

Chief Executive Officer

WTF:RLR:CMM

CEM:TS:ls

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Registrar Recorder/ County Clerk  
Internal Services

**COUNTY COUNSEL and REGISTRAR RECORDER/ COUNTY CLERK  
44509 16<sup>th</sup> STREET, LANCASTER**

**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>This guideline is for office space use and a resource center which requires a large area than for public use and flow.</b>		X	
2.	<u>Capital</u>			
A	Is it a substantial net County cost program? <b>100 percent net County cost for County Counsel and approximately 100% revenue funded for RR/CC.</b>	X		
B	Is this a long term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Attachment B?	X		
G	Was build-to-suit or capital project considered? <b>Construction of a new space in North Region area is not feasible at present time due to cost constraints.</b>		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?			X
	1. ____ The program clientele requires a "stand alone" facility.			
	2. ____ No suitable County occupied properties in project area.			
	3. ____ No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. ____ The Program is being co-located.			
E	Is lease a full service lease? <sup>2</sup> <b>No, County pays for its metered electricity consumption, Landlord was unwilling to offer these services in the Lease.</b>		X	
F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval? <b>Building built in 2011, meets current standards.</b>		X	
	<sup>1</sup> As approved by the Board of Supervisors 11/17/98			
	<sup>2</sup> If not, why not?			

**Attachment B**

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

<b>44507 16<sup>th</sup> Street, Lancaster</b>	<b>PROPOSED SEVEN-YEAR LEASE</b>
Area (Square feet)	4,367
Term	Seven years (Commencing 15 days after acceptance of space by County)
Annual Base Rent	\$101,136 (Premises 1 = \$49,584; Premises 2 = \$51,552)
TI, Change Orders	\$249,715 (funds for TI construction will be repaid via lump sum by the County within 30 days of acceptance by the County)
Maximum 1 <sup>st</sup> Year Rent	\$350,851,297*
Parking Included in Rent	30 parking spaces
Cancellation	Any time after the 36 <sup>th</sup> month for Premises 1 and any time after the 60 <sup>th</sup> month for Premises 2, both with on 180 day's written notice.
Option to Renew	Two five-year options to renew the lease
Rental Adjustment	Base rent adjusted annually based on CPI at a minimum of 2 percent to a maximum of 4 percent of the prior year's base rent

\* This includes annual base rent of \$101,136 and one time reimbursement, in lump sum payment, of TI, and change order allowances which could total \$249,715. Additionally, the County pays directly for the cost of its electrical consumption within the Premises.

## Attachment C

### SPACE SEARCH – WITHIN ANTELOPE VALLY AREA COUNTY COUNSEL and REGISTRAR RECORDER/COUNTY CLERK

Laco	Name	Address	Gross SQFT	Net SQFT	Ownership	SQFT Available
A623	LANCASTER DCFS REGIONAL OFFICE	1150 W AVENUE J, LANCASTER 93534	18,410	18,410	LEASED	NONE
A294	LANCASTER COURTHOUSE- JURY ASSEMBLY ROOM	1040 W AVENUE J, LANCASTER 93534	1,440	1,296	OWNED	NONE
A445	FIRE-LANCASTER FIRE PREVENTION SUBOFFICE	44933 N FERN AVE, LANCASTER 93534	30	30	GRATIS USE	NONE
Y247	DCSS-ANTELOPE VALLEY SENIOR CENTER	777 W JACKMAN ST, LANCASTER 93534	9,424	6,965	OWNED	NONE
Y397	PUBLIC LIBRARY- LANCASTER LIBRARY	601 W LANCASTER BLVD, LANCASTER 93534	48,721	43,850	OWNED	NONE
A623	DCFS - F.I.L.P.	1420 W AVENUE I, LANCASTER 93534	194	184	LEASED	NONE
A297	SHERIFF-LANCASTER ADMINISTRATIVE OFFICE	501 W LANCASTER BLVD, LANCASTER 93534	7,557	6,801	PERMIT	NONE
Y373	PW WWD#04-NORTH ADMINISTRATION BUILDING	419 W AVENUE J, LANCASTER 93534	4,128	3,446	OWNED	NONE
A192	PROBATION- ANTELOPE VALLEY AREA OFFICES	321 E AVENUE K-4, LANCASTER 93535	6,400	6,080	LEASED	NONE
0302	PW-SEWER MAINTENANCE NORTH YARD OFFICE	45712 N DIVISION ST, LANCASTER 93534	864	821	OWNED	NONE
A079	ASSESSOR- LANCASTER REGIONAL OFFICES	251 E AVENUE K-6, LANCASTER 93534	15,338	13,712	LEASED	NONE
A623	DCFS FILP	251 E AVENUE K-6, LANCASTER 93534	2,669	2,357	LEASED	NONE
X495	PW-WATERWORKS NORTH MAINTENANCE AREA HQ BLDG	260 E AVENUE K-8, LANCASTER 93535-4527	13,200	11,155	OWNED	NONE
A343	LANCASTER DCFS REGIONAL OFFICE	300 E avenue K-6	45,000	45,000	Leased	None
X542	PW-WATERWORKS NORTH MAINT AREA OFFICE	260 E AVENUE K-8, LANCASTER 93535-4527	2,000	1,900	OWNED	NONE
A008	ANTELOPE VALLEY SERVICE CENTER-BUILDING B	335 E AVENUE K-6 , LANCASTER 93534	51,000	42,592	LEASED	NONE
A433	ANTELOPE VALLEY SERVICE CENTER-BUILDING A	349 E AVENUE K-6, LANCASTER 93534	51,000	33,932	LEASED	NONE
A642	DPSS-LANCASTER GR/GROW OFFICE	335 E AVENUE K-10, LANCASTER 93535-4539	22,040	20,938	LEASED	NONE
A035	BOARD OF SUP- 5TH DISTRICT FIELD OFFICE	1113 W AVENUE M-4, PALMDALE 93550	1,241	1,164	LEASED	NONE
4122	ANIMAL CONTROL #5- ADMINISTRATION	5210 W AVENUE I, LANCASTER 93536	2,237	788	OWNED	NONE
4586	LANCASTER COURTHOUSE SEVICES BLDG	1110 W AVENUE J, LANCASTER 93534	18,488	12,314	OWNED	12,314



DATE POSTED – March 15, 2013

**NOTICE OF PREPARATION OF NEGATIVE DECLARATION**

This notice is provided as required by the California Environmental quality Act and California Administrative Code Title 14 Division 6, Section 15072 (a) (2) B.

A Negative Declaration has been prepared for this site based on an Initial Study which consists of completion and signing of an Environmental Information Form showing background information as follows:

1. Name of Proponent - County of Los Angeles  
Chief Executive Office
2. Address/Phone No. - 222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  

<u>Agent</u>	<u>Telephone</u>
Thomas Shepos	(213) 974-4364
3. Date Information Form Submitted – February 14, 2013
4. Agency Requiring Information Form - Los Angeles County  
Chief Executive Office  
Real Estate Division
5. Name of Proposal, if Applicable -
6. Address of Facility Involved – 44509 16<sup>th</sup> Street  
Lancaster, CA 93535

**ORIGINAL FILED**

FEB 22 2013

**LOS ANGELES, COUNTY CLERK**

Interested parties may obtain a copy of the Negative Declaration and the completed Environmental Information Form/Initial Study by contacting the Real Property Agent indicated under 2 above and referring to the proposal by name or to the facility by address.

Si necesita informacion en espanol, por favor de comunicarse con Carlos Marquez, para asistencia en obtener una traduccion al numero (213) 974-4163.

## NEGATIVE DECLARATION

Department Name: Children and Family Services  
Project: Kinship Resource

Pursuant to Section 15072, California Environmental Quality Act and California Administrative Code Title 14, Division 6

1. Description of Project

The leasing of existing office space in an existing commercial building to be used by the County of Los Angeles, Department of Public Social Services as an administrative office.

2. a. Location of Project (plot plan attached)

44507 16<sup>th</sup> Street  
Lancaster, CA 93535

b. Name of Project Proponent

County of Los Angeles  
Chief Executive Office  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, CA 90012

3. Finding for Negative Declaration

It has been determined that this project will not have a significant effect on the environment based on information shown in the attached Environmental Information Form dated February 14, 2013 which constitutes the Initial Study of this project.

4. Initial Study

An Initial Study leading to this Negative Declaration has been prepared by the Chief Executive Office and is attached hereto.

5. Mitigation Measures Included in Project

None required.

Date  
February 14, 2013

Real Property Agent  
Thomas Shepos

Telephone  
(213) 974-4364

**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE**

**SEVEN-YEAR LEASE**

**NEGATIVE DECLARATION**

I. Location and Description of the Project

The proposed project is for the County of Los Angeles to lease facilities at 44507 16<sup>th</sup> Street, Lancaster, California, which will be used by the Departments of Children and Family Services and County Counsel for carrying out its general administrative functions. The facility, located in the Fifth Supervisorial District approximately 74 miles from the Los Angeles Civic Center, includes 6,273 square feet of office space in a complex made up of eight separate buildings, four (4) buildings 6, 273 square feet each, and four (4) buildings 4,443 square feet each. The Department shall have use of 30 off-street parking spaces for staff and available parking for visitors. The Landlord has no expansion plans beyond the scope of this project.

II. Finding of No Significant Effect

Based on the attached initial study, it has been determined that the project will not have a significant effect on the environment.

III. Mitigation Measures

None required.

## INITIAL STUDY

### I. Location and Description of Project

These proposed leased premises are located at 44507 16<sup>th</sup> Street, Lancaster, located in the Fifth Supervisorial District approximately 74 miles northwest of the Los Angeles Civic Center and 4 miles West of the 14 freeway. (See attached map)

The building to be used is owned by 16<sup>th</sup> Street Builders and is intended for use as office space. Located at the site are 30 off-street parking spaces for Children and Family Services' and County Counsel's use and ample public parking located within the on-site parking lot and surrounding area.

This project consists of leasing this facility for seven (7) years in which will be located Department of Children and Family Services' Kinship Resource Center and County Counsel offices. It is anticipated that an average of 35 employees will be occupying the premises with the maximum employee occupancy anticipated to be 35 per day. In addition to the employees, it is anticipated that an average of 20 members of the public per day will be visiting the facility for normal administrative purposes. Interior tenant improvements and furnishings, will be performed for this project.

### II. Compatibility with General Plan

This project site is currently designated as Regional Center Commercial in the City of Lancaster General Plan and zoned commercial. The proposed project would be consistent with these designations.

### III. Environmental Setting

The project site is located in an area of commercial type facilities. The site includes approximately 42,396 square feet of developed property. The site is bordered by 16<sup>th</sup> Street on the North side, and Commercial/Light Industrial space on the East and West sides.

### IV. Identification of Environmental Effects

- A. The impact of the proposed project on existing land forms will be negligible as no reshaping of the soil nor excavation nor foundations, utility lines, sewer lines or water lines is anticipated.
- B. The project will not conflict with adopted environmental plans and goals of the City of Lancaster.

- C. The project will not have a substantial demonstrable negative aesthetic effect on the site. The existing facility will be continued to be maintained as part of the lease arrangement.
- D. No rare or endangered species of animal or plant or the habitat of the species will be affected by the project. Nor will it interfere substantially with the movement of any resident fish or wildlife species or migratory fish or wildlife species.
- E. The project will not breach published national, state or local standards relating to solid waste or litter control.
- F. Development will not substantially degrade water quality, contaminate water supply, substantially degrade or deplete ground water resources, or interfere substantially with ground water recharge.
- G. There are no known archeological sites existing at the project site.
- H. The proposed project will not induce substantial growth or concentration of population.
- I. The project will not cause a substantial increase to existing traffic. Nor will it affect the carrying capacity of the present street system. This is a government use of private property for legal services purposes. The County's use is in conformance with uses approved by the City of Lancaster.
- J. The project will not displace any persons from the site.
- K. The project will not substantially increase the ambient noise levels to adjoining areas. Noise generated by the proposed County use does not exceed that previously experienced in the area when occupied by private tenants.
- L. The proposed developed project will not cause flooding, erosion or siltation.
- M. The project will not expose people or structures to major geologic hazards.
- N. The project will not expend a sewer trunk line. All necessary utilities are available currently to the facility.
- O. No significant increased energy consumption is anticipated by the County's use of the premises as compared to previous uses.

- P. The project will not disrupt or divide the physical arrangement of established community; nor will it conflict with established recreational, educational, religious or scientific uses of the area.
- Q. No public health or safety hazard or potential public health or safety hazard will be created by this project.
- R. The project will not violate any ambient air quality standard, contribute substantially to an existing or projected air quality violation, or expose sensitive receptors to substantial pollutant concentrations.

V. Discussions of Ways to Mitigate Significant Effects

The proposed project is not expected to create any significant effects on the environment. To mitigate any effects upon the surrounding community the following measures will be implemented:

- A. None Required.

VI. Initial Study Preparation

This study was prepared by Thomas Shepos of the Los Angeles County Chief Executive Office, Real Estate Division. This study was completed on February 14, 2013.



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

**TENANT:**

**COUNTY COUNSEL and REGISTRAR RECORDER/COUNTY CLERK**

**LANDLORD:**

**16<sup>th</sup> STREET BUILDERS LLC**

**44509 16<sup>th</sup> Street  
Lancaster, CA 93534**



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COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE  
LEASE AGREEMENT

THIS LEASE AND AGREEMENT (the "Lease"), is made and entered into in duplicate original as of the 21st day of May , 2013 by and between 16<sup>th</sup> STREET BUILDERS LLC ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant").

Landlord and Tenant agree:

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

1.1 General Information

(a) Landlord's Address for Notice: 16<sup>th</sup> Street Builders LLC  
21070 Centre Pointe Parkway  
Santa Clarita, CA 91350

(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

(c) Premises: Approximately 4,367 rentable square feet in the Building (defined below) as shown on Exhibit A attached hereto. Premise 1 is approximately 2,141 rentable square feet of the entire space and is occupied by County Counsel. Premise 2 is approximately 2,226 rentable square feet of the entire space and is occupied by Registrar Recorder/ County Clerk. Premises 1 and Premises 2 are collectively referred to herein as the "Premises."

(d) Building: The building located at 44509 West 16<sup>th</sup> Street,

77948

Lancaster CA 93534 which is currently assessed by the County Assessor as APN 3122-005-68 thru 91 (the "Property").

- (e) Term: Seven (7) years commencing on the Commencement Date (as defined below) and terminating at midnight on the day before the Seventh (7<sup>th</sup>) anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
- (f) Projected Commencement Date: August 1, 2013
- (g) Commencement Date: The earlier of (i) the date Tenant first commences to conduct business in the Premises, or (ii) the date of Substantial Completion of Improvements in the Premises (as that term is defined below), which is anticipated to occur on the Projected Commencement Date or (iii) the date of Tenant's acceptance of the Premises pursuant to a Commencement Date memorandum and Confirmation of lease Terms document signed by both parties.
- (h) Irrevocable Offer Expiration Date: May 21, 2013
- (i) Base Rent: \$8,428.31 per month (which is based upon a rental rate of \$1.93 per rentable square foot), adjustable only as provided in Section 2(b) and 5(a) hereof. Premises 1 base rent is \$4,132.31 per month and Premises 2 base rent is \$4,296.00 per month.
- (j) Early Termination Effective Date: The Early Termination Effective Date for Premises 1 may occur at or after the last day of the thirty-sixth (36<sup>th</sup>) full calendar month of the term. The Early Termination Effective Date for Premises 2 may occur at or after the last day of

the sixtieth (60<sup>th</sup>) full calendar month of the term.

- (k) Early Termination Notice Date: The date which is at least six (6) months prior to the Early Termination Effective Date.
- (l) Use: General office use and for any other lawful purposes not incompatible with other uses in the Complex.
- (m) Initial Departmental Use: Office of the Los Angeles County Counsel and the Los Angeles County Department of Registrar Recorder/County Clerk
- (n) Parking Spaces:
  - Thirty (30) unreserved parking spaces.
  - Nine (9) spaces for Premises 1
  - Twenty one (21) spaces for Premises 2
- (o) Normal Working Hours: 7:00 a.m. to 7:00 p.m., Monday through Friday and 9:00 a.m. to 1:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California.
- (p) Asbestos Report: N/A built 2011

1.2 Defined Terms Relating to Tenant Improvements (TIs)

- (a) Improvement Allowance \$131,010 (i.e., \$30.00 per rentable square foot of the Premises)
- (b) Additional Allowance \$218,350 (i.e., \$50 per rentable square foot of the Premises)
- (c) Maximum Change Order Allowance \$31,365
- (d) Additional Tenant Improvement and Change Order Amortization Rate: Seven (7) Percent
- (e) Tenant's Work Letter Representative Thomas Shepos

(f) Landlord's Work Letter Representative

Randy Wrage

(g) Landlord's Address for Work Letter Notice

16<sup>th</sup> Street Builders LLC  
21070 Centre Pointe Parkway  
Santa Clarita, CA 91350

(h) 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

1.3 Exhibits to Lease:

Exhibit A – Floor Plan  
Exhibit B- Commencement Date Memorandum  
Exhibit C – Exterior Cleaning and Maintenance Schedule  
Exhibit D - Memorandum of Tenant Improvement Costs  
Exhibit E - Tenant Estoppel Certificate  
Exhibit F – Subordination, Non-disturbance and Attornment Agreement  
Exhibit G – Nondisturbance Agreement  
Exhibit H - Request for Notice  
Exhibit I – Community Business Enterprise  
Exhibit J - Landlord's Work Letter

## 2. PREMISES

(a) Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto.

(b) Landlord and Tenant hereby stipulate that the Premises contains the number of square feet specified in Section 1.1(c), above.

3. COMMON AREAS. Tenant may use the following areas (collectively, the "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 Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Areas established by Landlord.

## 4. COMMENCEMENT AND EXPIRATION DATES

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. If Landlord does not deliver possession of the Premises to Tenant on or before the Projected Commencement Date (as set forth in Section 1.1(f), above), Landlord shall not be subject to any liability for its failure to do so, and such failure shall not affect the validity of this Lease nor the obligations of Tenant hereunder. Notwithstanding the foregoing, if the Commencement Date has not occurred on or before either of the following dates, whichever is later; (i) December 1, 2013 or (ii) the date which is two (2) weeks after the Contractor's scheduled Completion Date of construction of the Improvements (as defined in Exhibit "J", attached hereto and incorporated by reference herein) (the "Completion Date"), then, as Tenant's sole and exclusive remedy (except as otherwise provided herein), Tenant shall receive a credit against monthly Base Rent next due under this Lease equal to one (1) day of Monthly Base Rent for each day that occurs during the period commencing as of the Completion Date and ending as of the date Landlord delivers the Premises to Tenant with the Improvements Substantially Complete. Notwithstanding the foregoing, the Completion Date shall be extended one (1) day for each day of Tenant Delay (as defined in Exhibit "J"). After the Completion Date and within 30 days of Landlord and Tenant agreeing upon a Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached herein as Exhibit "B". Under said written agreement, the new Commencement Date shall become the date of Tenant's acceptance of the Premises. The term "Tenant's Acceptance of the Premises" as used in this Lease shall mean the date upon which the Premises are Substantially Complete, Tenant has inspected the Premises and Tenant has accepted the Premises.



The term "Substantially Complete" or "Substantial Completion" as used in this Lease shall mean compliance with all of the following: (1) the shell and core of the Building are complete and in compliance with all applicable laws and codes, and all of the building systems are operational to the extent necessary to service the Premises; (2) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease, including the installation of modular furniture systems, if so required (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises; (3) Landlord has obtained a certificate of occupancy for the Building, or a temporary certificate of occupancy for that portion of the Building that includes all of the Premises, or its equivalent (e.g., final sign-off by City and/or County Fire and Building Inspectors); (4) Tenant has been provided with the number of parking privileges and spaces to which it is entitled under this Lease and (5) if Landlord is responsible for the installation of telecommunication systems, then such systems shall be completely operational.

(b) Termination Right. If the Commencement Date has not occurred within 90 days from the Projected Commencement Date, subject to Tenant Delays or Force Majeure Delays as provided in Landlord's Work Letter, which has been executed concurrently herewith, Tenant may thereafter, at any time before the Commencement Date occurs, terminate this Lease effective upon the giving of written notice to Landlord and the parties shall have no further obligations to one another hereunder.

(c) Early Possession. Tenant shall be entitled to possession of the Premises not less than 30 days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Such early occupancy shall be subject to all provisions hereof but shall not advance the Termination Date, and Tenant shall not pay Base Rent for such early occupancy period.

(d) Early Termination. Tenant shall have the right to terminate this Lease at any time as to either Premises 1 and/or Premise 2 after the Early Termination Notice Date, as defined in Section 1, by giving Landlord not less than six (6) months prior written notice (the "Early Termination Notice") executed by the Chief Executive Officer of Tenant. In the event of such termination, Tenant shall pay the Landlord 1) a termination fee in an amount equal to the sum of the unamortized portion of the Improvement Allowance (as defined in Exhibit "I" attached hereto and incorporated by reference herein) and 2) brokerage commissions paid by Landlord in connection with this Lease amortized at eight percent (8%) per annum, to be paid by Tenant within thirty (30) days after the Early Termination Effective Date.

5. RENT.

(a) The first full calendar month's rent shall be due and payable within 15 days of the Commencement Date in the total amount shown in Section 1(i) hereof. A monthly installment in the same amount, subject to the adjustments described herein below, shall be due and payable without demand on or before the first day of each calendar month succeeding the Commencement Date during the Term, except that Rent for any fractional calendar month at the commencement or end of the Term shall be prorated on a daily basis, provided that Landlord shall file a payment voucher with the Auditor of the County of Los Angeles (the "County") for the monthly Rent prior to the Commencement Date for the initial month(s) of the Term.

(b) From and after the first anniversary of the Commencement Date, on the first full day of the first full calendar month thereafter (the "Adjustment Date") and on every anniversary date of the Adjustment Date thereafter, Base Rent shall be increased by a maximum of four percent (4%) and no less than two percent (2%) over the prior year's Base Rent.

6. 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.

7. HOLDOVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy which is terminable only upon 90 days written notice from Landlord or 90 days written notice from the Chief Executive Officer of Tenant at the last monthly Base Rent payable under this Lease (as such Base Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease. Nothing contained in this Article 7 shall be construed as consent by Landlord to an extension of the Term, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or earlier termination of the Term.

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

## 9. DAMAGE OR DESTRUCTION.

(a) 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 and limited to insurance proceeds, 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 tenable again using standard working methods. The failure to do so shall be a material Default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

(b) Tenant Termination Right. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days for any reason, then 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 shall be abated from the date the Premises became untenable. In the event that Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided insurance proceeds are available to repair the damages.

(c) 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.

(d) 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) perform or cause to be performed the restoration work and deduct the cost thereof, from the Base Rent next due as a charge against the Landlord.

## 10. REPAIRS AND MAINTENANCE.

(a) Landlord Representations. Landlord represents to Tenant that (i) to the best of its actual knowledge, the Premises, the Building and all Common Areas (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) to the best of its actual knowledge, the Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirements; and (iii) the Premises, Building and Common Areas are free of the presence of any Hazardous Materials (as hereinafter defined) and (iv) Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation. Landlord represents, based upon a professional inspection of the Premises and the Building and the Asbestos Report that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Asbestos Report). Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos containing materials to the extent required by law and provide Tenant with an updated report from a licensed California Asbestos contractor to that effect.

(b) Landlord Obligations. 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, concealed electrical systems and telephone intrabuilding network cable (ii) mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building (iii) the Common Areas; (iv) exterior windows of the Building; and (v) elevators serving the Building. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, including Janitorial and supplies (per Exhibit B Janitorial Services )and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to: (1) the floor covering; (2) interior partitions; (3) doors; (4) the interior side of demising walls and (5) signage. Without limiting the foregoing, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Tenant, which consent shall not be unreasonably withheld or delayed, (b) be at least equal in quality, value and utility to the original work or installation, (c) be in accordance with all laws.

(c) Tenant's Right to Repair. If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than 10 days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building, excluding other Premises, to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at 10% per annum. If not reimbursed by Landlord within 10 days, Tenant shall be entitled to deduct from Base Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

#### 11. SERVICES AND UTILITIES.

Landlord shall be responsible for providing the following services and utilities to the Premises, at its sole cost and expense:

(a) 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 in the area in which the Premises is located and not less than the standard set forth in Exhibit D attached hereto.

(b) Janitorial. Landlord shall provide janitorial service on five (5) nights per week generally consistent with that furnished in comparable buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit E attached hereto.

(c) Electricity. Landlord shall furnish to the Premises an amount of electric current not less than 7 watts (connected load) per Rentable Square Foot in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or subpanels necessary for Tenant to utilize such capacity in the Premises.

(d) Elevators. NA

(e) Water. Landlord shall make available water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

(f) Waste Removal. Landlord shall be responsible for waste and trash removal, and sewer.

(g) Access. Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a 7 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.

Notwithstanding the foregoing, Tenant agrees to pay when due all charges for the consumption of the electricity, on the Premises during the term of this Lease or any renewal, extension, or holdover thereof, provided Tenant's electrical consumption is measured by a separate meter measuring only Tenant's electrical consumption. Said meter shall be installed at the sole cost of the Landlord.

12. 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.

### 13. TENANT DEFAULT.

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

(i) the failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten (10) days after written notice to Tenant;

(ii) 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.

(b) Termination. Tenant agrees that if a Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to

terminate this Lease upon the giving of written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law.

(c) No Effect on Indemnity. Nothing in this Section 13 shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

#### 14 LANDLORD DEFAULT.

(a) Remedies. In addition to the provisions for Landlord's default provided by Sections 9(d), 10(c) 19 and 20(b), Landlord shall be in 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 (5) days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10(c)) ; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such five (5) day period, Landlord shall not be deemed to be in default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If said default by Landlord ("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: (i) to remedy such default or breach and deduct the costs thereof (including but not limited to attorneys' fees) plus interest at the rate of ten percent (10%) per annum from the installments of Base Rent next falling due; (ii) to pursue the remedy of specific performance; (iii) to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due; or (iv) to terminate this Lease.

(b) 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.

(c) Emergency. Notwithstanding the foregoing cure period, Tenant may cure any 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.

15. TENANT ASSIGNMENT. Tenant may not assign, or otherwise transfer this Lease without first obtaining Landlord's prior consent: provided, however, no such assignment or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably

withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease.

## 16. ALTERATIONS AND ADDITIONS.

(a) 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: (a) the removal or installation by Tenant (at Tenant's sole cost) of modular furniture in the Premises, or (b) any cosmetic Alteration that satisfies all of the following criteria ("Cosmetic Alterations"): (1) complies with all Laws; (2) is not visible from the exterior of the Premises or Building; (3) will not materially affect the systems or structure of the Building; and (4) does not exceed \$20,000 in any twelve (12) month period; provided, however, Tenant shall deliver to Landlord prior written notice of any such Cosmetic Alterations at least ten (10) days prior. If Landlord fails to respond in writing within 30 days of such request, Landlord shall be deemed to approve the Alterations.

(b) 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.

## 17. CONDEMNATION.

(a) 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.

(b) 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").

(c) Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within 30 days after the date



that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination.

Such termination date shall not be earlier than 30 days nor later than 90 days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within 30 days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated.

(d) 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.

(e) 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.

(f) 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.

## 18. INDEMNIFICATION.

(a) Tenant's Indemnity. Tenant shall indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act or omission or willful misconduct of Tenant or its employees or arising from any breach or default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the 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 the Tenant's rights or immunities under the California Labor Code, including but not limited to a waiver pursuant to section 3864 of the Labor Code.

(b) Landlord's Indemnity. Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees,

arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors or arising from any breach or default under this Lease by Landlord.

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

## 19. INSURANCE.

(a) Landlord's Insurance. During the term of this Lease, Landlord shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), 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 (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value. Landlord shall carry insurance on any furniture and furnishings which will become the property of Tenant at the expiration of the Term and on all modular furniture installed in the Premises. Insurance proceeds shall be payable to Landlord and Tenant as their interests may appear and be utilized for repair and restoration of the Premises.

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (1) per occurrence and general aggregate amount of \$5,000,000; (2) products/completed operations aggregate of \$2,000,000 and (3) personal and advertising injury of \$1,000,000.

(iii) Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or to use any insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Lease.

(b) Insurance Requirements. All insurance policies required to be maintained by Landlord 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.

(c) Certificates. Landlord shall deliver to Tenant on the Commencement Date of this Lease and thereafter at least 15 days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates shall include the address of the

leased premises and must document that Landlord has named Tenant as an additional insured (or its equivalent) on its general liability and property insurance policy, and that Tenant has been named a loss payee on Landlord's commercial property insurance policy, as required.

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.

(d) 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.

## 20. PARKING.

(a) Tenant's Rights. Tenant shall have the right to the number of non-exclusive 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. Tenant acknowledges that all other parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building. Landlord shall use its commercially reasonable efforts to ensure that Tenant will have use of its duly allocated number of parking spaces throughout the Term of this Lease, and Landlord's failure to provide said number of parking spaces for more than seven (7) consecutive calendar days shall constitute a material Landlord Default.

(b) Remedies. Landlord acknowledges that it is a material term of this Lease that Tenant receives all of the Parking Spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the Parking Spaces required above are not available to Tenant, (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation) and such condition continues for a period of 60 days, Tenant may (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective 30 days thereafter, or (b) deduct from the Base Rent thereafter accruing hereunder an amount each month equal to \$50 per parking space.

## 21. ENVIRONMENTAL MATTERS

(a) 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 to be brought upon,

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

As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

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

22. ESTOPPEL CERTIFICATES. Tenant shall, within 30 days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit "E" attached hereto and incorporated herein by this reference, 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.

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

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

## 25. SUBORDINATION AND MORTGAGES

(g) Subordination and Non-Disturbance. Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Exhibit "F" attached hereto and incorporated by this reference, 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.

(h) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Premises shall provide a written non-disturbance agreement to Tenant, in the form of Exhibit "G" attached hereto and incorporated herein by this reference, within 30 days after the execution of this Lease.

(i) 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 Premises in the form of Exhibit "H" attached hereto and incorporated herein by this reference.

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

26. SURRENDER OF POSSESSION. Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its

authority (including any modular furniture), and shall repair all damage caused by any such removal.

27. SIGNAGE. Tenant shall be permitted to install at the Premises building standard suite signage.

28. 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.

## 29. GENERAL

(a) 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.

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

(c) Brokers. Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation.

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

(e) 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 remain in full force and effect.

(f) Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof

of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

(g) 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.

(h) 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.

(i) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

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

(k) Community Business Enterprises Landlord shall complete and deliver to Tenant concurrently with the execution hereof the Community Business Enterprises form set forth as Exhibit "I" attached hereto and incorporated by reference herein.

30. 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 designee (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.

### 31. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

(a) 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.

(b) 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.

#### (c) Landlord Assignment.

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

(ii) 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.

(iii) 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 the 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, Tenant hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with collateralized mortgage backed securities ("CMBS") 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.

(iv) 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 (a) \$500,000 or (b) 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.

(v) 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.

(vi) Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

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

32. TAXES. Landlord shall pay promptly all real property taxes, assessments, and special assessments which may be levied or assessed against the Building or Premises during the term of this Lease or any renewal or holdover period thereof. In the event Landlord fails or refuses to pay any or all taxes or assessments when due, then Landlord shall have materially defaulted on this provision of the Lease and Tenant shall give Landlord at least thirty days' advance written notice of its intent to pay such taxes and/or assessments and deduct the respective payment amount from future rental payments as a charge against the Landlord.

33. OPTION TO EXTEND.

(a) Terms of Options. Provided that no material Default has occurred and is continuing under the Lease at the time an option may be exercised under the Lease, Tenant shall have two (2) options to renew this Lease for an additional period of sixty (60) months each (respectively, the "First Extension Term" and the "Second Extension Term", and collectively, the "Extension Term(s)").

(b) Exercise of Option. Tenant must exercise either of its options to extend this Lease by giving Landlord written notice of its election to do so no later than ninety (90) days prior to the end of the initial Term, or the First Extension Term, as applicable.

(c) Terms and Conditions of Extension Terms. The Extension Terms shall be on all the terms and conditions of this Lease, including the rent stated in (d) below [except that Landlord shall have no additional obligation for free rent, leasehold improvements or any other tenant inducements during the Extension Terms]. 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) Rental Rate during Extension Terms. Tenant shall pay rent during the Extension Terms as follows:

First Extension Term	\$2.05 per Square foot, i.e. \$8,952.35 based on 4,367 rentable square feet.
Second Extension Term	\$2.25 per Square foot, i.e. \$9,825.75 based on 4,367 rentable square feet.

34. 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, if applicable, in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

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

LANDLORD:

16<sup>th</sup> STREET BUILDERS LLC

By: \_\_\_\_\_  
Name: John R. Wray  
Its: Manager  
  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

TENANT:

COUNTY OF LOS ANGELES  
a body politic and corporate

By: Mark Ridley Thomas  
Mark Ridley Thomas  
Chairman. Board of Supervisors

ATTEST:

Sachi A. Hamai  
Executive Officer-Clerk  
of the Board of Supervisors

By: Lachelle Smitherman  
Deputy



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

SACHI A. HAMAI  
Executive Officer  
Clerk of the Board of Supervisors

By: Lachelle Smitherman  
Deputy

77948

APPROVED AS TO FORM:

OFFICE OF JOHN F. KRATTLI  
COUNTY COUNSEL

By: [Signature]  
DEPUTY

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

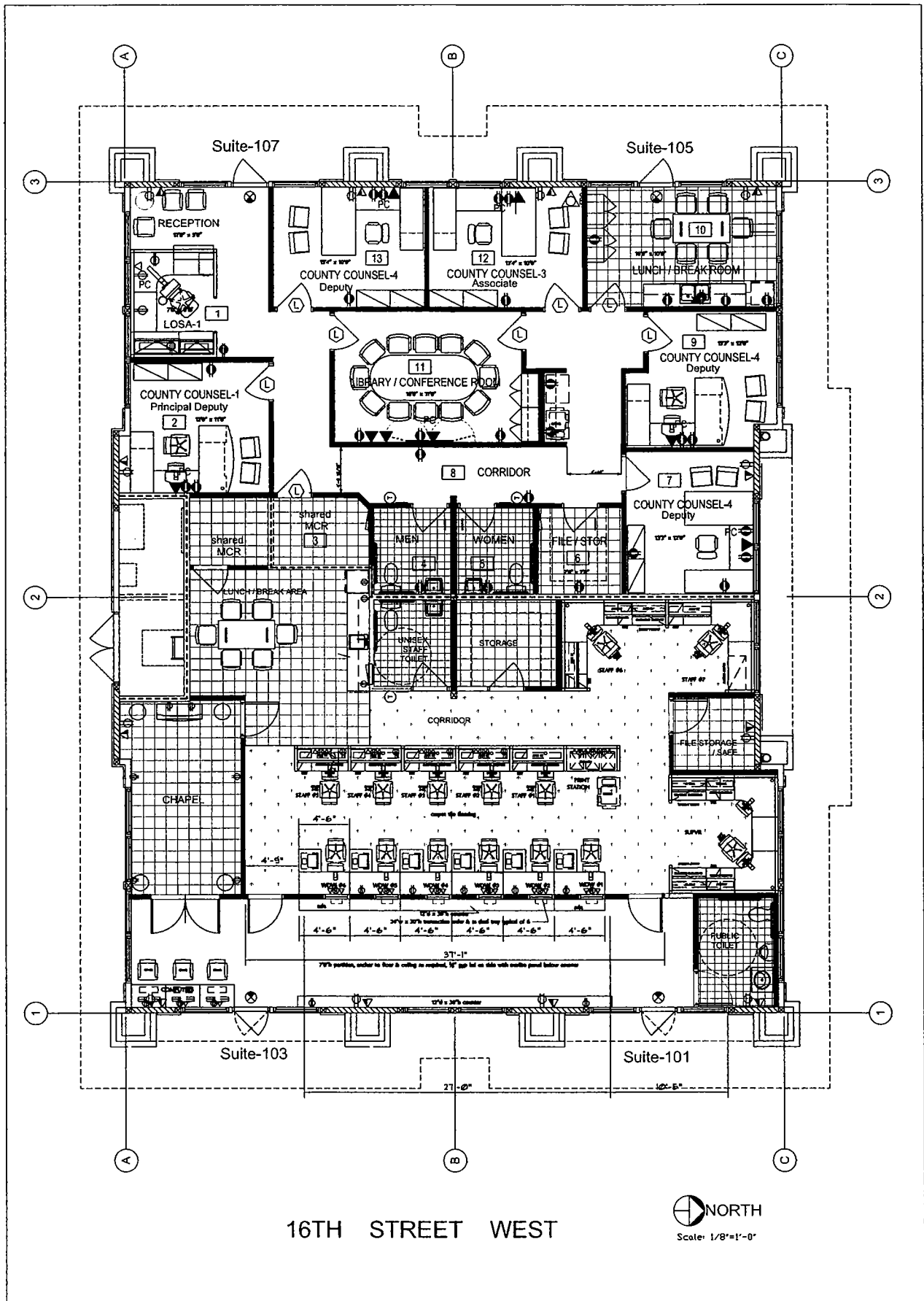
48

MAY 21 2013

Sachi A. Hamai  
SACHI A. HAMAI  
EXECUTIVE OFFICER

EXHIBIT A  
FLOOR PLAN OF PREMISES

SEE ATTACHED



Scheme - A

COUNTY COUNSEL

44509 16th Street West, Suite 105/107, Lancaster

Useable Net Area = 1,967 S.F.

Revised: 4/22/2013

EXHIBIT B

COMMENCEMENT DATE MEMORANDUM

Reference is made to that certain lease ("Lease") dated \_\_\_\_\_ 2013, between County of Los Angeles, a body politic and corporate ("Tenant"), and 16<sup>th</sup> STREET BUILDERS, LLC ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 44507 West 16<sup>th</sup> Street, Lancaster ("Premises"),

Landlord and Tenant hereby acknowledge as follows:

- (1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on \_\_\_\_\_ ("Possession Date");
- (2) Tenant has accepted possession of the Premises and now occupies the same;
- (3) The Lease commenced on \_\_\_\_\_ ("Commencement Date");
- (4) The Premises contain 4,367 rentable square feet of space; and
- (5) Base Rent Per Month is \$8,428.31

IN WITNESS WHEREOF, this Memorandum is executed this \_\_\_\_ day of \_\_\_\_\_, 2013.

"Tenant"

COUNTY OF LOS ANGELES,  
a body politic and corporate

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

"Landlord"

16<sup>th</sup> STREET BUILDERS, LLC,  
a \_\_\_\_\_

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

EXHIBIT D

MEMORANDUM OF TENANT IMPROVEMENT COSTS

This Agreement is dated this \_\_\_\_\_ day of \_\_\_\_\_, 2013, for reference purposes only, by and between Landlord, 16<sup>th</sup> STREET BUILDERS, LLC, and Tenant, COUNTY OF LOS ANGELES.

The parties hereto have entered into a Lease dated as of \_\_\_\_\_, 2013 (the "Lease") for the leasing by Landlord to Tenant of the buildings located at 44507 16<sup>th</sup> Street West, Lancaster ("the Premises").

Landlord and Tenant hereby confirm the following:

A. The final total cost of the tenant improvements is

This is comprised of:

Lease Budget	<u>Actual Expenditures</u>
\$ _____ Tenant Improvement Allowance	\$ _____
\$ _____ Additional Tenant Improvement Allowance	\$ _____
\$ _____ Change Order Allowance	\$ _____
\$ _____ Total	\$ _____

Pursuant to the Lease, Tenant shall reimburse Landlord for all Tenant Improvement, Additional Tenant Improvement Allowances and Change Order Allowance actually expended. Accordingly, \$ \_\_\_\_\_ will be reimbursed in lump sum payment within 30 days from acceptance by tenant.

IN WITNESS WHEREOF, Lessor and Lessee have respectfully signed this Agreement.

Landlord: 16<sup>th</sup> STREET BUILDERS, LLC

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

Tenant: COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Director of Real Estate

EXHIBIT E

TENANT ESTOPPEL CERTIFICATE

To:

Re: Date of Certificate: \_\_\_\_\_  
Lease Dated: \_\_\_\_\_  
Current Landlord: 16<sup>th</sup> Street Builders, LLC  
Located at: \_\_\_\_\_  
Premises: 4,367 rentable square feet  
Commencement Date of Term: TBD  
Expiration Date: TBD  
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, and rental payments will commence upon completion of tenant improvements.

(c) The term of the Lease will commence upon completion of the tenant improvements and will expire 84 months thereafter. Except as specified in the Lease, Tenant has no option or right to renew, extend or cancel the Lease.

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

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

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

3. (a) The Lease constitutes the entire agreement between Tenant and Landlord with respect to the Premises, has not been modified, changed, altered or amended and is



in full force and effect. There are no other agreements, written or oral, which affect Tenant's occupancy of the Premises.

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

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

4. All contributions required to be paid by Landlord to date for improvements to the Premises have not been paid in full and all of Landlord's obligations with respect to tenant improvements have not been fully performed.

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

COUNTY OF LOS ANGELES

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

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

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

EXHIBIT F

SUBORDINATION, NON-DISTURBANCE

AND ATTORNMENT AGREEMENT

AND WHEN RECORDED MAIL TO: )
County of Los Angeles )
Chief Executive Office )
Real Estate Division )
222 South Hill Street, 3rd Floor )
Los Angeles, California 90012 )

Space above for Recorder's Use

SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT

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

This Subordination, Non-Disturbance and Attornment Agreement ("Agreement")
is entered into as of the \_\_\_ day of \_\_\_, 2013 by and among
COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), 16th STREET
BUILDERS, LLC. ("Borrower") and BANK, N.A., ("Lender").

Factual Background

- A. Borrower owns certain real property more particularly described in the
attached Exhibit A. The term "Property" herein means that real property together with all
improvements (the "Improvements") located on it.
B. Lender has made or agreed to make a loan to Borrower. The Loan is or
will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of
Trust").
C. Tenant and Borrower (as "Landlord") entered into a lease dated
November 13, 2007 (the "Lease") under which Borrower leased to Tenant a portion of
the Improvements located within the Property and more particularly described in the
Lease (the "Premises").
D. Tenant is willing to agree to subordinate certain of Tenant's rights under
the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and
conditions of this Agreement. Tenant is willing to agree to such subordination and
attornment and other conditions, provided that Lender agrees to a Non-Disturbance
provision, all as set forth more fully below.

## Agreement

Therefore, the parties agree as follows:

1. Subordination. The Lease shall be subject and subordinate to the lien of the Deed of Trust and to any renewals, modifications, consolidations, replacements and extensions of the Deed of Trust to the full extent of the principal sum secured by the Deed of Trust including any interest except that if Tenant is granted any option to extend the term of the Lease, right of first offer to lease additional premises, option to purchase the Property, or right of first option to purchase the Property in the Lease such provisions shall not be affected or diminished by this subordination which is conditioned upon the agreement of Borrower and Lender in section 3 hereof.

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

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

Attn \_\_\_\_\_

To Borrower: 16<sup>th</sup> STREET BUILDERS, LLC  
21070 Centre Pointe Parkway  
Santa Clarita, CA 91350

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 the laws of the State of California without regard to the choice of law rules of that State.

8. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute but one and the same instrument.

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

APPROVED AS TO FORM

JOHN F. KRATTLI  
County Counsel

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

Deputy County Counsel

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

Director of Real Estate

BORROWER:

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

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

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

LENDER: *[Insert name of Lender]*,

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



1. 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.

2. Nondisturbance. The Transfer of the Property or 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.

3. Attornment. Provided that Lender complies with Section 2 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.

4. Lender Not Obligated. Provided that Lender complies with Section 2 above, 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.

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

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

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

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

6. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State. This Agreement is the entire agreement between the Lender and Tenant and may only be modified by a written amendment executed by Lender and Tenant.

APPROVED AS TO FORM

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

JOHN F. KRATTLI

County Counsel

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

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

Deputy County Counsel

Director of Real Estate

BORROWER: [Insert name of Landlord]

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

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

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

LENDER: [Insert name of Lender]

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

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

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

EXHIBIT H

**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

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 \_\_\_\_\_.

EXHIBIT "I"

**EXHIBIT I - COMMUNITY BUSINESS ENTERPRISE FORM**

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

Firm Name	
Address	
Contact Name	
Telephone No.	
Total # of Employees	
Business Structure*	

\*Corporation, Partnership, etc.

**A. MINORITY/WOMEN PARTICIPATION IN FIRM**

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

*\*Should be included in counts above and reported separately)*

**B. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM**

	TOTAL # OF OWNERS	% OF OWNERSHIP
Black/African American		
Hispanic/Latin American		
Asian American		
Portuguese American		
American Indian/Alaskan Native		
All Others		
<b>TOTAL</b>		
Women*		

*\*Should be included in counts above and reported separately*

C. CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

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

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

D. WE DO NOT WISH TO PROVIDE IN THIS FORM.

	Initial
Initial here if applicable	

SIGNED:

TITLE:

DATE

## EXHIBIT J

### LANDLORD'S WORK LETTER

This Landlord's Work Letter shall set forth the terms and conditions relating to the tenant improvements in the Premises. This Landlord's Work Letter is essentially organized chronologically and addresses the issues of the construction of the Premises, in sequence, as such issues will arise.

#### SECTION 1

##### LANDLORD'S INITIAL CONSTRUCTION IN THE PREMISES

Landlord has constructed, at its sole cost and expense, the base, shell and core (i) of the Premises, and (ii) of the floor of the property on which the Premises is located, as set forth in Addendum A attached hereto and incorporated herein by this reference (collectively, the "**Base, Shell and Core**"). The improvements to be initially installed in the Premises shall be designed and constructed pursuant to this Landlord's Work Letter. Any costs of initial design and construction of any improvements to the Premises shall be an "Improvement Allowance Item," as that term is defined in Section 2.2 of this Landlord's Work Letter.

#### SECTION 2

##### ALLOWANCES; IMPROVEMENTS

###### 2.1 Allowances.

2.1.1 Improvement Allowance. Tenant shall be entitled to a one-time improvement allowance (the "**Improvement Allowance**") in the amount of \$131,010 (i.e., \$30 per rentable square foot of the Premises) for the costs relating to the initial design and construction of Tenant's improvements, at the sole cost of Landlord, as defined in Addendum B to Landlord's Work Letter attached hereto and incorporated herein by this reference (the "**Improvements**

2.1.2 Additional Allowance. Notwithstanding any contrary provision contained in Section 2.1.1 hereof, Tenant may elect, at any time prior to or during construction of the Tenant Improvements, pursuant to a written notice delivered to Landlord (the "**Additional Allowance Notice**"), to receive a one-time increase (the "**Additional Allowance**") of the Tenant Improvement Allowance in an amount not to exceed \$218,350 (i.e., \$50.00 per rentable square foot of the Premises), in the aggregate, for costs relating to the design and construction of the Improvements, furniture, telephone and low voltage.

If Tenant shall exercise such right to use all or any portion of the Additional Allowance (and/or Maximum Change Order Allowance, as applicable), then Tenant shall repay the Additional Allowance (and/or Maximum Change Order Allowance, as applicable) to Landlord in a lump sum or amortize over a term of 60 months which shall become due and

payable to Landlord within thirty (30) days after the effective date of Commencement of this Lease. In the event that Tenant shall elect to utilize all or a portion of the Additional Allowance (and/or Maximum Change Order Allowance, as applicable), then (a) all references in this Exhibit "I" to "Improvement Allowance" shall be deemed to include the Additional Allowance (and/or Maximum Change Order Allowance, as applicable) which Tenant elects to utilize, (b) the parties shall promptly execute a Memorandum of Tenant Improvement Allowances, which may be signed on behalf of Tenant by its Director of Real Estate or designee.

2.1.3 Change Order Allowance. Tenant may elect, at any time during the construction of the Improvements, pursuant to a written notice delivered to Landlord (the "**Additional Allowance Notice**"), to receive a one-time allowance (the "**Maximum Change Order Allowance**") in an amount not to exceed \$31,365, in the aggregate, for costs relating to Tenant's requested changes ("**Change Orders**") to the Construction Drawings (as defined below) or the Improvements. Tenant shall be entitled to make only those changes to the Construction Drawings and the Improvements which are approved in advance, in writing by Landlord (and Tenant shall be responsible for any Tenant Delay resulting from any such Change Orders). The Maximum Change Order Allowance set forth in Section 1 has been authorized by the Board of Supervisors of the County to be used to pay the costs of all authorized Change Orders but only the Chief Executive Office ("CEO") is authorized to approve Change Orders on behalf of Tenant and then only if the aggregate amount of such approved Change Orders does not exceed the Maximum Change Order Allowance. Each Change Order must be signed and dated by the CEO. Upon Tenant's written request, Landlord shall provide Tenant with (i) the specific cost of the requested change, (ii) the cumulative net total cost of all approved Change Orders, and (iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved. Tenant shall be responsible for submitting all Change Order requests to the CEO for its approval.

Tenant acknowledges and agrees that Landlord shall have no obligation to proceed with a Change Order until Landlord receives a Change Order approved by the CEO in accordance with the terms of this Section 2.1.3. Tenant shall elect to repay to Landlord the portion of the Maximum Change Order Allowance used by Tenant either (a) in a lump sum within thirty (30) days after the effective date of Commencement of this Lease or amortized over a term of 60 months which shall become due and payable to Landlord within thirty (30) days after the effective date of Commencement of this Lease.

#### 21.4 Additional Costs Not Tenant Improvement Costs.

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

(b) Any work that Landlord must undertake to cause the Premises to comply with the access requirements of the ADA or make existing building systems, including, but not limited to, electrical service and HVAC equipment, operational shall be at Landlord's sole cost and expense. Costs of upgrades to the operational HVAC and electrical systems identified in

Exhibit A to the Lease and Addendum B hereto shall be funded via the Tenant Improvement Allowances. Tenant Improvement Costs shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease, including without limitation all expenses associated with curing any "Sick Building Syndromes" (ii) fire sprinkler system installation or upgrade, (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere, (iv) utility costs incurred during construction, (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease except for those set forth in Exhibit A to the Lease and Addendum B hereto.

2.2 Disbursement of the Improvement Allowance. Except as otherwise set forth in this Landlord's Work Letter, the Improvement Allowance shall be disbursed by Landlord (each of which disbursements shall be made pursuant to Landlord's disbursement process) for costs related to the construction of the Improvements and for the following items and costs (collectively, the "**Improvement Allowance Items**"): (i) payment of the fees of the "Architect" and the "Engineers," as those terms are defined in Section 3.1 of this Landlord's Work Letter, and payment of the fees incurred by, and the cost of documents and materials supplied by, Landlord and Landlord's consultants in connection with the preparation and review of the "Construction Drawings," as that term is defined in Section 3.1 of this Landlord's Work Letter; (ii) the cost of permits; (iii) the cost of any changes to the Construction Drawings or Improvements required by applicable building codes (the "**Code**"); and (iv) the "Landlord Coordination Fee," as that term is defined in Section 4.3.2 of this Landlord's Work Letter. However, in no event shall more than Five and 00/100 Dollars (\$5.00) per usable square foot of the Improvement Allowance be used for the aggregate cost of items described in (i) and (ii) above; any additional amount incurred as a result of (i) and (ii) above shall be deemed to constitute an Over-Allowance Amount (as defined below).

2.2.1 Tenant Improvement Costs Adjustments and Right to Audit.

Within 20 days of the issuance of a Certificate of Occupancy, or a final sign-off by the City of Lancaster, whichever occurs first, Landlord shall notify Tenant of the final Tenant Improvement costs, by executing a summarized breakdown of the total costs of the Tenant Improvements in the form of Addendum C – Memorandum of Tenant Improvement Costs attached hereto and incorporated herein by this reference. Tenant shall have the right to audit such costs for a period of 24 months from the date of Tenant's acceptance of the Premises. The Memorandum of Tenant Improvement Costs shall set forth the amount of Additional Monthly Rent payable by Tenant as reimbursement for the Additional Allowance plus, if applicable, the portion of the Maximum Change Order Allowance utilized. The first installment of Additional Monthly Rent shall be paid by Tenant within 30 days of mutual execution of the Memorandum of Tenant Improvement Costs.

SECTION 3

CONSTRUCTION DRAWINGS

3.1 Selection of Architect/Construction Drawings. Landlord shall retain, after soliciting and reviewing at least three bids, an architect/space planner (the "**Architect**") to prepare the "Construction Drawings," as that term is defined in this Section 3.1. Landlord shall

also retain the engineering consultants (the "**Engineers**") to prepare all plans and engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC and life safety work of the Tenant Improvements. The plans and drawings to be prepared by Architect and the Engineers hereunder shall be known collectively as the "**Construction Drawings**." All Construction Drawings shall comply with the drawing format and specifications as reasonably determined by Landlord, and shall be subject to Landlord's reasonable approval.

3.2 Delivery of Preliminary Plans; Final Space Plan. Tenant shall deliver to Landlord the preliminary space plans for the Improvements on or before October 15, 2007. Based on the preliminary space plan, Landlord and the Architect shall prepare the final space plan for Improvements in the Premises (collectively, the "**Final Space Plan**"), which Final Space Plan shall include a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein, and shall deliver the Final Space Plan to Landlord for Tenant's reasonable approval which Tenant shall provide within four (4) business days.

3.3 Final Working Drawings. Landlord and the Engineers shall complete the architectural and engineering drawings for the Premises, and the final architectural working drawings in a form which is complete to allow general contractors to bid on the work and to obtain all applicable permits (collectively, the "**Final Working Drawings**").

3.4 Permits. The Final Working Drawings shall promptly be approved by Landlord and shall be approved by Tenant (the "**Approved Working Drawings**") five (5) business days after delivery of the Final Working Drawings by Landlord to Tenant. Tenant hereby agrees to use its best efforts to cause the Board adoption of the Lease to occur on August 2, 2011 or as soon thereafter as is reasonably possible. Landlord shall cause the Architect, immediately following Tenant's approval, to submit the Approved Working Drawings to the appropriate municipal authorities for all applicable building permits necessary to allow "Contractor," as that term is defined in Section 4.1, below, to commence and fully complete the construction of the Improvements (the "**Permits**"). No changes, modifications or alterations in the Approved Working Drawings may be made without the prior written consent of Landlord, which consent shall not be unreasonably withheld.

3.5 Time Deadlines. Landlord and Tenant shall use their commercially reasonable efforts and due diligence to cooperate with the Architect and the Engineers to complete all phases of the Construction Drawings and the permitting process and to receive the permits, and with Contractor for approval of the "Cost Proposal," as that term is defined in Section 4.2 of this Landlord's Work Letter, as soon as possible after the execution of the Lease, and, in that regard, Landlord and Tenant shall meet with the Contractor on a weekly basis to be determined by Landlord and Tenant, to discuss the progress in connection with the same.

## SECTION 4

### CONSTRUCTION OF THE IMPROVEMENTS

4.1 Contractor. Landlord shall retain a general contractor for the construction of the Improvements, which Contractor shall be selected by Landlord and Tenant pursuant to a

competitive bidding of the Improvement work by three (3) general contractors selected by Landlord and Tenant. Each contractor shall be requested to submit a sealed fixed price contract bid price (on such contract form as Landlord shall designate) to construct the Improvements. Landlord and Tenant shall jointly open and review the bids. Landlord and Tenant, after adjustments for inconsistent assumptions, shall select the most qualified bidder offering the lowest price and such contractor ("**Contractor**") shall enter into a construction contract with Landlord consistent with the terms of the bid to construct the Improvements.4.2 Cost Proposal. After the Contractor is selected by Landlord and Tenant, Landlord shall provide Tenant with a cost proposal in accordance with the Approved Working Drawings, which cost proposal shall include, as nearly as possible, the cost of all Improvement Allowance Items to be incurred by Tenant in connection with the construction of the Improvements (the "**Cost Proposal**"). Tenant shall approve and deliver the Cost Proposal to Landlord within four (4) business days of the receipt of the same, and upon receipt of the same by Landlord, Landlord shall be released by Tenant to purchase the items set forth in the Cost Proposal and to commence the construction relating to such items. The date by which Tenant must approve and deliver the Cost Proposal to Landlord shall be known hereafter as the "**Cost Proposal Delivery Date**".

#### 4.3 Construction of Improvements by Contractor under the Coordination of Landlord.

4.3.1 Landlord's Retention of Contractor. Landlord shall independently retain Contractor, on behalf of Tenant, to construct the Improvements in accordance with the Approved Working Drawings and the Cost Proposal and Landlord shall coordinate the construction by Contractor, and Tenant shall pay a construction coordination fee (the "**Landlord Coordination Fee**") to Landlord in an amount equal to three percent (3%) of the Improvement Allowance plus, to the extent applicable, the Additional Allowance, plus, to the extent applicable, the Maximum Change Order Allowance.

4.3.2 Notice of Non-responsibility. Landlord and the Contractor shall cooperate with Tenant in posting a notice or notices of non-responsibility by Tenant.

4.3.3 Compliance with Laws. Construction of the Tenant Improvements shall comply with all applicable laws and regulations and shall be subject to the general inspection of Tenant. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including, but not limited to, all provisions of the Labor Code of the State of California. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction of the improvements. Particulars of the current Prevailing Wage Scale, as approved by the Board of Supervisors which are applicable to the work, is filed with the Clerk of the Board of Supervisors and must be posted at the site.



## SECTION 5

### COMPLETION OF THE IMPROVEMENTS

5.1 Substantial Completion. For purposes of this Lease, "**Substantial Completion**" of the Improvements in the Premises shall occur in accordance with and as defined in Section 4(a) of the Lease. Prior to commencing construction, the selected Contractor shall provide Landlord and Tenant with a detailed construction schedule and "**Completion Date**".

5.2 Telephone/Computer Room and Equipment. Landlord shall complete the telephone equipment room(s), including without limitation permanent power and HVAC, in compliance with the Final Space Plan and specifications provided by Tenant, at least 30 days prior to the Completion Date. During this 30-day period, the Landlord shall be responsible for any telephone/data equipment delivered to the site for programming prior to Substantial Completion.

5.3 Delay of the Substantial Completion of the Premises. Except as provided in this Section 5, the Commencement Date and Tenant's obligation to pay rent for the Premises shall occur as set forth in the Lease. However, if there shall be a delay or there are delays in the Substantial Completion of the Improvements in the Premises as a result of the following (collectively, "**Tenant Delays** "):

5.3.1 Tenant's failure to comply with any time deadlines set forth in this Landlord's Work Letter;

5.3.2 Tenant's failure to timely approve any matter requiring Tenant's approval;

5.3.3 A material breach by Tenant of the terms of this Landlord's Work Letter or the Lease;

5.3.4 Intentionally omitted;

5.3.5 Tenant's request for changes in the Approved Working Drawings or other Change Orders (including Tenant's failure to deliver an executed Change Order);

5.3.6 Tenant's requirement for materials, components, finishes or improvements which have "Long lead times" (Long lead time being defined as any item that takes longer than seven (7) weeks to receive from the time ordered), or which are different from, or not included in, the Standard Improvement Package, as described in Addendum D attached hereto;

5.3.7 Any other acts or omissions of Tenant, or its agents, or employees. Tenant shall not be responsible for any Force Majeure delays, which shall be defined as delays due to lighting, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Tenant.

5.3.8 No Tenant Delay shall be deemed to have occurred and be attributed to the Tenant unless Landlord has provided written notice to Tenant within 48 hours of the event giving rise to such claim, in compliance with this Lease. Any such notice shall specify in detail that a Tenant Delay is claimed to have occurred because of specific actions, inaction or circumstances in accordance with this Section 5. If such actions, inaction or circumstances qualify as a Tenant Delay hereunder, then a Tenant Delay shall be deemed to have occurred only commencing as of the date Tenant received such notice from Landlord. In the event of a Tenant Delay, notwithstanding anything to the contrary set forth in the Lease or this Landlord's Work Letter and regardless of the actual date of the Substantial Completion of Improvements in the Premises, the date of Substantial Completion thereof shall be deemed to be the date that Substantial Completion would have occurred if no Tenant Delay, as set forth above, had occurred.

## SECTION 6

### MISCELLANEOUS

6.1 Tenant's Representative. As stated in Section 1 of this Lease, Tenant has designated Kevin Webb of the CEO as its sole representative with respect to the matters set forth in this Landlord's Work Letter, who, until further notice to Landlord, shall have full authority and responsibility to act on behalf of the Tenant as required in this Landlord's Work Letter.

6.2 Landlord's Representative. As stated in Section 1 of this Lease, Landlord has designated Brooke Rege as its sole representative with respect to the matters set forth in this Landlord's Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Landlord's Work Letter.

6.3 Time of the Essence in This Landlord's Work Letter. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days.

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

### **BASE BUILDING IMPROVEMENTS**

Landlord has constructed and shall construct, at its sole cost and expense Base Building Improvements to include the following:

(a) the Building shell and exterior, including perimeter window frames, mullions and glazing in good condition;

(b) the mechanical, electrical, sprinkler, plumbing, life safety, heating, air conditioning, ventilation and structural systems within the Building;

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

(d) HVAC equipment;

(e) primary fire sprinkler distribution, including secondary piping and sprinkler heads as required by government regulations;

(f) primary fire-life safety enunciation system "backbone" and panels as required by government regulations;

(g) electrical closet with transformer(s) providing adequate power of not less than seven (7) watts per rentable square foot;

(h) telephone closet for phone service;

(i) mechanical equipment room with ducted mechanical exhaust system.

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

### **TENANT IMPROVEMENTS**

Tenant improvements to be constructed using the Tenant Improvement Allowances shall include:

- (a) Tenant ceilings and lighting within the Premises;
- (b) Floor finishes in the Premises;
- (c) Interior finishes of any kind within the Premises;
- (d) Interior partitions, doors and hardware within the Premises;
- (e) Tenant's furniture, fixtures and equipment, including telephones, computers and cabling therefor;
- (f) HVAC and electrical upgrades above and beyond the Base Building Improvements set forth in Addendum A hereof;
- (g) Conduits, electrical/data outlets and other electrical components sufficient for Tenant's electrical and data specifications;
- (h) Any and all signs for Tenant and the power therefor;
- (i) After-hours HVAC system, separate from main Base Building HVAC system, for telephone/computer room;
- (j) Low voltage security, fire and life-safety systems, CCTV, alarm, phone, computer and/or access control systems.

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

**Memorandum of Tenant Improvement Costs**

This Agreement is dated this \_\_\_\_\_ day of \_\_\_\_\_, 2011, for reference purposes only, by and between Landlord, \_\_\_\_\_, and Tenant, COUNTY OF LOS ANGELES.

The parties hereto have entered into a Lease dated as of \_\_\_\_\_ (the "Lease") for the leasing by Landlord to Tenant of premises in the building located at \_\_\_\_\_ ("the Premises").

Landlord and Tenant hereby confirm the following:

A. The final total cost of the tenant improvements is (\$\_\_\_\_\_).

This is comprised of:

Lease Budget	<u>Actual Cost</u>
\$                    Tenant Improvement Allowance	\$ _____
\$                    Additional Tenant Improvement Allowance	\$ _____
\$                    Change Order Allowance	\$ _____
\$                    Total	\$ _____

IN WITNESS WHEREOF, Lessor and Lessee have respectfully signed this Agreement.

Landlord:

By:

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

Tenant:

COUNTY OF LOS ANGELES

By \_\_\_\_\_

**ADDENDUM D To Landlord's Work Letter**

**Building Standard Specifications**

<p style="text-align: center;"><b>Doors</b></p> <p style="text-align: center;">3' X 8' solid core Makore Veneer in Western Integrated clear aluminum frame</p> <p style="text-align: center;">Perimeter tenant entry door Schlage L9453 06B C KWy</p> <p style="text-align: center;">Interior door Schlage ND01S RHO</p>
<p style="text-align: center;"><b>Ceiling</b></p> <p style="text-align: center;">USG Donn Finline 1/8" 2'x 2' grid with Armstrong Cortega Tegular Edge tile</p>
<p style="text-align: center;"><b>Lighting</b></p> <p style="text-align: center;">Lithonia Lighting 2'X4' 18 cell parabolic 3 lamp fixture # 2PM3NNGB 332 18LD MVOLT 1/3 GEB101S LP735</p>
<p style="text-align: center;"><b>Exit Sign</b></p> <p style="text-align: center;">Lithonia Lighting LQMSW 3R 120/277 ELN</p>
<p style="text-align: center;"><b>Fire Sprinkler</b></p> <p style="text-align: center;">Chrome semi recessed head installed in center of ceiling tile</p>
<p style="text-align: center;"><b>Coffee Bar / Kitchen Sink</b></p> <p style="text-align: center;">Elkay Model LRAD or LRADQ</p>
<p style="text-align: center;"><b>HVAC Distribution</b></p> <p style="text-align: center;">VAV Box</p> <p style="text-align: center;">Hot water actuator Siemens Powermite 599 Series MT Series Terminal Unit Valve and actuator</p> <p style="text-align: center;">Thermostat Honeywell TP970 Series</p>
<p style="text-align: center;"><b>Window Covering</b></p> <p style="text-align: center;">Hunter Douglas # 190 Bright Aluminum</p>