



SACHI A. HAMAJ
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
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Fifth District

December 01, 2015


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

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

15 December 1, 2015


PATRICK OZAWA
ACTING EXECUTIVE OFFICER

**FIVE SEPARATE FIVE-YEAR LEASES
DEPARTMENT OF AUDITOR-CONTROLLER; DEPARTMENT OF HEALTH SERVICES;
DEPARTMENT OF PUBLIC HEALTH; DEPARTMENT OF PUBLIC WORKS;
AND INTERNAL SERVICES DEPARTMENT
1000 SOUTH FREMONT AVENUE, ALHAMBRA
(FIFTH DISTRICT)
(3 VOTES)**

SUBJECT

Recommendation to approve five individual five-year leases for various County Departments to continue occupying a total of approximately 148,446 square feet of office space.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed leases are categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Mayor to sign the lease agreements with The Alhambra Office Community, LLC for an aggregate of approximately 148,446 rentable square feet of office space at 1000 South Fremont Avenue, Alhambra, to be occupied by the Auditor-Controller, Departments of Health Services, Public Health, Public Works, and Internal Services. The initial aggregate maximum annual lease costs are \$4,403,495. The lease costs for the Department of Health Services are included in the department's budget. The lease costs for the Department of Public Health are funded by State and federal funds. The lease costs for the remaining tenant departments are 100 percent net County costs.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommended action is to provide continuous, uninterrupted occupancy for the Auditor-Controller (A-C), the Departments of Health Services (DHS), Public Health (DPH), Public Works (DPW), and Internal Services (ISD). The current lease expired on July 31, 2015, and the tenant departments have expressed a desire to continue operating out of the current premises. The proposed lease renewals entail extending occupancy of the original premises for an additional five-year period from December 1, 2015 to November 30, 2020.

Since August 2000, the tenant departments have housed various programs at the subject building as part of a single master lease agreement, which has caused administrative hardships. The Chief Executive Office, Real Estate Division (CEO-RED) elected to provide County departments with greater administrative flexibility by negotiating five separate lease agreements, which will significantly improve lease administration, accounting, and exit-strategy perspectives. Recent issues related to holdover penalties, renewal procedures, and future facility expansion or construction plans have proven why it will be more advantageous to have separate leases for their respective departments.

The following is a brief description for each County department's use of the leased space:

Auditor-Controller – Space for Contract Management; Adobe Forms; eTART/Talent Management; and eCAPS

Staff Count = 99 employees

Office Area = 19,803 square feet

Health Services – Space for Management Care Services Division

Staff Count = 200 employees

Office Area = 38,501 square feet

Public Health – Space for Substance Abuse Prevention and Control Program

Staff Count = 197 employees

Office Area = 42,250 square feet

Public Works – Aviation; Sewer Maintenance; Traffic and Lighting; and Waterworks Divisions

Staff Count = 281 employees

Office Area = 42,807 square feet

Internal Services – Space for Countywide Contract Compliance Services

Staff Count = 20 employees

Office Area = 5,085 square feet

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability (Goal1) directs that we maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services. The recommendations herein support Goal 1 by providing continuity of operations, and uninterrupted occupancy of suitable office space, which allows staff to provide efficient public services. The proposed new leases are in conformance with the Asset Management Principles as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed leases will be comprised of an initial aggregate, annual base rent of \$3,883,347, plus aggregate annual parking costs of \$496,080. Attachment B provides an overview of the lease costs.

Sufficient funding for the proposed leases have been included in the Fiscal Year (FY) 2015-16 Rent Expense budget, as well as the tenant departments' operating budgets. Lease payments will be made from the Rent Expense budget using funds transferred from the tenant departments' operating budgets.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The leases include the following provisions:

- The leases will be effective, and the five-year lease term will commence upon adoption by the Board of Supervisors.
- An Option-to-Renew for an additional five-year period at 95-100 percent of the Fair Market Rental Rate, depending on how much space the County renews.
- A full-service gross (FSG) lease structure, whereby the Landlord will be responsible for the operational costs associated with the County's tenancy.
- A one-time cancellation provision allowing the departments to cancel at the 48th month with 12 months prior written notice, and payment of a cancellation penalty based upon unamortized broker commissions and tenant improvements.
- Annual rental rate adjustments beginning on the 25th month, and based upon the Consumer Price Index (CPI) with a minimum adjustment of 2 percent per annum, and a maximum adjustment of 5 percent per annum.
- Parking rate adjustment at the 31st month, increasing the monthly rate from \$60 per space per month, to \$65 per space per month.

- A holdover penalty, imposed if occupancy continues beyond the expiration date, amounting to 150 percent of the prevailing base rent.
- The Landlord will provide a non-reimbursable Tenant Improvement (TI) allowance of \$8 per square foot for new paint and/or carpet.
- The Landlord recently exercised its right to measure the premises using the new 2010 Building and Owners Management Association (BOMA) industry guidelines. As a result of the new measurements, the premises and square footage figures have been increased from the figures used when the original lease was executed in January 2000.

The CEO-RED staff conducted a survey within the service area to determine the availability of comparable and more economical sites. Based upon the survey, staff has established that the annual rental range for similar space, and parking costs is between \$24.60 and \$27.00 per square foot on a FSG basis. The annual rental range including parking is \$30.84, which is slightly higher than the rental range. Although sites were identified that have lower rental rates than the proposed rates, the total cost to relocate, customize, and renovate new space makes the proposed lease renewals the more cost-effective solution. Attachment C shows County-owned or leased facilities in the proximity of the service area, and there are no suitable County-owned or leased facilities available for the applicable divisions and programs.

DPW has inspected this facility, and found it suitable for the County's occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

The co-location of various departments into a centralized and appropriate location is consistent with the County's Facility Location Policy adopted by the Board of Supervisors on July 24, 2012, as outlined in Attachment D.

ENVIRONMENTAL DOCUMENTATION

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

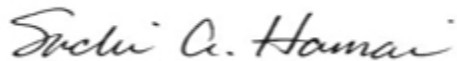
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed leases will adequately provide the necessary office space for this County requirement. AC, DHS, DPH, DPW, and ISD concur with the proposed recommendations.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors, return two originals of the executed leases, two certified copies of the Minute Order, and the adopted, stamped Board letter to the CEO-RED at 222 South Hill Street, 4th Floor, Los Angeles, CA for further processing.

Respectfully submitted,



SACHI A. HAMAI
Chief Executive Officer

SAH:TT
CMM:KW:ls

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Health Services
Human Resources
Internal Services
Public Health
Public Works

**DEPARTMENT OF AUDITOR-CONTROLLER
DEPARTMENT OF HEALTH SERVICES
DEPARTMENT OF PUBLIC HEALTH
DEPARTMENT OF PUBLIC WORKS
INTERNAL SERVICES DEPARTMENT
1000 SOUTH FREMONT AVENUE, ALHAMBRA**

Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>	Yes	No	N/A
A	Does lease consolidate administrative functions? ²	X		
B	Does lease co-locate with other functions to better serve clients? ²	X		
C	Does this lease centralize business support functions? ²	X		
D	Does this lease meet the guideline of 200 sq. ft. of space per person? ²	X		
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ²	X		
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ²	X		
2.	<u>Capital</u>			
A	Is it a substantial net County cost (NCC) program?	X		
B	Is this a long term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Attachment C?	X		
G	Was build-to-suit or capital project considered? ² Insufficient funds to locate and improve an alternate facility.		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. <u>X</u> The Program is being co-located.			
E	Is lease a full service lease? ²	X		
F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As approved by the Board of Supervisors 11/17/98				
² If not, why not?				

**DEPARTMENT OF AUDITOR-CONTROLLER
FISCAL IMPACT/FINANCING - OVERVIEW OF LEASE CHANGES**

1000 Fremont Ave., Alhambra	Existing Lease	Proposed Lease	Changes
Area	19,645 square feet (sq. ft.)	19,803 square feet (sq. ft.)	+158 square feet (sq. ft.)
Term	8/1/2000 to 7/31/2015 Month-to-Month: (7/31/2015-Present)	12/1/2015 to 11/30/2020	+5 years
Annual Rent	\$504,936 (\$25.70 per sq. ft.)	\$518,046 (\$26.16 per sq. ft.)	+\$13,110
Annual Parking Costs	\$52,800 (\$2.69 per sq. ft.)	\$57,600 (\$2.91 per sq. ft.)	+\$4,800
Total Annual Cost	\$557,736 (\$28.39 per sq. ft.)	\$575,646 (\$29.07 per sq. ft.)	+\$17,910
Annual Rent Adjustment	Annual Consumer Price Index (CPI) adjustment with a minimum of 2% and a maximum of 5%	Annual Consumer Price Index (CPI) adjustment with a minimum of 2% and a maximum of 5%	None
Parking Spaces	80 (\$660 per space per year)	80 (\$720 per space per year)	None
Cancellation	At the 73 rd month upon 12 months' notice	At the 49 th month upon 12 months' notice	At the 49 th month upon 12 months' notice

**DEPARTMENT OF HEALTH SERVICES
FISCAL IMPACT/FINANCING - OVERVIEW OF LEASE CHANGES**

1000 Fremont Ave., Alhambra	Existing Lease	Proposed Lease	Changes
Area	33,158 square feet (sq. ft.)	38,501 square feet (sq. ft.)	+5,343 square feet (sq. ft.)
Term	8/1/2000 to 7/31/2015 Month-to-Month: (7/31/2015-Present)	12/1/2015 to 11/30/2020	+5 years
Annual Rent	\$811,970 (\$24.49 per sq. ft.)	\$1,007,186 (\$26.16 per sq. ft.)	+\$195,216
Annual Parking Costs	\$110,220 (\$3.32 per sq. ft.)	\$120,240 (\$3.12 per sq. ft.)	\$10,020
Total Annual Cost	\$922,190 (\$27.81 per sq. ft.)	\$1,127,426 (\$29.28 per sq. ft.)	+\$205,236
Annual Rent Adjustment	Annual Consumer Price Index (CPI) adjustment with a minimum of 2% and a maximum of 5%	Annual Consumer Price Index (CPI) adjustment with a minimum of 2% and a maximum of 5%	None
Parking Spaces	167 (\$660 per space per year)	167 (\$720 per space per year)	None
Cancellation	At the 73 rd month upon 12 months' notice	At the 49 th month upon 12 months' notice	At the 49 th month upon 12 months' notice

**DEPARTMENT OF PUBLIC HEALTH
FISCAL IMPACT/FINANCING - OVERVIEW OF LEASE CHANGES**

1000 Fremont Ave., Alhambra	Existing Lease	Proposed Lease	Changes
Area	38,238 square feet (sq. ft.)	42,250 square feet (sq. ft.)	+4,012 square feet (sq. ft.)
Term	8/1/2000 to 7/31/2015 Month-to-Month: (7/31/2015-Present)	12/1/2015 to 11/30/2020	+5 years
Annual Rent	\$954,999 (\$24.98 per sq. ft.)	\$1,105,260 (\$26.16 per sq. ft.)	+\$150,261
Annual Parking Costs	\$124,080 (\$3.25 per sq. ft.)	\$127,440 (\$ 3.02 per sq. ft.)	\$3,360
Total Annual Cost	\$1,079,079 (\$28.22 per sq. ft.)	\$1,232,700 (\$ 29.18 per sq. ft.)	+\$153,621
Annual Rent Adjustment	Annual Consumer Price Index (CPI) adjustment with a minimum of 2% and a maximum of 5%	Annual Consumer Price Index (CPI) adjustment with a minimum of 2% and a maximum of 5%	None
Parking Spaces	188 (\$660 per space per year)	177 (\$720 per space per year)	-11
Cancellation	At the 73 rd month upon 12 months' notice	At the 49 th month upon 12 months' notice	At the 49 th month upon 12 months' notice

**DEPARTMENT OF PUBLIC WORKS
FISCAL IMPACT/FINANCING - OVERVIEW OF LEASE CHANGES**

1000 Fremont Ave., Alhambra	Existing Lease	Proposed Lease	Changes
Area	39,803 square feet (sq. ft.)	42,807 square feet (sq. ft.)	+3,004 square feet (sq. ft.)
Term	8/1/2000 to 7/31/2015 Month-to-Month: (7/31/2015-Present)	12/1/2015 to 11/30/2020	+5 years
Annual Rent	\$1,019,170 (\$25.61 per sq. ft.)	\$1,119,831 (\$26.16 per sq. ft.)	+\$100,661
Annual Parking Costs	\$160,380 (\$4.03 per sq. ft.)	\$176,400 (\$4.12 per sq. ft.)	\$16,020
Antenna Space	\$23,366	\$24,068	+702
Total Annual Cost	\$1,202,916 (\$30.22 per sq. ft.)	\$1,320,299 (\$30.84 per sq. ft.)	+\$117,383
Annual Rent Adjustment	Annual Consumer Price Index (CPI) adjustment with a minimum of 2% and a maximum of 5%	Annual Consumer Price Index (CPI) adjustment with a minimum of 2% and a maximum of 5%	None
Parking Spaces	243 (\$660 per space per year)	245 (\$720 per space per year)	+2
Cancellation	At the 73 rd month upon 12 months' notice	At the 49 th month upon 12 months' notice	At the 49 th month upon 12 months' notice

**INTERNAL SERVICES DEPARTMENT
FISCAL IMPACT/FINANCING - OVERVIEW OF LEASE CHANGES**

1000 Fremont Ave., Alhambra	Existing Lease	Proposed Lease	Changes
Area	5,044 square feet (sq. ft.)	5,085 square feet (sq. ft.)	+41 square feet (sq. ft.)
Term	8/1/2000 to 7/31/2015 Month-to-Month: (7/31/2015-Present)	12/1/2015 to 11/30/2020	+5 years
Annual Rent	\$129,651 (\$25.70 per sq. ft.)	\$133,024 (\$26.16 per sq. ft.)	+\$3,373
Annual Parking Costs	\$13,200 (\$2.62 per sq. ft.)	\$14,400 (\$2.83 per sq. ft.)	+\$1,200
Total Annual Cost	\$142,851 (\$28.32 per sq. ft.)	\$147,424 (\$28.99 per sq. ft.)	+\$4,573
Annual Rent Adjustment	Annual Consumer Price Index (CPI) adjustment with a minimum of 2% and a maximum of 5%	Annual Consumer Price Index (CPI) adjustment with a minimum of 2% and a maximum of 5%	None
Parking Spaces	20 (\$660 per space per year)	20 (\$720 per space per year)	None
Cancellation	At the 73 rd month upon 12 months' notice	At the 49 th month upon 12 months' notice	At the 49 th month upon 12 months' notice

FACILITY LOCATION POLICY ANALYSIS

Proposed Lease: Five Five-Year Leases for the Auditor-Controller, Department of Health Services, Department of Public Health, Department of Public Works, Internal Services Department - 1000 South Fremont Avenue, Alhambra – 5th District

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

B. Determination of the Service Area –The proposed lease will provide the uninterrupted use of approximately 148,446 square feet of office space for Auditor Controller’s Enterprise Systems Support Division, Department of Health Services’ Managed Care Services Division, Department of Human Resources’ administrative staff, Department of Public Health’s Substance Abuse Prevention and Control program, Department of Public Works’ Aviation, Sewer Maintenance, Traffic and Lighting, and Waterworks Divisions and Internal Services Department’s contract monitoring staff.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population:

The tenant departments should be housed within 10 miles of the Civic Center.

- Need for proximity to existing County facilities:

The tenant departments prefer to be centrally located for staff coming to the site from various areas of the county.

- Need for proximity to Los Angeles Civic Center: N/A

- Economic Development Potential: The proposed leases will provide continuance of operations and uninterrupted occupancy of suitable office space, which will minimize costs compared to relocation options.

- Proximity to public transportation: The proposed facility is near public transportation.

- Availability of affordable housing for County employees: The surrounding area provides for affordable rental opportunities.

- Use of historic buildings: N/A

- Availability and compatibility of existing buildings: There are no existing County buildings available to meet the Departments' service needs.
- Compatibility with local land use plans: The site is currently zoned commercial and the current use as office space is consistent with the building's use, zoning and not in conflict with the goals and policies of the City of Alhambra.

Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

- Estimated acquisition/construction and ongoing operational costs:
The initial annual rental costs are as follows:

Department of Auditor-Controller: \$575,646
Department of Health Services: \$1,127,426
Department of Public Health: \$1,232,700
Department of Public Works: \$1,320,299
Internal Services Department: \$147,424

D. Analyze results and identify location alternatives

Location alternatives were not identified due to relocation cost concerns and the departments' desire to continue operations out of the current location and remain centrally located.

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

N/A

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

DEPARTMENT: Auditor Controller, as Tenant

**LANDLORD: The Alhambra Office Community, LLC, a Delaware limited liability
company**

[1000 South Fremont Avenue, Alhambra]

78434

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COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

THIS LEASE (“Lease”) is entered into as of the 1st day of December, 2015, between THE ALHAMBRA OFFICE COMMUNITY, LLC, a Delaware limited liability company (“Landlord”), and COUNTY OF LOS ANGELES, a body politic and corporate (“Tenant” or “County”).

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION.

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

- a. Landlord’s Address for Notice: The Alhambra Office Community, LLC
1000 South Fremont Avenue
Unit 1, Building A10C, Suite 10150
Alhambra, California 91803
Attn: Senior Development Manager
Telephone No.: (626) 300-5000
Facsimile No.: (626) 300-5025

with copies to:

c/o AIG Global Real Estate Investment Corp.
555 California Street, Suite 3130
San Francisco, California 94104
Attention: Mike Sahlman
Telephone: (415) 399-5840
Telecopier: (415) 399-5841

and

c/o AIG Global Real Estate Investment Corp.
70 Pine Street, 4th Floor
New York, New York 10270
Attention: General Counsel
Telephone: (212) 770-8300
Telecopier: (212) 770-8499

and

DLA Piper LLP (US)
550 South Hope Street, Suite 2300
Los Angeles, California 90071
Attention: Jackie Park, Esq.
Telephone: (213) 330-7743
Telecopier: (213) 330-7543

- 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, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Fax Number: (213) 830-0926

- c. Premises: Premises A: Approximately 15,682 leasable square feet on the 1st Floor in the A9 East Building (defined below) as shown on Exhibit A attached hereto.

Premises B: Approximately 4,121 leasable square feet on the 1st Floor in the A9 East Building (defined below) as shown on Exhibit A attached hereto.

Premises A and Premises B shall collectively be defined as the "**Premises**".

- d. Complex: An office building project located at 1000 South Fremont Avenue, Alhambra, California, as shown on the site plan attached as Exhibit A-1 and made a part hereof. The Complex is currently assessed by the County Assessor as APN 5342-001-021, 5342-001-024 and 5342-001-025.

- e. Building: Building A9 East, depicted on Exhibit A-1 attached hereto.
- f. Term: Five (5) years commencing upon the date this Lease is executed by the County of Los Angeles Board of Supervisors (the “**Commencement Date**”) and terminating at midnight on the day before the Fifth anniversary of the Commencement (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 Option Term for which an option has been validly exercised (pursuant to Section 4(c)).
- g. Commencement Date: Execution by the County of Los Angeles Board of Supervisors
- h. Irrevocable Offer Expiration Date: December 31, 2015
- i. Base Rent: \$43,170.54 per month (which is based upon a rental rate of \$2.18 per leasable square foot adjustable only as provided in Section 5 hereof).
- j. Early Termination Date: Last day of the 48th month of the Lease Term
- k. Leasable Square Feet in the Premises: 19,803
- l. Use: General office use or for any other lawful purposes not incompatible with other uses in the Building.
- m. Initial Departmental Use: Auditor Controller
- n. Parking Spaces: 79 unreserved parking spaces. Parking shall be paid as additional rent at the rate of \$60 per space per month. This rate shall increase to \$65 per space per month at the beginning of the 31st month of the Term.

- o. Normal Working Hours: 7:00 a.m. to 6:00 p.m., Monday through Friday, 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. (Please see Section 11 re: after-hours services and utilities.)
- p. Asbestos Report: A report dated November, 1999 prepared by Gail/Jordan Associates, a licensed California Asbestos Contractor.

1.2 Exhibits to Lease:

- Exhibit A - Floor Plan
- Exhibit A-1 - Site Plan (Complex and Building)
- Exhibit B - Cleaning Schedule
- Exhibit C – Tenant Estoppel Certificate
- Exhibit D – Subordination, Non-disturbance and Attornment Agreement
- Exhibit E - Nondisturbance Agreement
- Exhibit F - Request for Notice
- Exhibit G - Community Business Enterprises

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, which Premises is located in the Building described and depicted in Section 1 and Exhibit A-1 attached hereto. The Building is part of the Complex located at 1000 South Fremont Avenue depicted on the site plan attached hereto as Exhibit A-1.

(b) Tenant confirms that Tenant is currently occupying the Premises pursuant to that certain Lease No. 72576 dated January 18, 2000, as amended (“**Existing Lease**”) and that Landlord has no delivery obligations with respect thereto. Prior to the Commencement Date of this Lease, Tenant shall continue to occupy the Premises and perform all of its obligations under the terms and conditions of the Existing Lease. As of the Commencement Date, the Existing Lease shall terminate for all purposes with respect to the Premises, except that Tenant shall be responsible for any liabilities or obligations which specifically survive the termination of the Existing Lease in accordance with its terms.

3. COMMON AREAS.

Tenant may use the following areas in common with Landlord and other tenants of the Building (“**Building Common Areas**”) and the Complex (“**Complex Common Areas**”)

(Building Common Areas and Complex Common Areas are collectively, “**Common Areas**”): the entrances, lobbies and other public areas of the Building and the Complex, 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 and the Complex. The manner in which the Common Areas are maintained and operated shall be at the sole discretion of Landlord. 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.

(b) Early Termination. Tenant shall have a one-time right to terminate this Lease in its entirety effective as of the Early Termination Date, as defined in Section 1, by giving Landlord not less than 365 days’ prior written notice (i.e., no later than the last day of the 36th month of the Lease Term) executed by the Chief Executive Officer of Tenant (“**Termination Notice**”). Within thirty (30) days of delivery by Tenant to Landlord of the Termination Notice, Tenant shall reimburse Landlord for the unamortized Paint and Floor Allowance (as hereinafter defined in Section 23) and Brokerage Commissions (“**Termination Fee**”), calculated at an interest rate of seven percent (7%) per annum. Subject to the terms hereof, if Tenant properly exercises such option to terminate this Lease, such termination shall be effective as of the Early Termination Date. If Tenant fails to exercise its rights under this Section 4(b) strictly in accordance with the terms and conditions set forth herein (including without limitation, failure to pay the Termination Fee as set forth herein), such right shall be null and void and shall be of no further force or effect.

(c) Option to Extend. Provided that no material Tenant Default (as hereinafter defined in Section 13) has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have the option to renew this Lease for an additional period of five (5) years under the same terms and conditions except that the Base Rent shall be adjusted by negotiation not to exceed one hundred percent (100%) of the fair market value which Landlord could derive from the demised Premises if they were made available on the open market (“**Fair Rental Rate**”). The Fair Rental Rate of the demised Premises shall be determined by using the rental rate prevailing for similarly-improved office space within the Complex for transactions consummated within the last twelve (12) months immediately preceding the Commencement Date of the option term (“**Comparable Transactions**”), or if there are not a sufficient number of Current Transactions in the Complex, the Fair Rental Rate of the demised Premises shall be determined by using the rental rate prevailing for similarly-improved office space within a three (3) mile radius of the demised Premises for transactions consummated within the last twelve (12) months immediately preceding the Commencement Date of the option term. In determining the Fair Rental Rate, equitable adjustments to the surveyed rental values shall be made for the size and credit-worthiness of Tenant, the quality of the project, the nature of the tenant’s improvements and any other lease terms having an impact on rental values. The fair rental survey shall be conducted by the Landlord’s appraiser and the Tenant’s appraiser, each of which

shall be certified and licensed by the State of California. Landlord shall bear the cost of Landlord's appraiser and Tenant shall bear the cost of Tenant's appraiser.

If Landlord and Tenant cannot agree on the Fair Rental Rate ninety (90) days prior to the expiration of the Lease Term, each shall mutually select a third appraiser who shall also conduct a fair rental appraisal. The third appraiser shall be required to have the same certification and licensing as the first two appraisers. The average of the two (2) appraisals nearest in value shall be the Fair Rental Rate. The cost of the third appraiser shall be borne equally by Landlord and Tenant.

Tenant, by Chief Executive Office letter, shall notify Landlord in writing not less than twelve (12) months prior to the expiration of the Lease Term, of Tenant's intention to exercise its option. The actual exercise of the option shall be only by the Board of Supervisors of the County of Los Angeles.

Notwithstanding the foregoing and if and only if (a) Tenant is leasing a minimum of 125,000 leasable square feet in the Complex on the date Landlord shall receive Tenant's notice of Tenant's intention to exercise its option to renew this Lease and on the date which shall be the first day of the option term, and (b) Tenant is otherwise in full compliance with the requirements of this Section 4(c), the Base Rent for the Premises during the option term shall be ninety-five percent (95%) of the Fair Rental Rate.

5. RENT.

(a) Base Rent. Tenant shall pay Landlord the Base Rent stated in Section 1 during the Term hereof within 15 days after a claim therefor for each such month has been filed by Landlord with the Auditor of the County of Los Angeles (the "**County**") prior to the first day of each month. Base Rent for any partial month shall be prorated in proportion to the number of days in such month ("**Base Rent**").

The Base Rent for the first full month of the Lease Term shall be paid within thirty (30) days of the Commencement Date.

If any rental payment date (including the Commencement Date) falls on a day of the month other than the first day of such month or if any rental payment is for a period which is shorter than one month, then the rental for any such fractional month shall be a proportionate amount of a full calendar month's rental based on the proportion that the number of days in such fractional month bears to the number of days in the calendar month during which such fractional month occurs. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

(b) Rent Adjustment. At the beginning of the 25th month of the Lease Term (the "**Adjustment Date**") and on every anniversary of the Adjustment Date thereafter, Base Rent shall be adjusted by applying the CPI Formula set forth below.

(c) CPI Formula. The "**Index**" means the Consumer Price Index for all Urban Consumers for the Los Angeles-Riverside-Orange County, CA area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "**CPI**

Formula” means Base Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Index published for the month the Lease commenced (the “**Base Index**”). If the Index is changed so that the Index differs from that used as of the Commencement Date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics.

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

(d) Illustration of Formula. The formula for determining the new rent shall be as follows:

$$\frac{\text{New Index}}{\text{Base Index}} \times \$43,170.54 \text{ (Base Rent)} = \text{New Monthly Base Rent}$$

(e) Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI formula result in an annual increase less than two percent (2%) nor more than five percent (5%) per year of the previous month’s Base Rent. In no event shall the monthly rent be adjusted by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year of the Lease.

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, as long as such use is consistent with the character of the Complex and allowed by applicable laws. Tenant agrees that it will not use or suffer or permit any person to use the Premises or any part thereof for any purpose in violation of the laws of California or the ordinances, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Complex. Tenant shall comply with all recorded covenants, conditions and restrictions, and the provisions of all ground or underlying leases now or hereafter affecting the Complex.

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 ninety (90) days’ written notice from Landlord or the Chief Executive Officer of Tenant at 150% of 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 Section 7 shall be construed as consent by Landlord to any holding over by Tenant, 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

other termination of this Lease. The provisions of this Section 7 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law.

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. Landlord's failure to comply with such legal requirements shall constitute a Landlord Default under this Lease (subject to applicable notice and cure periods set forth in Section 14(a)).

9. DAMAGE OR DESTRUCTION.

(a) Damage. In the event any portion of the Premises is damaged by fire or any other casualty rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then Landlord shall promptly, at Landlord's expense, repair such damage, and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within thirty (30) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. The failure to do so shall be a Landlord Default hereunder. Base Rent shall proportionally abate to the extent that the Premises are unusable by Tenant and not occupied by Tenant as a result thereof. 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 casualty 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 ten days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became 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.

(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 thirty (30) days after

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

(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, then upon not less than thirty (30) days' prior written notice to Landlord, Tenant may (a) declare a default hereunder, or (b) perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum from the Base Rent next due as a charge against the Landlord; provided, however, that if the nature of such repair or restoration is such that more than thirty (30) days is reasonably required, based on Tenant's review of the restoration bids, for completion of the same, then such thirty (30)-day period shall be extended as may be reasonably required provided that Landlord shall have undertaken such repair or restoration within said thirty (30)-day period and shall diligently prosecute the same to completion.

10. REPAIRS AND MAINTENANCE.

(a) Landlord Representations. Landlord represents to Tenant that (i) the Premises, the Building and all Common Areas, (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including use the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirements; (iii) the Premises, Building and Common Areas are free of the presence of any Hazardous Materials in violation of Environmental Laws (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).

(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 and the Premises, 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, 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 (if such floor covering is carpeting, it shall be replaced as needed but not less often than after five years of use); (2) interior partitions; (3) doors; (4) the interior side of demising walls (which shall be repainted as needed but not less often than every five years); and (5) signage.

(c) Tenant Obligations. Without limiting Landlord's obligations, Tenant shall, at Tenant's sole expense, keep the Premises (including all improvements, fixtures and furnishings therein) in good order, repair and condition at all times during the Lease Term, wear and tear excepted, and 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 Landlord, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws.

(d) 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 receipt by Landlord of such notice, but in any event not later than ten (10) business days after the receipt by Landlord 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). All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Landlord, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws. Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action is required under the terms of this Lease to be taken by Landlord and is not taken by Landlord within such period (unless such notice is not required as provided above), and Tenant takes such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in taking such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten days from receipt by Landlord of invoices and back-up documentation, 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.

Tenant at its sole option, acting through the CEO, may request that Landlord perform, supply and administer certain repairs, replacement or services that are the responsibility of Tenant under this Lease ("**Tenant Obligations**"). In the event Landlord elects not to accept such request, the Tenant Obligations shall remain the obligations of Tenant. In the event Landlord elects to accept such request, then Landlord shall undertake the Tenant Obligations requested by Tenant, in which event (a) Tenant shall reimburse Landlord for the costs incurred by Landlord with respect to the Tenant Obligations, plus a commercially reasonable administration fee charged by Landlord, (b) Landlord shall have no liability to Tenant for undertaking such Tenant Obligations, except as shall be due to the negligence or willful misconduct of Landlord, and (c) after undertaking the Tenant Obligations, Landlord shall have

the subsequent right to shift the Tenant Obligations back to Tenant, in which event Landlord shall no longer have any obligations with respect to the Tenant Obligations.

11. SERVICES AND UTILITIES.

Landlord shall furnish the following services and utilities to the Premises:

(a) Heating, Ventilation and Air Conditioning. 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 event Tenant requires HVAC on Saturdays or beyond Normal Working Hours, Tenant shall give Landlord prior notice thereof (pursuant to procedures as shall have been established by Landlord from time to time), and Landlord shall supply such HVAC at such hourly cost to Tenant as Landlord shall from time to time establish to reimburse Landlord for its costs incurred to provide such HVAC, which cost is \$83 - \$114 per hour as of the date hereof.

(b) Electricity. Landlord shall furnish to the Premises the amount of electric current provided for in the Working Drawings (if applicable) but in any event not less than seven (7) watts of electric current (connected load) per square foot of Rentable Square Feet in the Premises (“**Building Electricity**”), for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or subpanels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises. Without limiting the foregoing, Tenant may at its sole cost and expense (subject to the right of Tenant to use the Tenant Improvement Allowance) elect to install electrical gear and equipment to achieve an electric current connected load exceeding the Building Electricity. Tenant hereby acknowledges and agrees that any electrical gear and equipment installed by Tenant shall not exceed the capacity of the feeders, risers or electrical installations of the Building. Tenant shall not install in the Premises office equipment, lighting fixtures or similar items which will generate above average heat, noise or vibration at the Premises or which will adversely affect the temperature maintained by the HVAC system. If in any calendar month, Tenant is using electricity in excess of seven watts per rentable square feet in the Premises multiplied by the number of Normal Working Hours in any month (“**Maximum Monthly Electrical Consumption**”), Tenant shall pay to Landlord within sixty (60) days of receipt of an invoice from Landlord for the actual cost of its electrical usage in excess of the Maximum Monthly Electrical Consumption (MMEC). The calculation of Tenant’s electrical usage and the MMEC shall not include electrical consumption associated with the Base Building HVAC system. By way of example, if total electrical consumption for the Premises is 10 watts and Base Building HVAC account for 2 watts then Tenant is responsible for 8 watts and would make a payment for the overage of 1 watt (8 watts – 7 watts).

Tenant shall have the right to audit these costs (which audit shall include review of only the following: Landlord’s method of submetering electricity, Landlord’s calculation of electricity used by Tenant in excess of the MMEC, and electricity bills) for a period of twelve (12) months from the receipt by Tenant of each invoice therefor from Landlord. An audit

conducted by Tenant herein shall be done at Tenant's sole cost and expense by Tenant's internal electrical engineer or a third party electrical engineer selected by Tenant and approved by Landlord (which approval shall not be unreasonably withheld). In the event an audit conducted by Tenant shows that Tenant has been overcharged for its electrical usage in excess of the MMEC, Tenant shall provide Landlord with a copy of such audit and Landlord shall, within sixty (60) days of receipt of the copy of such audit, credit Tenant the amount of any such overpayment made by Tenant. In the event that Landlord disagrees with the result of Tenant's audit, Landlord shall have the right to hire a third party electrical engineer (which third party electrical engineer shall be approved by Tenant, which approval not to be unreasonably withheld and shall be granted or withheld for reasonable reasons within five (5) days of receipt by Tenant of the name of such electrical engineer) and the decision of such third party electrical engineer shall be binding on Landlord and Tenant. There shall be a reconciliation of the cost of electricity based on the finding of such third party electrical engineer, and the cost of such electrical engineer shall be shared equally by Landlord and Tenant.

(c) Elevators. Landlord shall furnish passenger elevator services to the Premises during Normal Working Hours. During all other hours, Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis.

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

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

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

(g) Utility Charges. Landlord agrees to pay when due all charges for the use of the sewer, effluent treatment (when and if imposed by any Governmental authority), water, sprinkler standby charges, electricity, gas, power and other utility charges accruing or payable in connection with the demised Premises during the term of this Lease or any renewal, extension, or holdover thereof, whether the same are prorated or measured by separate meters.

(h) Interruption of Use. Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution does not exceed five (5) business days or is occasioned, in whole or in part, by repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building after reasonable effort to do so, by any change in the electric service provider, by any accident or casualty whatsoever, by act or default of Tenant or other parties, or

by any other cause beyond Landlord's reasonable control; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Section 11.

In the event that Tenant is prevented from using, and does not use, the Premises or any portion thereof, for five (5) consecutive business days (the "**Eligibility Period**") as a result of (a) any repair, maintenance or alteration performed by Landlord after the Commencement Date and required or permitted by the Lease, which substantially interferes with Tenant's use of the Premises, or (b) any failure by Landlord to provide Tenant with services or access to the Premises, then Tenant's Rent shall be abated or reduced, as the case may be, after expiration of the Eligibility Period for such time that Tenant continues to be so prevented from using, and does not use, the Premises or a portion thereof, in the proportion that the rentable area of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable area of the Premises. In the event Tenant does not use the Premises or a portion thereof for longer than five (5) business days as set forth herein, then Landlord shall be in default under this Lease, in which event Tenant shall have all the remedies and rights set forth in Section 14(a) of the Lease following the applicable notices to Landlord and expiration of the applicable cure periods.

12. LANDLORD ACCESS.

Landlord reserves the right at all reasonable times and upon reasonable advance notice, of 1-24 hours, to the Tenant to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees or tenants, or to the ground or underlying lessors; (iii) post notices of nonresponsibility; or (iv) alter, improve or repair the Premises or the Building if necessary to comply with current building codes or other applicable laws, or for structural alterations, repairs or improvements to the Building. Notwithstanding anything to the contrary contained in this Section 12, Landlord may enter the Premises at any time to (A) perform services required of Landlord; (B) take possession due to any breach of this Lease in the manner provided herein; and (C) perform any covenants of Tenant which Tenant fails to perform. Any such entries shall be without the abatement of Rent and shall include the right to take such reasonable steps as required to accomplish the stated purposes. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In a safety emergency that creates an immediate and imminent danger to the Premises or persons therein, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises.

13. TENANT DEFAULT.

(a) Default. The occurrence of any one or more of the following events (a “**Tenant 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 five (5) 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 thirty (30) days after written notice from Landlord specifying in detail the nature of the Tenant default; provided, however, if more than thirty (30) days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Tenant 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 Article shall be deemed to affect either Landlord or Tenant’s right to indemnification under any indemnification clause or clauses set forth in this Lease.

14. LANDLORD DEFAULT.

(a) Remedies. In addition to the provisions for Landlord’s default provided by Sections 8, 9(d), 10(c) 19 and 20(b), Landlord shall be in default (“**Landlord Default**”) in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within twenty (20) 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 the Landlord Default is such that the same cannot reasonably be cured within such twenty (20)-day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant’s occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies as may be provided by 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 or loss arising from Landlord’s failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due; and/or (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 determination of Tenant, create or allow to persist an emergency condition, or materially and adversely affect the operation of Tenant's business in the Premises. For purposes of this Section 14(c), an emergency condition or a condition that would materially or adversely affect the operation of Tenant's business in the Premises shall be limited to events and/or conditions that could cause personal injury or material property damage.

15. ASSIGNMENT AND SUBLETTING.

Tenant shall not, without the prior written consent of Landlord, (which consent shall not be unreasonably withheld), assign, mortgage, pledge, hypothecate, encumber or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment or other such foregoing transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or permit the use of the Premises by any person other than Tenant (all of the foregoing, a "**Transfer**"). Any Transfer made without Landlord's prior written consent shall constitute a default by Tenant under this Lease. Whether or not Landlord grant such consent, Tenant shall pay review and processing fees that are actually incurred by Landlord, (up to \$2,000 for each Transfer), within thirty (30) days after written request by Landlord.

If Landlord consents to a Transfer, (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer, and (iv) no Transfer, whether or without Landlord's consent, shall relieve Tenant from liability 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 any Alteration that satisfies all of the following criteria: (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 unreasonably interfere with the normal and customary business office operations of other tenants in the Building. If Landlord fails to respond in writing within thirty (30) days of such request, Landlord shall be deemed to approve the Alterations.

(b) Landlord may impose, as a condition of its consent to all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its sole

discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors, materials, mechanics and materialmen approved by Landlord. In any event, a contractor approved by Landlord shall perform all mechanical, electrical, plumbing, structural, and heating, ventilation and air conditioning work, and such work shall be performed at Tenant's cost. Tenant shall not be required to obtain Landlord's approval of the contractor when the work will be performed by Los Angeles County Internal Services Department staff. Tenant shall construct such Alterations and perform such repairs in conformance with any and all applicable rules and regulations of any federal, state, county or municipal code or ordinance and pursuant to a valid building permit, issued by the city in which the Building is located, in conformance with Landlord's construction rules and regulations. Landlord's approval of the plans, specifications and working drawings for Tenant's Alterations shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all laws, rules and regulations of governmental agencies or authorities. Upon completion of any major Alterations involving a cost of at least \$50,000 or more, excluding telecommunication installations or alterations, Tenant agrees to cause a Notice of Completion to be recorded in the office of the Recorder of the county in which the Building is located in accordance with Section 3093 of the Civil Code of the State of California or any successor statute, and Tenant shall deliver to Landlord a reproducible copy of the "as built" drawings of the Alterations.

In connection with any Tenant Alterations, Tenant shall pay to Landlord a percentage of the cost of such work (such percentage to be established on a uniform basis for the Complex) sufficient to compensate Landlord for all overhead, general conditions, fees and other costs and expenses arising from Landlord's involvement with such Alterations.

(c) End of Term. Landlord may, by written notice to Tenant prior to the end of the Lease Term, or given upon any earlier termination of this Lease, require Tenant at Tenant's expense to remove any Alterations from the Premises and to repair any damage to the Premises and Building caused by such removal. If Tenant fails to complete such removal and/or to repair any damage caused by the removal of any Alterations, Landlord may do so and may charge the cost thereof to Tenant.

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 thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the “**Determination Date**”), which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within thirty (30) days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated.

(d) Restoration. Notwithstanding the preceding paragraph, if, within thirty (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 ninety (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 Complex, the Building or the Premises as a result of any negligent act, omission or willful misconduct of Tenant or its agents, contractors or employees (“**Tenant Parties**”), or arising from any default of 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 Tenant's rights or immunities under California workers' compensation laws and regulations.

(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 Complex, the Building or the Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors ("**Landlord Parties**"), or arising from breach or default under this Lease by Landlord or Landlord Parties. 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.

The provisions of this Section 18 shall survive the expiration or earlier termination of this Lease with respect to any claims occurring prior to such expiration or termination.

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 each party has named the other 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 thirty (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 rent the number of exclusive unreserved parking stalls set forth in Section 1 and shall rent parking passes at the charges set forth in Section 1 of this Lease. In addition, Tenant may rent from Landlord, subject to availability, additional unreserved parking passes ("**Additional Parking Passes**") on a month-to-month basis at the prevailing rate charged by Landlord for parking passes at the Complex, which Additional Parking Passes shall be subject to the right of Landlord upon thirty (30) days prior notice to no longer provide Tenant with any or all of such Additional Parking Passes. No unattended 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 non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building.

Landlord specifically reserves the right to change the size, configuration, design, layout, location and all other aspects of the parking facilities and Tenant acknowledges and agrees that Landlord may, without incurring any liability to Tenant and without any abatement of Rent under this Lease (except as provided in Section 11(i)), from time to time, close-off or restrict access to the parking facilities, or relocate Tenant's parking passes to other parking structures and/or surface parking areas within the Complex, for purposes of permitting or facilitating any such construction, alteration or improvements with respect to the parking facilities or to accommodate or facilitate renovation, alteration, construction or other modification of other improvements or structures located on the Complex. Landlord may delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control attributed hereby to the Landlord and such owner. Notwithstanding the foregoing, Landlord shall provide alternative parking arrangements within 600 feet of the premises or within the office campus complex in the event Tenant parking rights are interrupted. Tenant shall be responsible for any parking tax or other charges imposed by governmental authorities in connection with the use of such parking, which taxes and/or charges

shall be paid directly by Tenant or the parking users, or, if directly imposed against Landlord, Tenant shall reimburse Landlord for all such taxes and/or charges concurrent with its payment of the parking rates described herein.

(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) Tenant may (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective thirty (30) days thereafter or (b) deduct from the Base Rent thereafter accruing hereunder an amount each month equal to \$65 per parking stall per month for the parking spaces not provided

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 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.

Notwithstanding the foregoing, in no event shall Landlord be liable for consequential damages and/or punitive damages in connection with this Section 21(b).

22. ESTOPPEL CERTIFICATES.

Tenant shall, within thirty (30) days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit C 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.

(a) Paint and Floor Allowance. Landlord shall provide an allowance in the maximum sum of One Hundred Fifty-Eight Thousand Four Hundred Twenty-Four Dollars (\$158,424.00) for the painting and the installation of flooring materials within the Premises ("**Paint and Floor Allowance**"). The installation of paint and flooring materials in the Premises shall be under Tenant's specifications including the lifting and moving of furniture ("**Tenant Improvements**").

(b) 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 Tenant Improvements. Particulars of the current Prevailing Wage Scale, as approved by the Board of Supervisors which are applicable to the Tenant Improvements, are filed with the Clerk of the Board of Supervisors and must be posted at the site.

(c) Completion of Tenant Improvements. The parties mutually agree that the estimated time for completion of the Tenant Improvements is 180 days from the date Tenant shall notify Landlord of Tenant's selection of the paint and flooring materials from the Building standard paint and flooring materials choices. Landlord and Tenant shall use their commercially

reasonable efforts to cooperate and collaborate on the completion of the Tenant Improvements since the lifting and moving of furniture within the Premises in order to complete the Tenant Improvements shall require input from Tenant in terms of timing and scheduling. Tenant shall be responsible for the architectural layout in connection with the Tenant Improvements; provided, however, if Tenant fails to timely provide such architectural layout so that Landlord can timely complete the Tenant Improvements as set forth herein, Landlord shall provide the architectural services and the cost incurred by Landlord shall be deducted from the Paint and Floor Allowance.

(d) Permitted Delay in Completion of Tenant Improvements. Completion of the painting and installation of flooring materials may be delayed by the following. All delay days incurred as a result of such delays shall be added to Landlord's time for completion under Section 23(e) above:

(i) Acts or omissions of Tenant or of any employees or agents of Tenant (including change orders in the work), or

(ii) Any act of God which Landlord could not have reasonably foreseen and provided for, or

(iii) Any strikes, boycotts or like obstructive acts by employees or labor organizations which Landlord cannot overcome with reasonable effort and could not reasonably have foreseen and provided for, or

(iv) Any war or declaration of a state of national emergency, or

(v) The imposition by government action or authority of restrictions upon the procurement of labor or materials necessary for the completion of the building Premises.

(e) Unused Paint and Floor Allowance. In the event the cost of the Tenant Improvements is less than the Paint and Floor Allowance, the unused Paint and Floor Allowance (the "**Unused Allowance**") shall be held by Landlord for use by Tenant for subsequent additions, improvements and alterations made to the Premises by Tenant until the Lease Termination Date or earlier termination of this Lease.

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 Complex, the Building and the Premises free from any liens which would impair the interest of Tenant hereunder.

25. SUBORDINATION AND MORTGAGES.

(a) 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 Complex and/or Building; provided, however, Tenant's obligation to subordinate this

Lease is expressly conditioned upon Tenant receiving a written agreement in the form of a Subordination, Nondisturbance and Attornment Agreement, attached hereto as Exhibit D and incorporated herein by this reference, and provided further that no such subordination shall affect any option to extend the Term of this Lease or right of first offer to lease additional premises which may be included herein.

(b) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Complex and/or Building shall provide a written agreement to Tenant in the form of Exhibit E attached hereto and incorporated herein by this reference delivered to Landlord concurrently herewith within thirty (30) days after the execution of this Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Exhibit F attached hereto and incorporated herein by this reference delivered to Landlord concurrently herewith.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional thirty (30) 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 shall 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).

27. SIGNAGE.

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

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. Except for CB Richard Ellis, Inc., Landlord and Tenant each represent and warrant to each other that it has not engaged any other 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 is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

(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 nevertheless 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, or to such other address as Tenant or Landlord may from time to time designate in a notice to the other party. 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 therefor, together with all necessary information.

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

(l) Binding Effect. Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective successors or assigns.

(m) Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to Rent and other charges to be paid by Tenant pursuant to this Lease (collectively, the “**Force Majeure**”), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party’s performance caused by a Force Majeure.

(n) Waiver of Jury Trial. If either party commences litigation against the other for the specific performance of this Lease, for damages for the breach hereof or otherwise for enforcement of any remedy hereunder, the parties hereto agree to and hereby do waive any right to a trial by jury. In the event of any dispute regarding the terms, conditions, rights or obligations of the parties hereto, such dispute may, at the request of either party, be submitted to arbitration in accordance with the provisions of California Code of Civil Procedure Section 1280, et. seq., as they now exist or may later be amended. The Chief Executive Officer or County Counsel shall determine the designee who shall act on behalf of Tenant in the Arbitration Proceedings. The cost of the Arbitration Proceedings shall be shared equally between Landlord and Tenant.

(o) Disclosure. Tenant hereby waives any and all rights under and benefits of California Civil Code Section 1938 and acknowledges that neither the Complex nor the Premises has undergone inspection by a Certified Access Specialist (CASp) (defined in California Civil Code Section 55.52).

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 delegee (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. ACKNOWLEDGMENT 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

(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, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.

(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. 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 Real Estate Management Commission of Los Angeles County in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

[Signatures on Next Page]

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

“LANDLORD”

THE ALHAMBRA OFFICE COMMUNITY, LLC,
a Delaware limited liability company

By: **AIGGRE-TRC Alhambra Stabilized Project, LLC,**
a Delaware limited liability company, its Sole Member

By: **AIGGRE-TRC Alhambra, LLC,**
a Delaware limited liability company, its Sole Member

By: **Ratkovich 1000, LLC,**
a California limited liability company,
its Administrative Member

By: **Ratkovich Investment Company, LLC,**
a California limited liability company,
its Managing Member

By: Wayne Ratkovich

Print Name: Wayne Ratkovich

Title: Managing Member

78434

“TENANT”

COUNTY OF LOS ANGELES,
a body politic and corporate

By: Mike Antonovich

Name: **MIKE ANTONOVICH**

Michael D. Antonovich
Mayor, Board of Supervisors

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

ATTEST:

Patrick Ogawa
Acting Executive Officer-Clerk
of the Board of Supervisors

By: Lachelle Smitheman
Deputy

PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By: Lachelle Smitheman
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
Interim County Counsel

By: Mary Wickham
Deputy



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

15

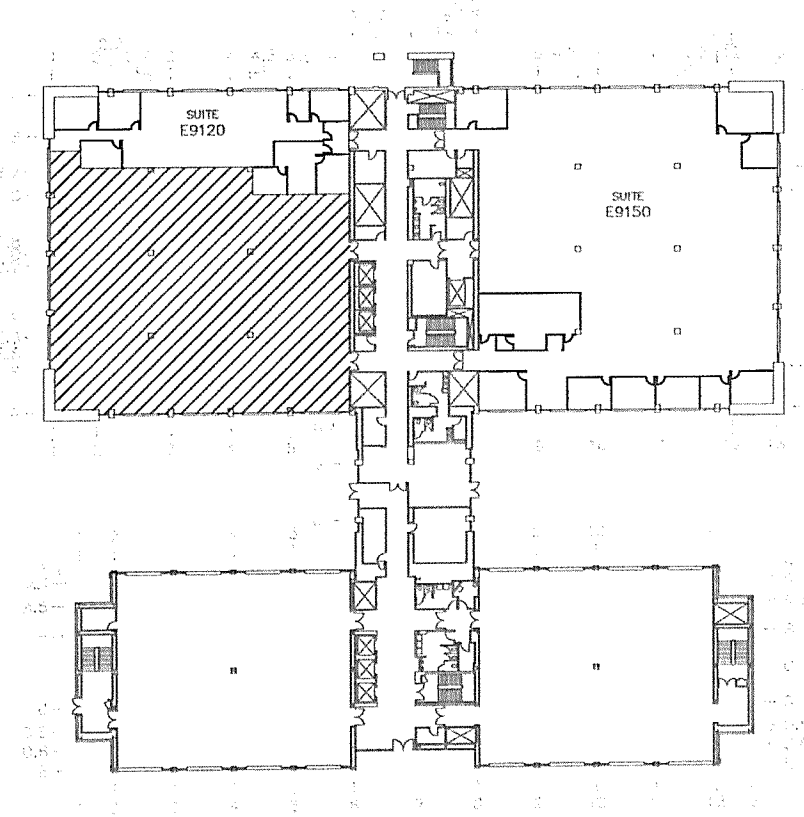
DEC 01 2015


Patrick Ogawa
PATRICK OGAWA
ACTING EXECUTIVE OFFICER

78434

EXHIBIT A

FLOOR PLAN OF PREMISES




FLOOR 1 

Building A9E
1000 S. Fremont Ave.
Alhambra, CA 91803

FINAL

Suite#: E9120-9150 Tenent: County of LA-Auditor Controller (Premises Suite E9120)
ID#: 1-27
Date: 10/14/15
Current Lease: A15682.00
Usable: B 4121.00
Corridor Ext:
Rentable:

---	STEVENSON	
---	SYSTEMS INC.	
---	www.stevenson-systems.com	
---	FRID SF	

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EXHIBIT A-1

SITE PLAN

(COMPLEX AND BUILDING)

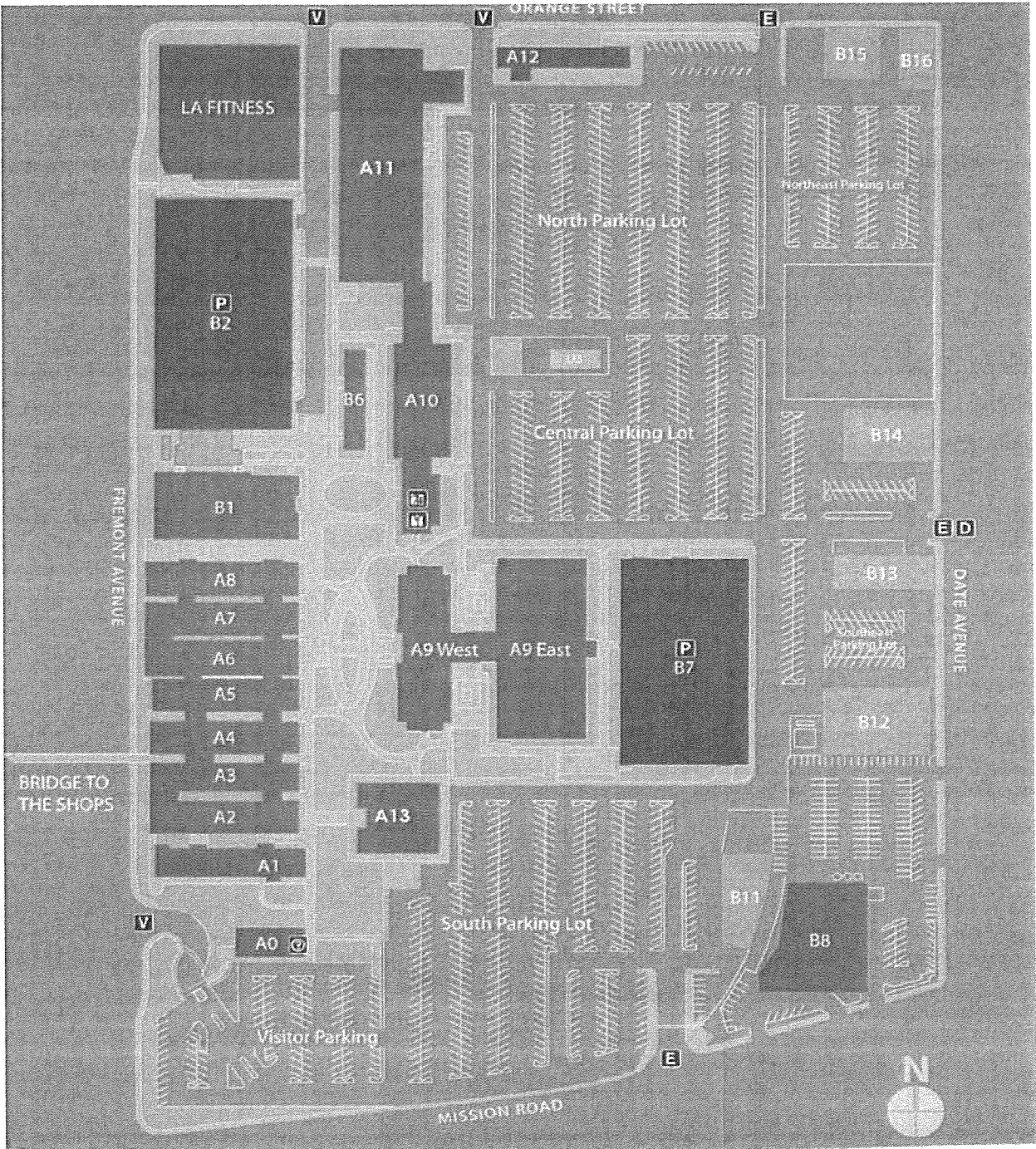


EXHIBIT B

CLEANING AND MAINTENANCE SCHEDULE

1. DAILY (MONDAY THROUGH FRIDAY)

- A. Carpets vacuumed.
- B. Composition floors dust-mopped.
- C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
- D. Waste baskets, other trash receptacles emptied.
- E. Chairs and waste baskets returned to proper position.
- F. Fingerprints removed from glass doors and partitions.
- G. Drinking fountains cleaned, sanitized and polished.
- H. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
- I. Bulb and tube replacements, as required.
- J. Graffiti in common areas expunged as needed within two (2) working days after notice by Tenant.
- K. Floors washed as needed.
- L. Kitchen/Lunchroom supplies replenished including paper supplies and soap.

2. WEEKLY

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

3. MONTHLY

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

4. QUARTERLY

- A. Light fixtures cleaned and dusted, but not less frequently than Quarterly.
- B. HVAC units serviced for preventative maintenance purposes, all filters changed.

5. SEMI-ANNUALLY

- A. All painted wall and door surfaces washed and stains removed.
- B. All walls treated with vinyl covering washed and stains removed.

6. ANNUALLY

- A. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.
- B. Touch-up paint all interior painted surfaces in a color and finish to match existing.
- C. HVAC chiller water checked for bacteria, water conditioned as necessary.
- D. Draperies or mini-blinds cleaned as required.
- E. Windows washed as required inside and outside.

7. AS NEEDED

A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.

B. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance, as determined in Landlord's sole discretion. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition, as determined in Landlord's sole discretion.

C. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning: (i) elevator lobby with a frequency of quarterly [four (4) times per year]; and (ii) within the Premises once per year. Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.

8. GENERAL

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

EXHIBIT C

TENANT ESTOPPEL CERTIFICATE

To: _____

Attn: _____

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

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

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

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

 (b) The current Rent is set forth above.

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

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

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

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

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

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

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

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

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

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: _____

APPROVED AS TO FORM:

County Counsel

By: _____
Deputy

EXHIBIT D

**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 _____, 20__ by and among COUNTY OF LOS ANGELES, a body politic and corporate (“**Tenant**”), _____ (“**Borrower**”) and _____, (“**Lender**”).

Factual Background

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

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

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

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

Agreement

Therefore, the parties agree as follows:

1. Subordination. The 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: _____

To Borrower: _____

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

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by 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.

APPROVED AS TO FORM:

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

County Counsel

By: _____
Deputy

By: _____
Director of Real Estate

BORROWER:

By: _____
Name: _____
Title: _____

LENDER: [*Insert name of Lender*],
By: _____

EXHIBIT E

NONDISTURBANCE 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

NONDISTURBANCE AND ATTORNMENT AGREEMENT

This Nondisturbance and Attornment Agreement (“**Agreement**”) is entered into as of the ____ day of _____, 20____ by and among COUNTY OF LOS ANGELES, a body politic and corporate (“**Tenant**”), and [*Insert name of Lender*], (“**Lender**”).

Factual Background

A. [*Insert name of Landlord*], (“**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 a loan to Borrower. The Loan is secured by a deed of trust or mortgage encumbering the Property (the “**Deed of Trust**”).

C. Tenant and Borrower (as “**Landlord**”) intend to or have entered into a lease (the “**Lease**”) under which Borrower leases to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the “**Premises**”).

D. Tenant’s rights under the Lease are subordinate to the lien of the Deed of Trust. Tenant is willing to make the substantial investment in the Premises required under the Lease, provided that Lender agrees to a nondisturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

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

County Counsel

By: _____
Deputy

By: _____
Director of Real Estate

BORROWER: [Insert name of Landlord]

By: _____
Name: _____
Title: _____

LENDER: [Insert name of Landlord]

By: _____
Name: _____
Title: _____

EXHIBIT F

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 2924 CIVIL CODE)

In accordance with Section 2924, 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 G

COMMUNITY BUSINESS ENTERPRISE FORM

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

Firm Name

Address

Contact Name

Telephone No.

Total # of Employees

Business Structure*

*Corporation, Partnership, etc.

MINORITY/WOMEN PARTICIPATION IN FIRM

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

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

PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

	TOTAL # OF OWNERS	% OF OWNERSHIP
Black/African American		
Hispanic/Latin American		
Asian American		

Portuguese American

American Indian/Alaskan Native

All Others

TOTAL

Women*

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

CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

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

yes No

State of California?

City of Los Angeles?

Federal Government?

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

Initial

Initial here if applicable

SIGNED: _____

TITLE: _____

DATE: _____

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

DEPARTMENT: Health Services, as Tenant

**LANDLORD: The Alhambra Office Community, LLC, a Delaware limited liability
company**

[1000 South Fremont Avenue, Alhambra]

78435

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32. IRREVOCABLE OFFER 28

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

THIS LEASE (“Lease”) is entered into as of the 1st day of December, 2015, between THE ALHAMBRA OFFICE COMMUNITY, LLC, a Delaware limited liability company (“Landlord”), and COUNTY OF LOS ANGELES, a body politic and corporate (“Tenant” or “County”).

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION.

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

- a. Landlord’s Address for Notice: The Alhambra Office Community, LLC
1000 South Fremont Avenue
Unit 1, Building A10C, Suite 10150
Alhambra, California 91803
Attn: Senior Development Manager
Telephone No.: (626) 300-5000
Facsimile No.: (626) 300-5025

with copies to:

c/o AIG Global Real Estate Investment Corp.
555 California Street, Suite 3130
San Francisco, California 94104
Attention: Mike Sahlman
Telephone: (415) 399-5840
Telecopier: (415) 399-5841

and

c/o AIG Global Real Estate Investment Corp.
70 Pine Street, 4th Floor
New York, New York 10270
Attention: General Counsel
Telephone: (212) 770-8300
Telecopier: (212) 770-8499

78435

and

DLA Piper LLP (US)
550 South Hope Street, Suite 2300
Los Angeles, California 90071
Attention: Jackie Park, Esq.
Telephone: (213) 330-7743
Telecopier: (213) 330-7543

- 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, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Fax Number: (213) 830-0926

- c. Premises: Premises A: Approximately 33,886 leasable square feet on the 2nd Floor in the A9 East Building (defined below) as shown on Exhibit A attached hereto.

Premises B: Approximately 4,615 leasable square feet on the north side of the Ground Floor in the A9 East Building (defined below) as shown on Exhibit A attached hereto.

Premises A and Premises B shall collectively be defined as the "**Premises**".

- d. Complex: An office building project located at 1000 South Fremont Avenue, Alhambra, California, as shown on the site plan attached as Exhibit A-1 and made a part hereof. The Complex is currently assessed by the County Assessor as APN 5342-001-021, 5342-001-024 and 5342-001-025.

- e. Building: Building A9 East, depicted on Exhibit A-1 attached hereto.
- f. Term: Five years commencing upon the date this Lease is executed by the County of Los Angeles Board of Supervisors (the “**Commencement Date**”) and terminating the day before the Fifth anniversary of the Commencement Date (the “**Termination Date**”), subject to earlier termination by Landlord or 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 Option Term for which an option has been validly exercised (pursuant to Section 4(d)).
- g. Commencement Date: Execution by the County of Los Angeles Board of Supervisors
- h. Irrevocable Offer Expiration Date: December 31, 2015
- i. Base Rent: \$83,932.18 per month (which is based upon a rental rate of \$2.18 per leasable square foot (adjustable only as provided in Section 5 hereof.)
- j. Early Termination Date: Last day of the 48th month of the Lease Term
- k. Leasable Square Feet in the Premises: 38,501
- l. Use: General office use or for any other lawful purposes not incompatible with other uses in the Building.
- m. Initial Departmental Use: Health Services
- n. Parking Spaces: 154 unreserved parking spaces. Parking shall be paid as additional rent at the rate of \$60 per space per month. This rate shall increase to \$65 per space per month at the beginning of the 31st month of the Term.

- o. Normal Working Hours: 7:00 a.m. to 6:00 p.m., Monday through Friday, 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. (Please see Section 11 re: after-hours services and utilities.)
- p. Asbestos Report: A report dated November, 1999 prepared by Gail/Jordan Associates, a licensed California Asbestos Contractor.

1.2 Exhibits to Lease:

- Exhibit A - Floor Plan
- Exhibit A-1 - Site Plan (Complex and Building)
- Exhibit B - Cleaning Schedule
- Exhibit C – Tenant Estoppel Certificate
- Exhibit D – Subordination, Non-disturbance and Attornment Agreement
- Exhibit E - Nondisturbance Agreement
- Exhibit F - Request for Notice
- Exhibit G - Community Business Enterprises

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, which Premises is located in the Building described and depicted in Section 1 and Exhibit A-1 attached hereto. The Building is part of the Complex located at 1000 South Fremont Avenue depicted on the site plan attached hereto as Exhibit A-1.

(b) Tenant confirms that Tenant is currently occupying the Premises pursuant to that certain Lease No. 72576 dated January 18, 2000, as amended (“**Existing Lease**”) and that Landlord has no delivery obligations with respect thereto. Prior to the Commencement Date of this Lease, Tenant shall continue to occupy the Premises and perform all of its obligations under the terms and conditions of the Existing Lease. As of the Commencement Date, the Existing Lease shall terminate for all purposes with respect to the Premises, except that Tenant shall be responsible for any liabilities or obligations which specifically survive the termination of the Existing Lease in accordance with its terms.

3. COMMON AREAS.

Tenant may use the following areas in common with Landlord and other tenants of the Building (“**Building Common Areas**”) and the Complex (“**Complex Common Areas**”)

(Building Common Areas and Complex Common Areas are collectively, “**Common Areas**”): the entrances, lobbies and other public areas of the Building and the Complex, 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 and the Complex. The manner in which the Common Areas are maintained and operated shall be at the sole discretion of Landlord. 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.

(b) Early Termination by Tenant. Tenant shall have a one-time right to terminate this Lease in its entirety effective as of the Early Termination Date, as defined in Section 1, by giving Landlord not less than 365 days’ prior written notice (i.e., no later than the last day of the 36th month of the Lease Term) executed by the Chief Executive Officer of Tenant (“**Termination Notice**”). Within thirty (30) days of delivery by Tenant to Landlord of the Termination Notice, Tenant shall reimburse Landlord for the unamortized Paint and Floor Allowance (as hereinafter defined in Section 23) and Brokerage Commissions (“**Termination Fee**”), calculated at an interest rate of seven percent (7%) per annum. Subject to the terms hereof, if Tenant properly exercises such option to terminate this Lease, such termination shall be effective as of the Early Termination Date. If Tenant fails to exercise its rights under this Section 4(b) strictly in accordance with the terms and conditions set forth herein (including without limitation, failure to pay the Termination Fee as set forth herein), such right shall be null and void and shall be of no further force or effect.

(c) Early Termination by Landlord. Landlord shall have an ongoing option to terminate this Lease with respect to only Premises B as defined in Section 1 at any time during the Lease Term by giving Tenant not less than 60 days’ prior written notice (“**Landlord Termination Notice**”). There shall be no obligation by Landlord to pay any termination fee to Tenant. Subject to the terms hereof, if Landlord properly exercises such option to terminate this Lease with respect to only Premises B, such termination with respect to only Premises B shall be effective as of the 60th day following receipt by Tenant of the Landlord Termination Notice. If Landlord fails to exercise its rights under this Section 4(c) strictly in accordance with the terms and conditions set forth herein, such right shall be null and void and shall be of no further force or effect.

(d) Option to Extend. Provided that no material Tenant Default (as hereinafter defined in Section 13) has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have the option to renew this Lease for an additional period of five (5) years under the same terms and conditions except that the Base Rent shall be adjusted by negotiation not to exceed one hundred percent (100%) of the fair market value which Landlord could derive from the demised Premises if they were made available on the open market (“**Fair Rental Rate**”). The Fair Rental Rate of the demised Premises shall be determined by using the rental rate prevailing for similarly-improved office space within the Complex for transactions

consummated within the last twelve (12) months immediately preceding the Commencement Date of the option term (“**Comparable Transactions**”), or if there are not a sufficient number of Current Transactions in the Complex, the Fair Rental Rate of the demised Premises shall be determined by using the rental rate prevailing for similarly-improved office space within a three (3) mile radius of the demised Premises for transactions consummated within the last twelve (12) months immediately preceding the Commencement Date of the option term. In determining the Fair Rental Rate, equitable adjustments to the surveyed rental values shall be made for the size and credit-worthiness of Tenant, the quality of the project, the nature of the tenant’s improvements and any other lease terms having an impact on rental values. The fair rental survey shall be conducted by the Landlord’s appraiser and the Tenant’s appraiser, each of which shall be certified and licensed by the State of California. Landlord shall bear the cost of Landlord’s appraiser and Tenant shall bear the cost of Tenant’s appraiser.

If Landlord and Tenant cannot agree on the Fair Rental Rate ninety (90) days prior to the expiration of the Lease Term, each shall mutually select a third appraiser who shall also conduct a fair rental appraisal. The third appraiser shall be required to have the same certification and licensing as the first two appraisers. The average of the two (2) appraisals nearest in value shall be the Fair Rental Rate. The cost of the third appraiser shall be borne equally by Landlord and Tenant.

Tenant, by Chief Executive Office letter, shall notify Landlord in writing not less than twelve (12) months prior to the expiration of the Lease Term, of Tenant’s intention to exercise its option. The actual exercise of the option shall be only by the Board of Supervisors of the County of Los Angeles.

Notwithstanding the foregoing and if and only if (a) Tenant is leasing a minimum of 125,000 leasable square feet in the Complex on the date Landlord shall receive Tenant’s notice of Tenant’s intention to exercise its option to renew this Lease and on the date which shall be the first day of the option term, and (b) Tenant is otherwise in full compliance with the requirements of this Section 4(c), the Base Rent for the Premises during the option term shall be ninety-five percent (95%) of the Fair Rental Rate.

5. RENT.

(a) Base Rent. Tenant shall pay Landlord the Base Rent stated in Section 1 during the Term hereof within 15 days after a claim therefor for each such month has been filed by Landlord with the Auditor of the County of Los Angeles (the “**County**”) prior to the first day of each month. Base Rent for any partial month shall be prorated in proportion to the number of days in such month (“**Base Rent**”).

The Base Rent for the first full month of the Lease Term shall be paid within thirty (30) days of the Commencement Date.

If any rental payment date (including the Commencement Date) falls on a day of the month other than the first day of such month or if any rental payment is for a period which is shorter than one month, then the rental for any such fractional month shall be a proportionate amount of a full calendar month’s rental based on the proportion that the number

of days in such fractional month bears to the number of days in the calendar month during which such fractional month occurs. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

(b) Rent Adjustment. At the beginning of the 25th month of the Lease Term (the “**Adjustment Date**”) and on every anniversary of the Adjustment Date thereafter, Base Rent shall be adjusted by applying the CPI Formula set forth below.

(c) CPI Formula. The “**Index**” means the Consumer Price Index for all Urban Consumers for the Los Angeles-Riverside-Orange County, CA area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The “**CPI Formula**” means Base Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Index published for the month one (1) year prior to the month the Lease commenced (the “**Base Index**”). If the Index is changed so that the Index differs from that used as of the Commencement Date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics.

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

(d) Illustration of Formula. The formula for determining the new rent shall be as follows:

$$\frac{\text{New Index}}{\text{Base Index}} \times \$83,932.18 \text{ (Base Rent)} = \text{New Monthly Base Rent}$$

(e) Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI formula result in an annual increase less than two percent (2%) nor more than five percent (5%) per year of the previous month’s Base Rent. In no event shall the monthly rent be adjusted by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year of the Lease.

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, as long as such use is consistent with the character of the Complex and allowed by applicable laws. Tenant agrees that it will not use or suffer or permit any person to use the Premises or any part thereof for any purpose in violation of the laws of California or the ordinances, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Complex. Tenant shall comply with all recorded covenants, conditions and restrictions, and the provisions of all ground or underlying leases now or hereafter affecting the Complex.

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 ninety (90) days' written notice from Landlord or the Chief Executive Officer of Tenant at 150% of 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 Section 7 shall be construed as consent by Landlord to any holding over by Tenant, 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 other termination of this Lease. The provisions of this Section 7 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law.

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. Landlord's failure to comply with such legal requirements shall constitute a Landlord Default under this Lease (subject to applicable notice and cure periods set forth in Section 14(a)).

9. DAMAGE OR DESTRUCTION.

(a) Damage. In the event any portion of the Premises is damaged by fire or any other casualty rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then Landlord shall promptly, at Landlord's expense, repair such damage, and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenantable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within thirty (30) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. The failure to do so shall be a Landlord Default hereunder. Base Rent shall proportionally abate to the extent that the Premises are unusable by Tenant and not occupied by Tenant as a result thereof. 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 casualty 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 ten days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became 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.

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

(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, then upon not less than thirty (30) days' prior written notice to Landlord, Tenant may (a) declare a default hereunder, or (b) perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum from the Base Rent next due as a charge against the Landlord; provided, however, that if the nature of such repair or restoration is such that more than thirty (30) days is reasonably required, based on Tenant's review of the restoration bids, for completion of the same, then such thirty (30)-day period shall be extended as may be reasonably required provided that Landlord shall have undertaken such repair or restoration within said thirty (30)-day period and shall diligently prosecute the same to completion.

10. REPAIRS AND MAINTENANCE.

(a) Landlord Representations. Landlord represents to Tenant that (i) the Premises, the Building and all Common Areas, (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including use the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirements; (iii) the Premises, Building and Common Areas are free of the presence of any Hazardous Materials in violation of Environmental Laws (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).

(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 and the Premises, 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, 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 (if such floor covering is carpeting, it shall be replaced as needed but not less often than after five years of use); (2) interior partitions; (3) doors; (4) the interior side of demising walls (which shall be repainted as needed but not less often than every five years); and (5) signage.

(c) Tenant Obligations. Without limiting Landlord's obligations, Tenant shall, at Tenant's sole expense, keep the Premises (including all improvements, fixtures and furnishings therein) in good order, repair and condition at all times during the Lease Term, wear and tear excepted, and 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 Landlord, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws.

(d) 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 receipt by Landlord of such notice, but in any event not later than ten (10) business days after the receipt by Landlord 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). All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Landlord, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws. Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action is required under the terms of this Lease to be taken by Landlord and is not taken by Landlord within such period (unless such notice is not required as provided above), and Tenant takes such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in taking such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten days from receipt by Landlord of invoices and back-up documentation, 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.

Tenant at its sole option, acting through the CEO, may request that Landlord perform, supply and administer certain repairs, replacement or services that are the responsibility of Tenant under this Lease (“**Tenant Obligations**”). In the event Landlord elects not to accept such request, the Tenant Obligations shall remain the obligations of Tenant. In the event Landlord elects to accept such request, then Landlord shall undertake the Tenant Obligations requested by Tenant, in which event (a) Tenant shall reimburse Landlord for the costs incurred by Landlord with respect to the Tenant Obligations, plus a commercially reasonable administration fee charged by Landlord, (b) Landlord shall have no liability to Tenant for undertaking such Tenant Obligations, except as shall be due to the negligence or willful misconduct of Landlord, and (c) after undertaking the Tenant Obligations, Landlord shall have the subsequent right to shift the Tenant Obligations back to Tenant, in which event Landlord shall no longer have any obligations with respect to the Tenant Obligations.

11. SERVICES AND UTILITIES.

Landlord shall furnish the following services and utilities to the Premises:

(a) Heating, Ventilation and Air Conditioning. 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 event Tenant requires HVAC on Saturdays or beyond Normal Working Hours, Tenant shall give Landlord prior notice thereof (pursuant to procedures as shall have been established by Landlord from time to time), and Landlord shall supply such HVAC at such hourly cost to Tenant as Landlord shall from time to time establish to reimburse Landlord for its costs incurred to provide such HVAC, which cost is \$83 - \$114 per hour as of the date hereof.

(b) Electricity. Landlord shall furnish to the Premises the amount of electric current provided for in the Working Drawings (if applicable) but in any event not less than seven (7) watts of electric current (connected load) per square foot of Rentable Square Feet in the Premises (“**Building Electricity**”), for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or subpanels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises. Without limiting the foregoing, Tenant may at its sole cost and expense (subject to the right of Tenant to use the Tenant Improvement Allowance) elect to install electrical gear and equipment to achieve an electric current connected load exceeding the Building Electricity. Tenant hereby acknowledges and agrees that any electrical gear and equipment installed by Tenant shall not exceed the capacity of the feeders, risers or electrical installations of the Building. Tenant shall not install in the Premises office equipment, lighting fixtures or similar items which will generate above average heat, noise or vibration at the Premises or which will adversely affect the temperature maintained by the HVAC system. If in any calendar month, Tenant is using electricity in excess of seven watts per rentable square feet in the Premises multiplied by the number of Normal

Working Hours in any month (“**Maximum Monthly Electrical Consumption**”), Tenant shall pay to Landlord within sixty (60) days of receipt of an invoice from Landlord for the actual cost of its electrical usage in excess of the Maximum Monthly Electrical Consumption (MMEC). The calculation of Tenant’s electrical usage and the MMEC shall not include electrical consumption associated with the Base Building HVAC system. By way of example, if total electrical consumption for the Premises is 10 watts and Base Building HVAC account for 2 watts then Tenant is responsible for 8 watts and would make a payment for the overage of 1 watt (8 watts – 7 watts).

Tenant shall have the right to audit these costs (which audit shall include review of only the following: Landlord’s method of submetering electricity, Landlord’s calculation of electricity used by Tenant in excess of the MMEC, and electricity bills) for a period of twelve (12) months from the receipt by Tenant of each invoice therefor from Landlord. An audit conducted by Tenant herein shall be done at Tenant’s sole cost and expense by Tenant’s internal electrical engineer or a third party electrical engineer selected by Tenant and approved by Landlord (which approval shall not be unreasonably withheld). In the event an audit conducted by Tenant shows that Tenant has been overcharged for its electrical usage in excess of the MMEC, Tenant shall provide Landlord with a copy of such audit and Landlord shall, within sixty (60) days of receipt of the copy of such audit, credit Tenant the amount of any such overpayment made by Tenant. In the event that Landlord disagrees with the result of Tenant’s audit, Landlord shall have the right to hire a third party electrical engineer (which third party electrical engineer shall be approved by Tenant, which approval not to be unreasonably withheld and shall be granted or withheld for reasonable reasons within five (5) days of receipt by Tenant of the name of such electrical engineer) and the decision of such third party electrical engineer shall be binding on Landlord and Tenant. There shall be a reconciliation of the cost of electricity based on the finding of such third party electrical engineer, and the cost of such electrical engineer shall be shared equally by Landlord and Tenant.

(c) Elevators. Landlord shall furnish passenger elevator services to the Premises during Normal Working Hours. During all other hours, Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis.

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

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

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

(g) Utility Charges. Landlord agrees to pay when due all charges for the use of the sewer, effluent treatment (when and if imposed by any Governmental authority), water, sprinkler standby charges, electricity, gas, power and other utility charges accruing or payable in connection with the demised Premises during the term of this Lease or any renewal, extension, or holdover thereof, whether the same are prorated or measured by separate meters.

(h) Interruption of Use. Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution does not exceed five (5) business days or is occasioned, in whole or in part, by repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building after reasonable effort to do so, by any change in the electric service provider, by any accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause beyond Landlord's reasonable control; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Section 11.

In the event that Tenant is prevented from using, and does not use, the Premises or any portion thereof, for five (5) consecutive business days (the "**Eligibility Period**") as a result of (a) any repair, maintenance or alteration performed by Landlord after the Commencement Date and required or permitted by the Lease, which substantially interferes with Tenant's use of the Premises, or (b) any failure by Landlord to provide Tenant with services or access to the Premises, then Tenant's Rent shall be abated or reduced, as the case may be, after expiration of the Eligibility Period for such time that Tenant continues to be so prevented from using, and does not use, the Premises or a portion thereof, in the proportion that the rentable area of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable area of the Premises. In the event Tenant does not use the Premises or a portion thereof for longer than five (5) business days as set forth herein, then Landlord shall be in default under this Lease, in which event Tenant shall have all the remedies and rights set forth in Section 14(a) of the Lease following the applicable notices to Landlord and expiration of the applicable cure periods.

12. LANDLORD ACCESS.

Landlord reserves the right at all reasonable times and upon reasonable advance notice, of 1-24 hours, to the Tenant to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees or tenants, or to the ground or underlying lessors; (iii) post notices of nonresponsibility; or (iv) alter, improve or repair the Premises or the Building if necessary to comply with current building codes or other applicable laws, or for structural alterations, repairs or improvements to the Building. Notwithstanding anything to the contrary contained in this Section 12, Landlord may enter the Premises at any time to (A) perform services required of Landlord; (B) take possession due to any breach of this Lease in

the manner provided herein; and (C) perform any covenants of Tenant which Tenant fails to perform. Any such entries shall be without the abatement of Rent and shall include the right to take such reasonable steps as required to accomplish the stated purposes. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In a safety emergency that creates an immediate and imminent danger to the Premises or persons therein, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises.

13. TENANT DEFAULT.

(a) Default. The occurrence of any one or more of the following events (a "**Tenant 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 five (5) 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 thirty (30) days after written notice from Landlord specifying in detail the nature of the Tenant default; provided, however, if more than thirty (30) days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Tenant 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 Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

14. LANDLORD DEFAULT.

(a) Remedies. In addition to the provisions for Landlord's default provided by Sections 8, 9(d), 10(c) 19 and 20(b), Landlord shall be in default ("**Landlord Default**") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within twenty (20) 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 the Landlord Default is such

that the same cannot reasonably be cured within such twenty (20)-day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies as may be provided by 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 or loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due; and/or (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 determination of Tenant, create or allow to persist an emergency condition, or materially and adversely affect the operation of Tenant's business in the Premises. For purposes of this Section 14(c), an emergency condition or a condition that would materially or adversely affect the operation of Tenant's business in the Premises shall be limited to events and/or conditions that could cause personal injury or material property damage.

15. ASSIGNMENT AND SUBLETTING.

Tenant shall not, without the prior written consent of Landlord, (which consent shall not be unreasonably withheld), assign, mortgage, pledge, hypothecate, encumber or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment or other such foregoing transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or permit the use of the Premises by any person other than Tenant (all of the foregoing, a "**Transfer**"). Any Transfer made without Landlord's prior written consent shall constitute a default by Tenant under this Lease. Whether or not Landlord grant such consent, Tenant shall pay review and processing fees that are actually incurred by Landlord, (up to \$2,000 for each Transfer), within thirty (30) days after written request by Landlord.

If Landlord consents to a Transfer, (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer, and (iv) no Transfer, whether or without Landlord's consent, shall relieve Tenant from liability 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 any Alteration that satisfies all of the following criteria: (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 unreasonably interfere with the normal and customary business office operations of other tenants in the Building. If Landlord fails to respond in writing within thirty (30) days of such request, Landlord shall be deemed to approve the Alterations.

(b) Landlord may impose, as a condition of its consent to all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its sole discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors, materials, mechanics and materialmen approved by Landlord. In any event, a contractor approved by Landlord shall perform all mechanical, electrical, plumbing, structural, and heating, ventilation and air conditioning work, and such work shall be performed at Tenant’s cost. Tenant shall not be required to obtain Landlord’s approval of the contractor when the work will be performed by Los Angeles County Internal Services Department staff. Tenant shall construct such Alterations and perform such repairs in conformance with any and all applicable rules and regulations of any federal, state, county or municipal code or ordinance and pursuant to a valid building permit, issued by the city in which the Building is located, in conformance with Landlord’s construction rules and regulations. Landlord’s approval of the plans, specifications and working drawings for Tenant’s Alterations shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all laws, rules and regulations of governmental agencies or authorities. Upon completion of any major Alterations involving a cost of at least \$50,000 or more, excluding telecommunication installations or alterations, Tenant agrees to cause a Notice of Completion to be recorded in the office of the Recorder of the county in which the Building is located in accordance with Section 3093 of the Civil Code of the State of California or any successor statute, and Tenant shall deliver to Landlord a reproducible copy of the “as built” drawings of the Alterations.

In connection with any Tenant Alterations, Tenant shall pay to Landlord a percentage of the cost of such work (such percentage to be established on a uniform basis for the Complex) sufficient to compensate Landlord for all overhead, general conditions, fees and other costs and expenses arising from Landlord’s involvement with such Alterations.

(c) End of Term. Landlord may, by written notice to Tenant prior to the end of the Lease Term, or given upon any earlier termination of this Lease, require Tenant at Tenant’s expense to remove any Alterations from the Premises and to repair any damage to the Premises and Building caused by such removal. If Tenant fails to complete such removal and/or to repair any damage caused by the removal of any Alterations, Landlord may do so and may charge the cost thereof to Tenant.

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 thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the “**Determination Date**”), which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within thirty (30) days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated.

(d) Restoration. Notwithstanding the preceding paragraph, if, within thirty (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 ninety (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 Complex, the Building or the Premises as a result of any negligent act, omission or willful misconduct of Tenant or its agents, contractors or employees ("**Tenant Parties**"), or arising from any default of 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 Tenant's rights or immunities under California workers' compensation laws and regulations.

(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 Complex, the Building or the Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors ("**Landlord Parties**"), or arising from breach or default under this Lease by Landlord or Landlord Parties. 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.

The provisions of this Section 18 shall survive the expiration or earlier termination of this Lease with respect to any claims occurring prior to such expiration or termination.

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 each party has named the other 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 thirty (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 rent the number of exclusive unreserved parking stalls set forth in Section 1 and shall rent parking passes at the charges set forth in Section 1 of this Lease. In addition, Tenant may rent from Landlord, subject to availability, additional unreserved parking passes ("**Additional Parking Passes**") on a month-to-month basis at the prevailing rate charged by Landlord for parking passes at the Complex, which Additional Parking Passes shall be subject to the right of Landlord upon thirty (30) days prior notice to no longer provide Tenant with any or all of such Additional Parking Passes. No unattended 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 non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building.

Landlord specifically reserves the right to change the size, configuration, design, layout, location and all other aspects of the parking facilities and Tenant acknowledges and agrees that Landlord may, without incurring any liability to Tenant and without any abatement of Rent under this Lease (except as provided in Section 11(i)), from time to time, close-off or restrict access to the parking facilities, or relocate Tenant's parking passes to other parking structures and/or surface parking areas within the Complex, for purposes of permitting or facilitating any such construction, alteration or improvements with respect to the parking facilities or to accommodate or facilitate renovation, alteration, construction or other modification of other improvements or structures located on the Complex. Landlord may delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control attributed hereby to the Landlord and such owner. Notwithstanding the foregoing, Landlord shall provide alternative parking arrangements within 600 feet of the premises or within the office campus complex in the event Tenant parking rights are interrupted. Tenant shall be responsible for any parking tax or other charges imposed by governmental authorities in connection with the use of such parking, which taxes and/or charges shall be paid directly by Tenant or the parking users, or, if directly imposed against Landlord, Tenant shall reimburse Landlord for all such taxes and/or charges concurrent with its payment of the parking rates described herein.

(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) Tenant may (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective thirty (30) days thereafter or (b) deduct from the Base Rent thereafter accruing hereunder an amount each month equal to \$65 per parking stall per month for the parking spaces not provided

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 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.

Notwithstanding the foregoing, in no event shall Landlord be liable for consequential damages and/or punitive damages in connection with this Section 21(b).

22. ESTOPPEL CERTIFICATES.

Tenant shall, within thirty (30) days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit C 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.

(a) Paint and Floor Allowance. Landlord shall provide an allowance in the maximum sum of Two Hundred Seventy-One Thousand Eighty-Eight (\$271,088.00) (“**Paint and Floor Allowance**”) for the painting and the installation of flooring materials within the Premises (but excluding that portion of the Premises located on the Ground Floor of the Building and identified as Premises B in Section 1). The installation of paint and flooring materials in the Premises (excluding Premises B) shall be under Tenant’s specifications including the lifting and moving of furniture (“**Tenant Improvements**”).

(b) 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 Tenant Improvements. Particulars of the current Prevailing Wage Scale, as approved by the Board of Supervisors which are applicable to the Tenant Improvements, are filed with the Clerk of the Board of Supervisors and must be posted at the site.

(c) Completion of Tenant Improvements. The parties mutually agree that the estimated time for completion of the Tenant Improvements is 180 days from the date Tenant shall notify Landlord of Tenant's selection of the paint and flooring materials from the Building standard paint and flooring materials choices. Landlord and Tenant shall use their commercially reasonable efforts to cooperate and collaborate on the completion of the Tenant Improvements since the lifting and moving of furniture within the Premises in order to complete the Tenant Improvements shall require input from Tenant in terms of timing and scheduling. Tenant shall be responsible for the architectural layout in connection with the Tenant Improvements; provided, however, if Tenant fails to timely provide such architectural layout so that Landlord can timely complete the Tenant Improvements as set forth herein, Landlord shall provide the architectural services and the cost incurred by Landlord shall be deducted from the Paint and Floor Allowance.

(d) Permitted Delay in Completion of Tenant Improvements. Completion of the painting and installation of flooring materials may be delayed by the following. All delay days incurred as a result of such delays shall be added to Landlord's time for completion under Section 23(e) above:

(i) Acts or omissions of Tenant or of any employees or agents of Tenant (including change orders in the work), or

(ii) Any act of God which Landlord could not have reasonably foreseen and provided for, or

(iii) Any strikes, boycotts or like obstructive acts by employees or labor organizations which Landlord cannot overcome with reasonable effort and could not reasonably have foreseen and provided for, or

(iv) Any war or declaration of a state of national emergency, or

(v) The imposition by government action or authority of restrictions upon the procurement of labor or materials necessary for the completion of the building Premises.

(e) Unused Paint and Floor Allowance. In the event the cost of the Tenant Improvements is less than the Paint and Floor Allowance, the unused Paint and Floor Allowance

(the “**Unused Allowance**”) shall be held by Landlord for use by Tenant for subsequent additions, improvements and alterations made to the Premises by Tenant until the Lease Termination Date or earlier termination of this Lease.

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 Complex, the Building and the Premises free from any liens which would impair the interest of Tenant hereunder.

25. SUBORDINATION AND MORTGAGES.

(a) 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 Complex and/or Building; provided, however, Tenant’s obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of a Subordination, Nondisturbance and Attornment Agreement, attached hereto as Exhibit D and incorporated herein by this reference, and provided further that no such subordination shall affect any option to extend the Term of this Lease or right of first offer to lease additional premises which may be included herein.

(b) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Complex and/or Building shall provide a written agreement to Tenant in the form of Exhibit E attached hereto and incorporated herein by this reference delivered to Landlord concurrently herewith within thirty (30) days after the execution of this Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Exhibit F attached hereto and incorporated herein by this reference delivered to Landlord concurrently herewith.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional thirty (30) 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 shall 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).

27. SIGNAGE.

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

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. Except for CB Richard Ellis, Inc., Landlord and Tenant each represent and warrant to each other that it has not engaged any other 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 is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

(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 nevertheless 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, or to such other address as Tenant or Landlord may from time to time designate in a notice to the other party. 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 therefor, together with all necessary information.

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

(l) Binding Effect. Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective successors or assigns.

(m) Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to Rent and other charges to be paid by Tenant pursuant to this Lease (collectively, the "**Force Majeure**"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

(n) Waiver of Jury Trial. If either party commences litigation against the other for the specific performance of this Lease, for damages for the breach hereof or otherwise for enforcement of any remedy hereunder, the parties hereto agree to and hereby do waive any right to a trial by jury. In the event of any dispute regarding the terms, conditions, rights or obligations of the parties hereto, such dispute may, at the request of either party, be submitted to arbitration in accordance with the provisions of California Code of Civil Procedure Section 1280, et. seq., as they now exist or may later be amended. The Chief Executive Officer or County

Counsel shall determine the designee who shall act on behalf of Tenant in the Arbitration Proceedings. The cost of the Arbitration Proceedings shall be shared equally between Landlord and Tenant.

(o) Disclosure. Tenant hereby waives any and all rights under and benefits of California Civil Code Section 1938 and acknowledges that neither the Complex nor the Premises has undergone inspection by a Certified Access Specialist (CASp) (defined in California Civil Code Section 55.52).

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 delegee (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. ACKNOWLEDGMENT 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

(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, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.

(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. 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 Real Estate Management Commission of Los Angeles County in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

[Signatures on Next Page]

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

“LANDLORD”

THE ALHAMBRA OFFICE COMMUNITY, LLC,
a Delaware limited liability company

By: **AIGGRE-TRC Alhambra Stabilized Project, LLC,**
a Delaware limited liability company, its Sole Member

By: **AIGGRE-TRC Alhambra, LLC,**
a Delaware limited liability company, its Sole Member

By: **Ratkovich 1000, LLC,**
a California limited liability company,
its Administrative Member

By: **Ratkovich Investment Company, LLC,**
a California limited liability company,
its Managing Member

By: *Wayne Ratkovich*
Print Name: Wayne Ratkovich
Title: Managing Member

78435

“TENANT”

COUNTY OF LOS ANGELES,
a body politic and corporate

By: *Mike Antonovich*

Name: MIKE ANTONOVICH
Michael D. Antonovich
Mayor, Board of Supervisors

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

ATTEST:

Patrick Ogawa
Acting Executive Officer-Clerk
of the Board of Supervisors

By: *Lachelle Amitheman*
Deputy

PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By: *Lachelle Amitheman*
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
Interim County Counsel

By: *Mary C. Wickham*
Deputy



ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

15

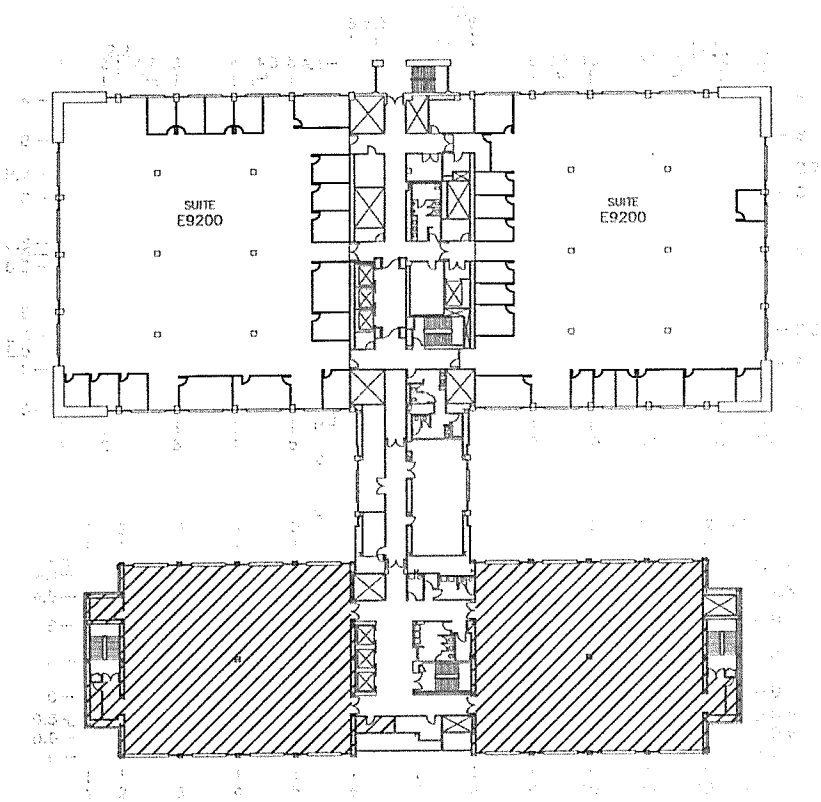
DEC 01 2015


Patrick Ogawa
PATRICK OGAWA
ACTING EXECUTIVE OFFICER

78435

EXHIBIT A

FLOOR PLAN OF PREMISES



FLOOR 2 

Building A9
1000 S. Fremont Ave.
Alhambra, CA 91803

STEVENSON
SYSTEMS, INC.
11181 W. Valley Blvd.
FREMONT, CA 94538
© 1998-2015 ALL RIGHTS RESERVED



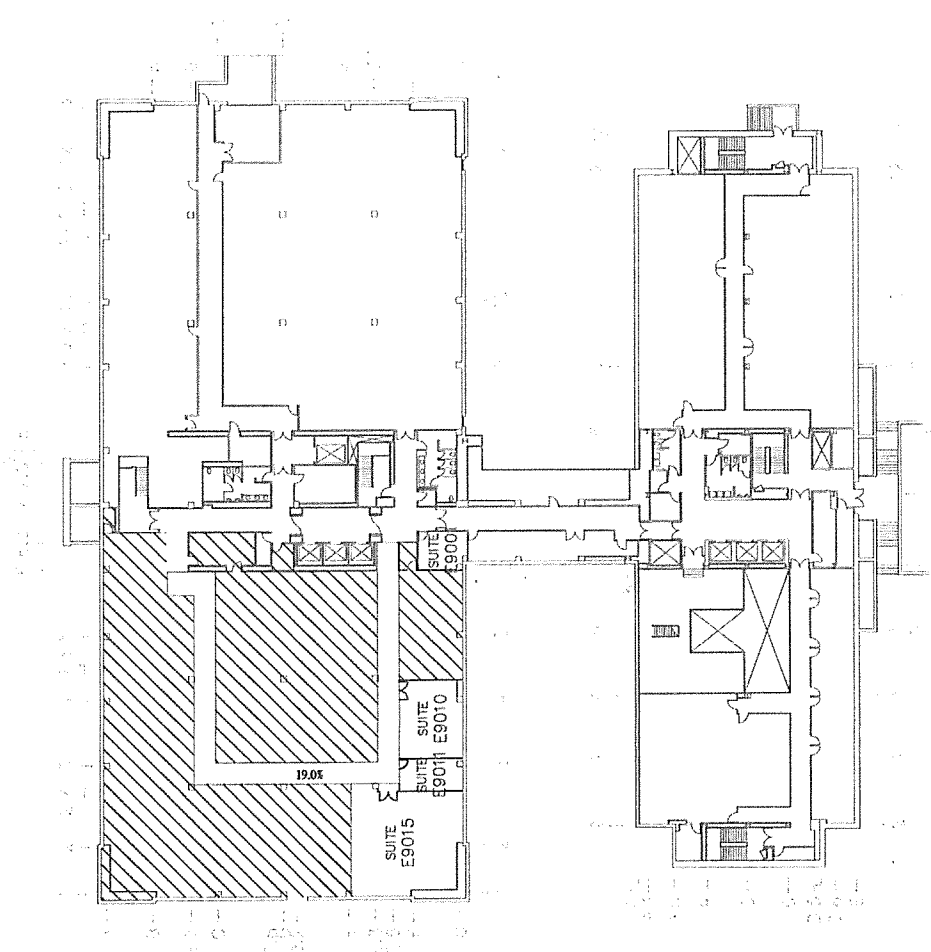
FINAL


Suite#: E9200 Tenant: County of LA - Department of Health Services - A9200 (Premises - A)
ID#: 2-07 Corridor Ext: ---

Date: 10/28/15


Current Lease: 3,3886.00 Usable: Rentable: ---

Department: Health Services [DHS]
WEST1261629765.6 11/13/15 11:06 AM
311403-000110



FLOOR GR 

Building A9E
 1000 S. Fremont Ave.
 Alhambra, CA 91803

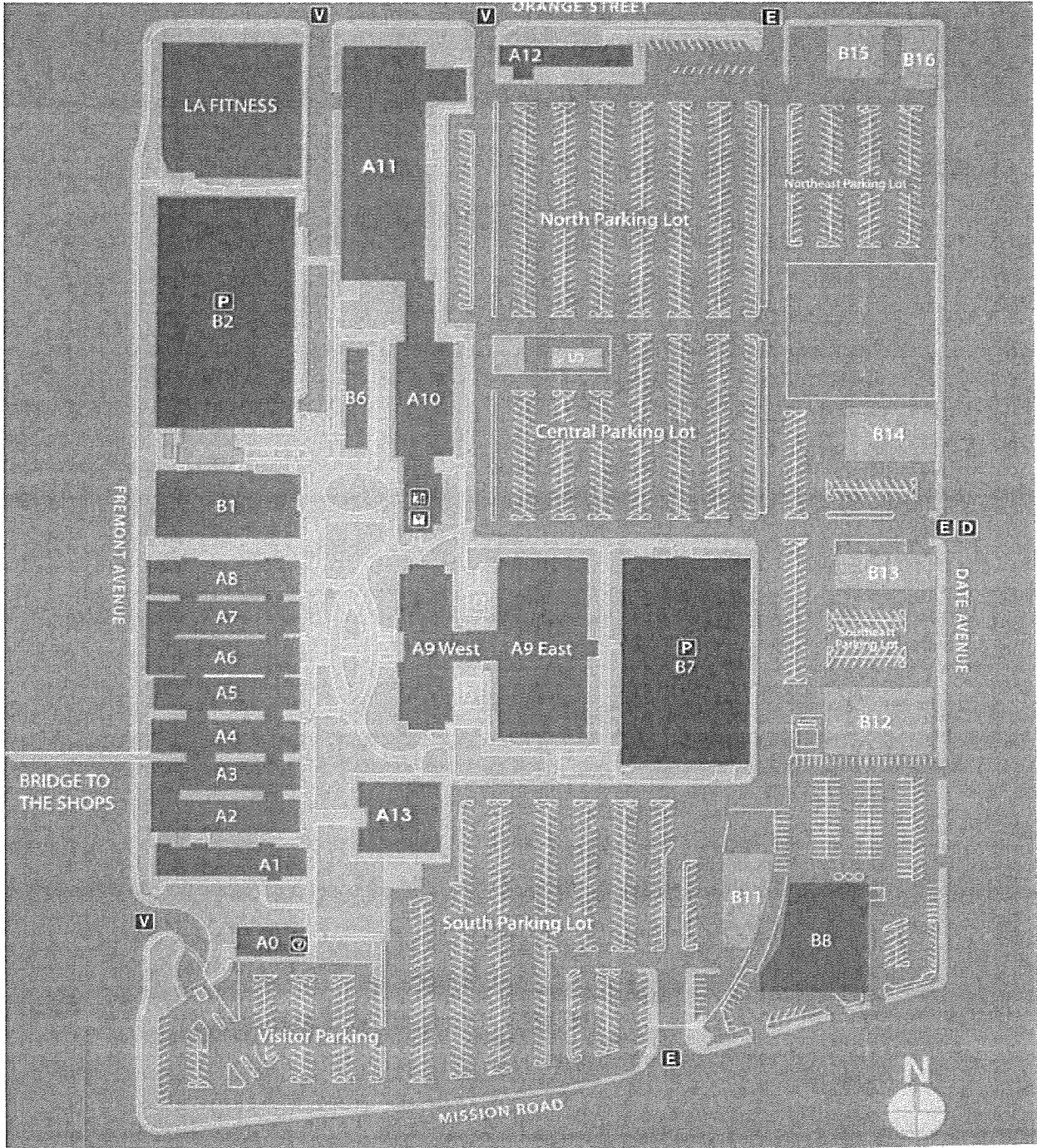

STEVENSON SYSTEMS
 4259 SF
 © 1993-2015 All rights reserved

FINAL
 Suite#: E9001-9010-9015+9065ntly of LA-Health Services (Premises B) Suite Usable
 ID#: GR-66 Carrier Ext: ---
 Current: Lease 46'5.00 Usable: ---
 Date: 10/12/15 Reliable: ---

EXHIBIT A-1

SITE PLAN

(COMPLEX AND BUILDING)



A-1-1

EXHIBIT B

CLEANING AND MAINTENANCE SCHEDULE

1. DAILY (MONDAY THROUGH FRIDAY)
 - A. Carpets vacuumed.
 - B. Composition floors dust-mopped.
 - C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
 - D. Waste baskets, other trash receptacles emptied.
 - E. Chairs and waste baskets returned to proper position.
 - F. Fingerprints removed from glass doors and partitions.
 - G. Drinking fountains cleaned, sanitized and polished.
 - H. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
 - I. Bulb and tube replacements, as required.
 - J. Graffiti in common areas expunged as needed within two (2) working days after notice by Tenant.
 - K. Floors washed as needed.
 - L. Kitchen/Lunchroom supplies replenished including paper supplies and soap.
2. WEEKLY
 - A. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.
 - B. Window sills, ledges and wood paneling and molding dusted.
3. MONTHLY
 - A. Floors washed and waxed in uncarpeted office area.
 - B. High-reach areas, door frames and tops of partitions dusted.
 - C. Upholstered furniture vacuumed, plastic and leather furniture wiped.
 - D. Picture moldings and frames dusted.
 - E. Wall vents and ceiling vents vacuumed.
 - F. Carpet professionally spot cleaned as required to remove stains.
4. QUARTERLY
 - A. Light fixtures cleaned and dusted, but not less frequently than Quarterly.
 - B. HVAC units serviced for preventative maintenance purposes, all filters changed.
5. SEMI-ANNUALLY
 - A. All painted wall and door surfaces washed and stains removed.
 - B. All walls treated with vinyl covering washed and stains removed.

6. ANNUALLY

- A. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.
- B. Touch-up paint all interior painted surfaces in a color and finish to match existing.
- C. HVAC chiller water checked for bacteria, water conditioned as necessary.
- D. Draperies or mini-blinds cleaned as required.
- E. Windows washed as required inside and outside.

7. AS NEEDED

A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.

B. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance, as determined in Landlord's sole discretion. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition, as determined in Landlord's sole discretion.

C. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning: (i) elevator lobby with a frequency of quarterly [four (4) times per year]; and (ii) within the Premises once per year. Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.

8. GENERAL

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

EXHIBIT C

TENANT ESTOPPEL CERTIFICATE

To: _____

Attn: _____

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

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

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

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

 (b) The current Rent is set forth above.

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

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

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

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

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

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

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

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

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

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: _____

APPROVED AS TO FORM:

County Counsel

By: _____
Deputy

EXHIBIT D

**SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENMENT 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 ATTORNMENMENT AGREEMENT

NOTICE: THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENMENT 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 _____, 20__ by and among COUNTY OF LOS ANGELES, a body politic and corporate (“**Tenant**”), _____ (“**Borrower**”) and _____, (“**Lender**”).

Factual Background

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

Agreement

Therefore, the parties agree as follows:

1. Subordination. The 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: _____

To Borrower: _____

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

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by 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.

APPROVED AS TO FORM:

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

County Counsel

By: _____
Deputy

By: _____
Director of Real Estate

BORROWER:

By: _____
Name: _____
Title: _____

LENDER: [*Insert name of Lender*],
By: _____

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

County Counsel

By: _____
Deputy

By: _____
Director of Real Estate

BORROWER: [Insert name of Landlord]

By: _____
Name: _____
Title: _____

LENDER: [Insert name of Landlord]

By: _____
Name: _____
Title: _____

EXHIBIT F

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 2924 CIVIL CODE)

In accordance with Section 2924, 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 G

COMMUNITY BUSINESS ENTERPRISE FORM

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

Firm Name

Address

Contact Name

Telephone No.

Total # of Employees

Business Structure*

*Corporation, Partnership, etc.

MINORITY/WOMEN PARTICIPATION IN FIRM

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

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

PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

	TOTAL # OF OWNERS	% OF OWNERSHIP
Black/African American		
Hispanic/Latin American		
Asian American		

Portuguese American

American Indian/Alaskan Native

All Others

TOTAL

Women*

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

CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

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

yes No

State of California?

City of Los Angeles?

Federal Government?

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

Initial

Initial here if applicable

SIGNED: _____

TITLE: _____

DATE: _____

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

DEPARTMENT: Public Health, as Tenant

**LANDLORD: The Alhambra Office Community, LLC, a Delaware limited liability
company**

[1000 South Fremont Avenue, Alhambra]

78436

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**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE**

LEASE AGREEMENT

THIS LEASE (“Lease”) is entered into as of the 1st day of December, 2015, between **THE ALHAMBRA OFFICE COMMUNITY, LLC**, a Delaware limited liability company (“**Landlord**”), and **COUNTY OF LOS ANGELES**, a body politic and corporate (“**Tenant**” or (“**County**”).

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION.

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

- a. Landlord’s Address for Notice: The Alhambra Office Community, LLC
1000 South Fremont Avenue
Unit 1, Building A10C, Suite 10150
Alhambra, California 91803
Attn: Senior Development Manager
Telephone No.: (626) 300-5000
Facsimile No.: (626) 300-5025

with copies to:

c/o AIG Global Real Estate Investment Corp.
555 California Street, Suite 3130
San Francisco, California 94104
Attention: Mike Sahlman
Telephone: (415) 399-5840
Telecopier: (415) 399-5841

and

c/o AIG Global Real Estate Investment Corp.
70 Pine Street, 4th Floor
New York, New York 10270
Attention: General Counsel
Telephone: (212) 770-8300
Telecopier: (212) 770-8499

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and

DLA Piper LLP (US)
550 South Hope Street, Suite 2300
Los Angeles, California 90071
Attention: Jackie Park, Esq.
Telephone: (213) 330-7743
Telecopier: (213) 330-7543

- 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, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Fax Number: (213) 830-0926

- c. Premises: Premises A: Approximately 33,886 leasable square feet on the 3rd Floor in the A9 East Building (defined below) as shown on Exhibit A attached hereto.

Premises B: Approximately 8,364 leasable square feet on the north side of the Ground Floor in the A9 East Building (defined below) as shown on Exhibit A attached hereto.

Premises A and Premises B shall collectively be defined as the "**Premises**".

- d. Complex: An office building project located at 1000 South Fremont Avenue, Alhambra, California, as shown on the site plan attached as Exhibit A-1 and made a part hereof. The Complex is currently assessed by the County Assessor as APN 5342-001-021, 5342-001-024 and 5342-001-025.

- e. Building: Building A9 East, depicted on Exhibit A-1

attached hereto.

- f. Term: Five years commencing upon the date this Lease is executed by the County of Los Angeles Board of Supervisors (the “**Commencement Date**”) and terminating at midnight on the day before the Fifth anniversary of the Commencement Date (the “**Termination Date**”), subject to earlier termination by Landlord or 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 Option Term for which an option has been validly exercised (pursuant to Section 4(d)).
- g. Commencement Date: Execution by the County of Los Angeles Board of Supervisors
- h. Irrevocable Offer Expiration Date: December 31, 2015
- i. Base Rent: \$92,105.00 per month (which is based upon a rental rate of \$2.18 per leasable square foot (adjustable only as provided in Section 5 hereof.))
- j. Early Termination Date: Last day of the 48th month of the Lease Term
- k. Leasable Square Feet in the Premises: 42,250
- l. Use: General office use or for any other lawful purposes not incompatible with other uses in the Building.
- m. Initial Departmental Use: Public Health
- n. Parking Spaces: 169 unreserved parking spaces. Parking shall be paid as additional rent at the rate of \$60 per space per month. This rate shall increase to \$65 per space per month at the beginning of the 31st month of the Term.

- o. Normal Working Hours: 7:00 a.m. to 6:00 p.m., Monday through Friday, 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. (Please see Section 11 re: after-hours services and utilities.)

- p. Asbestos Report: A report dated November, 1999 prepared by Gail/Jordan Associates, a licensed California Asbestos Contractor.

1.2 Exhibits to Lease:

- Exhibit A - Floor Plan
- Exhibit A-1 - Site Plan (Complex and Building)
- Exhibit B - Cleaning Schedule
- Exhibit C – Tenant Estoppel Certificate
- Exhibit D – Subordination, Non-disturbance and Attornment Agreement
- Exhibit E - Nondisturbance Agreement
- Exhibit F - Request for Notice
- Exhibit G - Community Business Enterprises

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, which Premises is located in the Building described and depicted in Section 1 and Exhibit A-1 attached hereto. The Building is part of the Complex located at 1000 South Fremont Avenue depicted on the site plan attached hereto as Exhibit A-1.

(b) Tenant confirms that Tenant is currently occupying the Premises pursuant to that certain Lease No. 72576 dated January 18, 2000, as amended (“**Existing Lease**”) and that Landlord has no delivery obligations with respect thereto. Prior to the Commencement Date of this Lease, Tenant shall continue to occupy the Premises and perform all of its obligations under the terms and conditions of the Existing Lease. As of the Commencement Date, the Existing Lease shall terminate for all purposes with respect to the Premises, except that Tenant shall be responsible for any liabilities or obligations which specifically survive the termination of the Existing Lease in accordance with its terms.

3. COMMON AREAS.

Tenant may use the following areas in common with Landlord and other tenants of the Building (“**Building Common Areas**”) and the Complex (“**Complex Common Areas**”)

(Building Common Areas and Complex Common Areas are collectively, “**Common Areas**”): the entrances, lobbies and other public areas of the Building and the Complex, 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 and the Complex. The manner in which the Common Areas are maintained and operated shall be at the sole discretion of Landlord. 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.

(b) Early Termination by Tenant. Tenant shall have a one-time right to terminate this Lease in its entirety effective as of the Early Termination Date, as defined in Section 1, by giving Landlord not less than 365 days’ prior written notice (i.e., no later than the last day of the 36th month of the Lease Term) executed by the Chief Executive Officer of Tenant (“**Termination Notice**”). Within thirty (30) days of delivery by Tenant to Landlord of the Termination Notice, Tenant shall reimburse Landlord for the unamortized Paint and Floor Allowance (as hereinafter defined in Section 23) and Brokerage Commissions (“**Termination Fee**”), calculated at an interest rate of seven percent (7%) per annum. Subject to the terms hereof, if Tenant properly exercises such option to terminate this Lease, such termination shall be effective as of the Early Termination Date. If Tenant fails to exercise its rights under this Section 4(b) strictly in accordance with the terms and conditions set forth herein (including without limitation, failure to pay the Termination Fee as set forth herein), such right shall be null and void and shall be of no further force or effect.

(c) Early Termination by Landlord. Landlord shall have an ongoing option to terminate this Lease with respect to only that portion of Premises B as defined in Section 1 containing 5,964 leasable square feet (“**Terminable Premises B**”) at any time during the Lease Term by giving Tenant not less than 60 days’ prior written notice (“**Landlord Termination Notice**”). There shall be no obligation by Landlord to pay any termination fee to Tenant. Subject to the terms hereof, if Landlord properly exercises such option to terminate this Lease with respect to only Terminable Premises B, such termination with respect to only Terminable Premises B shall be effective as of the 60th day following receipt by Tenant of the Landlord Termination Notice. If Landlord fails to exercise its rights under this Section 4(c) strictly in accordance with the terms and conditions set forth herein, such right shall be null and void and shall be of no further force or effect.

(d) Option to Extend. Provided that no material Tenant Default (as hereinafter defined in Section 13) has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have the option to renew this Lease for an additional period of five (5) years under the same terms and conditions except that the Base Rent shall be adjusted by negotiation not to exceed one hundred percent (100%) of the fair market value which Landlord could derive from the demised Premises if they were made available on the open market (“**Fair Rental Rate**”). The Fair Rental Rate of the demised Premises shall be determined by using the

rental rate prevailing for similarly-improved office space within the Complex for transactions consummated within the last twelve (12) months immediately preceding the Commencement Date of the option term (“**Comparable Transactions**”), or if there are not a sufficient number of Current Transactions in the Complex, the Fair Rental Rate of the demised Premises shall be determined by using the rental rate prevailing for similarly-improved office space within a three (3) mile radius of the demised Premises for transactions consummated within the last twelve (12) months immediately preceding the Commencement Date of the option term. In determining the Fair Rental Rate, equitable adjustments to the surveyed rental values shall be made for the size and credit-worthiness of Tenant, the quality of the project, the nature of the tenant’s improvements and any other lease terms having an impact on rental values. The fair rental survey shall be conducted by the Landlord’s appraiser and the Tenant’s appraiser, each of which shall be certified and licensed by the State of California. Landlord shall bear the cost of Landlord’s appraiser and Tenant shall bear the cost of Tenant’s appraiser.

If Landlord and Tenant cannot agree on the Fair Rental Rate ninety (90) days prior to the expiration of the Lease Term, each shall mutually select a third appraiser who shall also conduct a fair rental appraisal. The third appraiser shall be required to have the same certification and licensing as the first two appraisers. The average of the two (2) appraisals nearest in value shall be the Fair Rental Rate. The cost of the third appraiser shall be borne equally by Landlord and Tenant.

Tenant, by Chief Executive Office letter, shall notify Landlord in writing not less than twelve (12) months prior to the expiration of the Lease Term, of Tenant’s intention to exercise its option. The actual exercise of the option shall be only by the Board of Supervisors of the County of Los Angeles.

Notwithstanding the foregoing and if and only if (a) Tenant is leasing a minimum of 125,000 leasable square feet in the Complex on the date Landlord shall receive Tenant’s notice of Tenant’s intention to exercise its option to renew this Lease and on the date which shall be the first day of the option term, and (b) Tenant is otherwise in full compliance with the requirements of this Section 4(c), the Base Rent for the Premises during the option term shall be ninety-five percent (95%) of the Fair Rental Rate.

5. RENT.

(a) Base Rent. Tenant shall pay Landlord the Base Rent stated in Section 1 during the Term hereof within 15 days after a claim therefor for each such month has been filed by Landlord with the Auditor of the County of Los Angeles (the “**County**”) prior to the first day of each month. Base Rent for any partial month shall be prorated in proportion to the number of days in such month (“**Base Rent**”).

The Base Rent for the first full month of the Lease Term shall be paid within thirty (30) days of the Commencement Date.

If any rental payment date (including the Commencement Date) falls on a day of the month other than the first day of such month or if any rental payment is for a period which is shorter than one month, then the rental for any such fractional month shall be a

proportionate amount of a full calendar month's rental based on the proportion that the number of days in such fractional month bears to the number of days in the calendar month during which such fractional month occurs. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

(b) Rent Adjustment. At the beginning of the 25th month of the Lease Term (the "**Adjustment Date**") and on every anniversary of the Adjustment Date thereafter, Base Rent shall be adjusted by applying the CPI Formula set forth below.

(c) CPI Formula. The "**Index**" means the Consumer Price Index for all Urban Consumers for the Los Angeles-Riverside-Orange County, CA area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "**CPI Formula**" means Base Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Index published for the month the Lease commenced (the "**Base Index**"). If the Index is changed so that the Index differs from that used as of the Commencement Date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics.

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

(d) Illustration of Formula. The formula for determining the new rent shall be as follows:

$$\frac{\text{New Index}}{\text{Base Index}} \times \$92,105.00 \text{ (Base Rent)} = \text{New Monthly Base Rent}$$

(e) Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI formula result in an annual increase less than two percent (2%) nor more than five percent (5%) per year of the previous month's Base Rent. In no event shall the monthly rent be adjusted by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year of the Lease.

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, as long as such use is consistent with the character of the Complex and allowed by applicable laws. Tenant agrees that it will not use or suffer or permit any person to use the Premises or any part thereof for any purpose in violation of the laws of California or the ordinances, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Complex. Tenant shall comply with all recorded covenants, conditions and restrictions, and the provisions of all ground or underlying leases now or hereafter affecting the Complex.

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 ninety (90) days' written notice from Landlord or the Chief Executive Officer of Tenant at 150% of 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 Section 7 shall be construed as consent by Landlord to any holding over by Tenant, 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 other termination of this Lease. The provisions of this Section 7 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law.

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. Landlord's failure to comply with such legal requirements shall constitute a Landlord Default under this Lease (subject to applicable notice and cure periods set forth in Section 14(a)).

9. DAMAGE OR DESTRUCTION.

(a) Damage. In the event any portion of the Premises is damaged by fire or any other casualty rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then Landlord shall promptly, at Landlord's expense, repair such damage, and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenantable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within thirty (30) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. The failure to do so shall be a Landlord Default hereunder. Base Rent shall proportionally abate to the extent that the Premises are unusable by Tenant and not occupied by Tenant as a result thereof. 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 casualty 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 ten days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became 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.

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

(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, then upon not less than thirty (30) days' prior written notice to Landlord, Tenant may (a) declare a default hereunder, or (b) perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum from the Base Rent next due as a charge against the Landlord; provided, however, that if the nature of such repair or restoration is such that more than thirty (30) days is reasonably required, based on Tenant's review of the restoration bids, for completion of the same, then such thirty (30)-day period shall be extended as may be reasonably required provided that Landlord shall have undertaken such repair or restoration within said thirty (30)-day period and shall diligently prosecute the same to completion.

10. REPAIRS AND MAINTENANCE.

(a) Landlord Representations. Landlord represents to Tenant that (i) the Premises, the Building and all Common Areas, (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including use the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirements; (iii) the Premises, Building and Common Areas are free of the presence of any Hazardous Materials in violation of Environmental Laws (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).

(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 and the Premises, 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, 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 (if such floor covering is carpeting, it shall be replaced as needed but not less often than after five years of use); (2) interior partitions; (3) doors; (4) the interior side of demising walls (which shall be repainted as needed but not less often than every five years); and (5) signage.

(c) Tenant Obligations. Without limiting Landlord's obligations, Tenant shall, at Tenant's sole expense, keep the Premises (including all improvements, fixtures and furnishings therein) in good order, repair and condition at all times during the Lease Term, wear and tear excepted, and 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 Landlord, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws.

(d) 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 receipt by Landlord of such notice, but in any event not later than ten (10) business days after the receipt by Landlord 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). All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Landlord, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws. Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action is required under the terms of this Lease to be taken by Landlord and is not taken by Landlord within such period (unless such notice is not required as provided above), and Tenant takes such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in taking such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten days from receipt by Landlord of invoices and back-up documentation, 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.

Tenant at its sole option, acting through the CEO, may request that Landlord perform, supply and administer certain repairs, replacement or services that are the responsibility of Tenant under this Lease (“**Tenant Obligations**”). In the event Landlord elects not to accept such request, the Tenant Obligations shall remain the obligations of Tenant. In the event Landlord elects to accept such request, then Landlord shall undertake the Tenant Obligations requested by Tenant, in which event (a) Tenant shall reimburse Landlord for the costs incurred by Landlord with respect to the Tenant Obligations, plus a commercially reasonable administration fee charged by Landlord, (b) Landlord shall have no liability to Tenant for undertaking such Tenant Obligations, except as shall be due to the negligence or willful misconduct of Landlord, and (c) after undertaking the Tenant Obligations, Landlord shall have the subsequent right to shift the Tenant Obligations back to Tenant, in which event Landlord shall no longer have any obligations with respect to the Tenant Obligations.

11. SERVICES AND UTILITIES.

Landlord shall furnish the following services and utilities to the Premises:

(a) Heating, Ventilation and Air Conditioning. 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 event Tenant requires HVAC on Saturdays or beyond Normal Working Hours, Tenant shall give Landlord prior notice thereof (pursuant to procedures as shall have been established by Landlord from time to time), and Landlord shall supply such HVAC at such hourly cost to Tenant as Landlord shall from time to time establish to reimburse Landlord for its costs incurred to provide such HVAC, which cost is \$83 - \$114 per hour as of the date hereof.

(b) Electricity. Landlord shall furnish to the Premises the amount of electric current provided for in the Working Drawings (if applicable) but in any event not less than seven (7) watts of electric current (connected load) per square foot of Rentable Square Feet in the Premises (“**Building Electricity**”), for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or subpanels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises. Without limiting the foregoing, Tenant may at its sole cost and expense (subject to the right of Tenant to use the Tenant Improvement Allowance) elect to install electrical gear and equipment to achieve an electric current connected load exceeding the Building Electricity. Tenant hereby acknowledges and agrees that any electrical gear and equipment installed by Tenant shall not exceed the capacity of the feeders, risers or electrical installations of the Building. Tenant shall not install in the Premises office equipment, lighting fixtures or similar items which will generate above average heat, noise or vibration at the Premises or which will adversely affect the temperature maintained by the HVAC system. If in any calendar month, Tenant is using electricity in excess of seven watts per rentable square feet in the Premises multiplied by the number of Normal

Working Hours in any month (“**Maximum Monthly Electrical Consumption**”), Tenant shall pay to Landlord within sixty (60) days of receipt of an invoice from Landlord for the actual cost of its electrical usage in excess of the Maximum Monthly Electrical Consumption (MMEC). The calculation of Tenant’s electrical usage and the MMEC shall not include electrical consumption associated with the Base Building HVAC system. By way of example, if total electrical consumption for the Premises is 10 watts and Base Building HVAC account for 2 watts then Tenant is responsible for 8 watts and would make a payment for the overage of 1 watt (8 watts – 7 watts).

Tenant shall have the right to audit these costs (which audit shall include review of only the following: Landlord’s method of submetering electricity, Landlord’s calculation of electricity used by Tenant in excess of the MMEC, and electricity bills) for a period of twelve (12) months from the receipt by Tenant of each invoice therefor from Landlord. An audit conducted by Tenant herein shall be done at Tenant’s sole cost and expense by Tenant’s internal electrical engineer or a third party electrical engineer selected by Tenant and approved by Landlord (which approval shall not be unreasonably withheld). In the event an audit conducted by Tenant shows that Tenant has been overcharged for its electrical usage in excess of the MMEC, Tenant shall provide Landlord with a copy of such audit and Landlord shall, within sixty (60) days of receipt of the copy of such audit, credit Tenant the amount of any such overpayment made by Tenant. In the event that Landlord disagrees with the result of Tenant’s audit, Landlord shall have the right to hire a third party electrical engineer (which third party electrical engineer shall be approved by Tenant, which approval not to be unreasonably withheld and shall be granted or withheld for reasonable reasons within five (5) days of receipt by Tenant of the name of such electrical engineer) and the decision of such third party electrical engineer shall be binding on Landlord and Tenant. There shall be a reconciliation of the cost of electricity based on the finding of such third party electrical engineer, and the cost of such electrical engineer shall be shared equally by Landlord and Tenant.

(c) Elevators. Landlord shall furnish passenger elevator services to the Premises during Normal Working Hours. During all other hours, Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis.

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

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

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

(g) Utility Charges. Landlord agrees to pay when due all charges for the use of the sewer, effluent treatment (when and if imposed by any Governmental authority), water, sprinkler standby charges, electricity, gas, power and other utility charges accruing or payable in connection with the demised Premises during the term of this Lease or any renewal, extension, or holdover thereof, whether the same are prorated or measured by separate meters.

(h) Interruption of Use. Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution does not exceed five (5) business days or is occasioned, in whole or in part, by repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building after reasonable effort to do so, by any change in the electric service provider, by any accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause beyond Landlord's reasonable control; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Section 11.

In the event that Tenant is prevented from using, and does not use, the Premises or any portion thereof, for five (5) consecutive business days (the "**Eligibility Period**") as a result of (a) any repair, maintenance or alteration performed by Landlord after the Commencement Date and required or permitted by the Lease, which substantially interferes with Tenant's use of the Premises, or (b) any failure by Landlord to provide Tenant with services or access to the Premises, then Tenant's Rent shall be abated or reduced, as the case may be, after expiration of the Eligibility Period for such time that Tenant continues to be so prevented from using, and does not use, the Premises or a portion thereof, in the proportion that the rentable area of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable area of the Premises. In the event Tenant does not use the Premises or a portion thereof for longer than five (5) business days as set forth herein, then Landlord shall be in default under this Lease, in which event Tenant shall have all the remedies and rights set forth in Section 14(a) of the Lease following the applicable notices to Landlord and expiration of the applicable cure periods.

12. LANDLORD ACCESS.

Landlord reserves the right at all reasonable times and upon reasonable advance notice, of 1-24 hours, to the Tenant to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees or tenants, or to the ground or underlying lessors; (iii) post notices of nonresponsibility; or (iv) alter, improve or repair the Premises or the Building if necessary to comply with current building codes or other applicable laws, or for structural alterations, repairs or improvements to the Building. Notwithstanding anything to the contrary contained in this Section 12, Landlord may enter the Premises at any time to (A) perform services required of Landlord; (B) take possession due to any breach of this Lease in

the manner provided herein; and (C) perform any covenants of Tenant which Tenant fails to perform. Any such entries shall be without the abatement of Rent and shall include the right to take such reasonable steps as required to accomplish the stated purposes. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In a safety emergency that creates an immediate and imminent danger to the Premises or persons therein, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises.

13. TENANT DEFAULT.

(a) Default. The occurrence of any one or more of the following events (a "**Tenant 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 five (5) 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 thirty (30) days after written notice from Landlord specifying in detail the nature of the Tenant default; provided, however, if more than thirty (30) days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Tenant 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 Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

14. LANDLORD DEFAULT.

(a) Remedies. In addition to the provisions for Landlord's default provided by Sections 8, 9(d), 10(c), 19 and 20(b), Landlord shall be in default ("**Landlord Default**") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within twenty (20) 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 the Landlord Default is such

that the same cannot reasonably be cured within such twenty (20)-day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies as may be provided by 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 or loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due; and/or (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 determination of Tenant, create or allow to persist an emergency condition, or materially and adversely affect the operation of Tenant's business in the Premises. For purposes of this Section 14(c), an emergency condition or a condition that would materially or adversely affect the operation of Tenant's business in the Premises shall be limited to events and/or conditions that could cause personal injury or material property damage.

15. ASSIGNMENT AND SUBLETTING.

Tenant shall not, without the prior written consent of Landlord, (which consent shall not be unreasonably withheld), assign, mortgage, pledge, hypothecate, encumber or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment or other such foregoing transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or permit the use of the Premises by any person other than Tenant (all of the foregoing, a "**Transfer**"). Any Transfer made without Landlord's prior written consent shall constitute a default by Tenant under this Lease. Whether or not Landlord grant such consent, Tenant shall pay review and processing fees that are actually incurred by Landlord, (up to \$2,000 for each Transfer), within thirty (30) days after written request by Landlord.

If Landlord consents to a Transfer, (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer, and (iv) no Transfer, whether or without Landlord's consent, shall relieve Tenant from liability 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 any Alteration that satisfies all of the following criteria: (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 unreasonably interfere with the normal and customary business office operations of other tenants in the Building. If Landlord fails to respond in writing within thirty (30) days of such request, Landlord shall be deemed to approve the Alterations.

(b) Landlord may impose, as a condition of its consent to all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its sole discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors, materials, mechanics and materialmen approved by Landlord. In any event, a contractor approved by Landlord shall perform all mechanical, electrical, plumbing, structural, and heating, ventilation and air conditioning work, and such work shall be performed at Tenant’s cost. Tenant shall not be required to obtain Landlord’s approval of the contractor when the work will be performed by Los Angeles County Internal Services Department staff. Tenant shall construct such Alterations and perform such repairs in conformance with any and all applicable rules and regulations of any federal, state, county or municipal code or ordinance and pursuant to a valid building permit, issued by the city in which the Building is located, in conformance with Landlord’s construction rules and regulations. Landlord’s approval of the plans, specifications and working drawings for Tenant’s Alterations shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all laws, rules and regulations of governmental agencies or authorities. Upon completion of any major Alterations involving a cost of at least \$50,000 or more, excluding telecommunication installations or alterations, Tenant agrees to cause a Notice of Completion to be recorded in the office of the Recorder of the county in which the Building is located in accordance with Section 3093 of the Civil Code of the State of California or any successor statute, and Tenant shall deliver to Landlord a reproducible copy of the “as built” drawings of the Alterations.

In connection with any Tenant Alterations, Tenant shall pay to Landlord a percentage of the cost of such work (such percentage to be established on a uniform basis for the Complex) sufficient to compensate Landlord for all overhead, general conditions, fees and other costs and expenses arising from Landlord’s involvement with such Alterations.

(c) End of Term. Landlord may, by written notice to Tenant prior to the end of the Lease Term, or given upon any earlier termination of this Lease, require Tenant at Tenant’s expense to remove any Alterations from the Premises and to repair any damage to the Premises and Building caused by such removal. If Tenant fails to complete such removal and/or to repair any damage caused by the removal of any Alterations, Landlord may do so and may charge the cost thereof to Tenant.

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 thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the “**Determination Date**”), which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within thirty (30) days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated.

(d) Restoration. Notwithstanding the preceding paragraph, if, within thirty (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 ninety (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 Complex, the Building or the Premises as a result of any negligent act, omission or willful misconduct of Tenant or its agents, contractors or employees ("**Tenant Parties**"), or arising from any default of 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 Tenant's rights or immunities under California workers' compensation laws and regulations.

(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 Complex, the Building or the Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors ("**Landlord Parties**"), or arising from breach or default under this Lease by Landlord or Landlord Parties. 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.

The provisions of this Section 18 shall survive the expiration or earlier termination of this Lease with respect to any claims occurring prior to such expiration or termination.

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 each party has named the other 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 thirty (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 rent the number of exclusive unreserved parking stalls set forth in Section 1 and shall rent parking passes at the charges set forth in Section 1 of this Lease. In addition, Tenant may rent from Landlord, subject to availability, additional unreserved parking passes ("**Additional Parking Passes**") on a month-to-month basis at the prevailing rate charged by Landlord for parking passes at the Complex, which Additional Parking Passes shall be subject to the right of Landlord upon thirty (30) days prior notice to no longer provide Tenant with any or all of such Additional Parking Passes. No unattended 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 non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building.

Landlord specifically reserves the right to change the size, configuration, design, layout, location and all other aspects of the parking facilities and Tenant acknowledges and agrees that Landlord may, without incurring any liability to Tenant and without any abatement of Rent under this Lease (except as provided in Section 11(i)), from time to time, close-off or restrict access to the parking facilities, or relocate Tenant's parking passes to other parking structures and/or surface parking areas within the Complex, for purposes of permitting or facilitating any such construction, alteration or improvements with respect to the parking facilities or to accommodate or facilitate renovation, alteration, construction or other modification of other improvements or structures located on the Complex. Landlord may delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control attributed hereby to the Landlord and such owner. Notwithstanding the foregoing, Landlord shall provide alternative parking arrangements within 600 feet of the premises or within the office campus complex in the event Tenant parking rights are interrupted. Tenant shall be responsible for any parking tax or other charges imposed by governmental authorities in connection with the use of such parking, which taxes and/or charges shall be paid directly by Tenant or the parking users, or, if directly imposed against Landlord, Tenant shall reimburse Landlord for all such taxes and/or charges concurrent with its payment of the parking rates described herein.

(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) Tenant may (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective thirty (30) days thereafter or (b) deduct from the Base Rent thereafter accruing hereunder an amount each month equal to \$65 per parking stall per month for the parking spaces not provided

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 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.

Notwithstanding the foregoing, in no event shall Landlord be liable for consequential damages and/or punitive damages in connection with this Section 21(b).

22. ESTOPPEL CERTIFICATES

Tenant shall, within thirty (30) days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit C 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

(a) Paint and Floor Allowance. Landlord shall provide an allowance in the maximum sum of Two Hundred Seventy-One Thousand Eighty-Eight Dollars (\$271,088.00) (“**Paint and Floor Allowance**”) for the painting and the installation of flooring materials within the Premises (but excluding that portion of the Premises located on the Ground Floor of the Building and identified as Premises B in Section 1). The installation of paint and flooring materials in the Premises (excluding Premises B) shall be under Tenant’s specifications including the lifting and moving of furniture (“**Tenant Improvements**”).

(b) 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 Tenant Improvements. Particulars of the current Prevailing Wage Scale, as approved by the Board of Supervisors which are applicable to the Tenant Improvements, are filed with the Clerk of the Board of Supervisors and must be posted at the site.

(c) Completion of Tenant Improvements. The parties mutually agree that the estimated time for completion of the Tenant Improvements is 180 days from the date Tenant shall notify Landlord of Tenant's selection of the paint and flooring materials from the Building standard paint and flooring materials choices. Landlord and Tenant shall use their commercially reasonable efforts to cooperate and collaborate on the completion of the Tenant Improvements since the lifting and moving of furniture within the Premises in order to complete the Tenant Improvements shall require input from Tenant in terms of timing and scheduling. Tenant shall be responsible for the architectural layout in connection with the Tenant Improvements; provided, however, if Tenant fails to timely provide such architectural layout so that Landlord can timely complete the Tenant Improvements as set forth herein, Landlord shall provide the architectural services and the cost incurred by Landlord shall be deducted from the Paint and Floor Allowance.

(d) Permitted Delay in Completion of Tenant Improvements. Completion of the painting and installation of flooring materials may be delayed by the following. All delay days incurred as a result of such delays shall be added to Landlord's time for completion under Section 23(e) above:

(i) Acts or omissions of Tenant or of any employees or agents of Tenant (including change orders in the work), or

(ii) Any act of God which Landlord could not have reasonably foreseen and provided for, or

(iii) Any strikes, boycotts or like obstructive acts by employees or labor organizations which Landlord cannot overcome with reasonable effort and could not reasonably have foreseen and provided for, or

(iv) Any war or declaration of a state of national emergency, or

(v) The imposition by government action or authority of restrictions upon the procurement of labor or materials necessary for the completion of the building Premises.

(e) Unused Paint and Floor Allowance. In the event the cost of the Tenant Improvements is less than the Paint and Floor Allowance, the unused Paint and Floor Allowance

(the “**Unused Allowance**”) shall be held by Landlord for use by Tenant for subsequent additions, improvements and alterations made to the Premises by Tenant until the Lease Termination Date or earlier termination of this Lease.

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 Complex, the Building and the Premises free from any liens which would impair the interest of Tenant hereunder.

25. SUBORDINATION AND MORTGAGES.

(a) 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 Complex and/or Building; provided, however, Tenant’s obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of a Subordination, Nondisturbance and Attornment Agreement, attached hereto as Exhibit D and incorporated herein by this reference, and provided further that no such subordination shall affect any option to extend the Term of this Lease or right of first offer to lease additional premises which may be included herein.

(b) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Complex and/or Building shall provide a written agreement to Tenant in the form of Exhibit E attached hereto and incorporated herein by this reference delivered to Landlord concurrently herewith within thirty (30) days after the execution of this Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Exhibit F attached hereto and incorporated herein by this reference delivered to Landlord concurrently herewith.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional thirty (30) 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 shall 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).

27. SIGNAGE.

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

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. Except for CB Richard Ellis, Inc., Landlord and Tenant each represent and warrant to each other that it has not engaged any other 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 is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

(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 nevertheless 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, or to such other address as Tenant or Landlord may from time to time designate in a notice to the other party. 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 therefor, together with all necessary information.

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

(l) Binding Effect. Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective successors or assigns.

(m) Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to Rent and other charges to be paid by Tenant pursuant to this Lease (collectively, the "**Force Majeure**"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

(n) Waiver of Jury Trial. If either party commences litigation against the other for the specific performance of this Lease, for damages for the breach hereof or otherwise for enforcement of any remedy hereunder, the parties hereto agree to and hereby do waive any right to a trial by jury. In the event of any dispute regarding the terms, conditions, rights or obligations of the parties hereto, such dispute may, at the request of either party, be submitted to arbitration in accordance with the provisions of California Code of Civil Procedure Section 1280, et. seq., as they now exist or may later be amended. The Chief Executive Officer or County

Counsel shall determine the designee who shall act on behalf of Tenant in the Arbitration Proceedings. The cost of the Arbitration Proceedings shall be shared equally between Landlord and Tenant.

(o) Disclosure. Tenant hereby waives any and all rights under and benefits of California Civil Code Section 1938 and acknowledges that neither the Complex nor the Premises has undergone inspection by a Certified Access Specialist (CASp) (defined in California Civil Code Section 55.52).

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 delegee (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. ACKNOWLEDGMENT 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

(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, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.

(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. 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 Real Estate Management Commission of Los Angeles County in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

[Signatures on Next Page]

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

“LANDLORD”

THE ALHAMBRA OFFICE COMMUNITY, LLC,
a Delaware limited liability company

By: **AIGGRE-TRC Alhambra Stabilized Project, LLC,**
a Delaware limited liability company, its Sole Member

By: **AIGGRE-TRC Alhambra, LLC,**
a Delaware limited liability company, its Sole Member

By: **Ratkovich 1000, LLC,**
a California limited liability company,
its Administrative Member

By: **Ratkovich Investment Company, LLC,**
a California limited liability company,
its Managing Member

By: Wayne Ratkovich
Print Name: Wayne Ratkovich
Title: Managing Member

78436

“TENANT”

COUNTY OF LOS ANGELES,
a body politic and corporate

By: Mike Antonovich

Name: MIKE ANTONOVICH
Michael D. Antonovich
Mayor, Board of Supervisors

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

ATTEST:

Patrick Ogawa
Acting Executive Officer-Clerk
of the Board of Supervisors

By: Lachelle Smitherman
Deputy

PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By: Lachelle Smitherman
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
Interim County Counsel

By: Mary C. Wickham
Deputy



ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

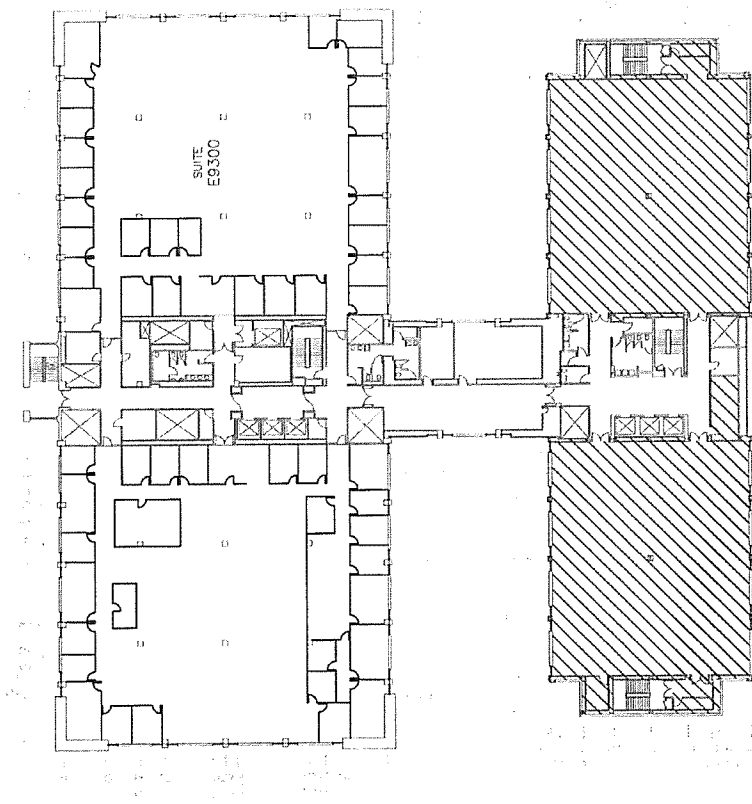
15

DEC 01 2015

Patrick Ogawa
PATRICK OGAWA
ACTING EXECUTIVE OFFICER

78436

EXHIBIT A
FLOOR PLAN OF PREMISES



FLOOR 3

Building AGE
1000 S. Fremont Ave.
Alhambra, CA 91803

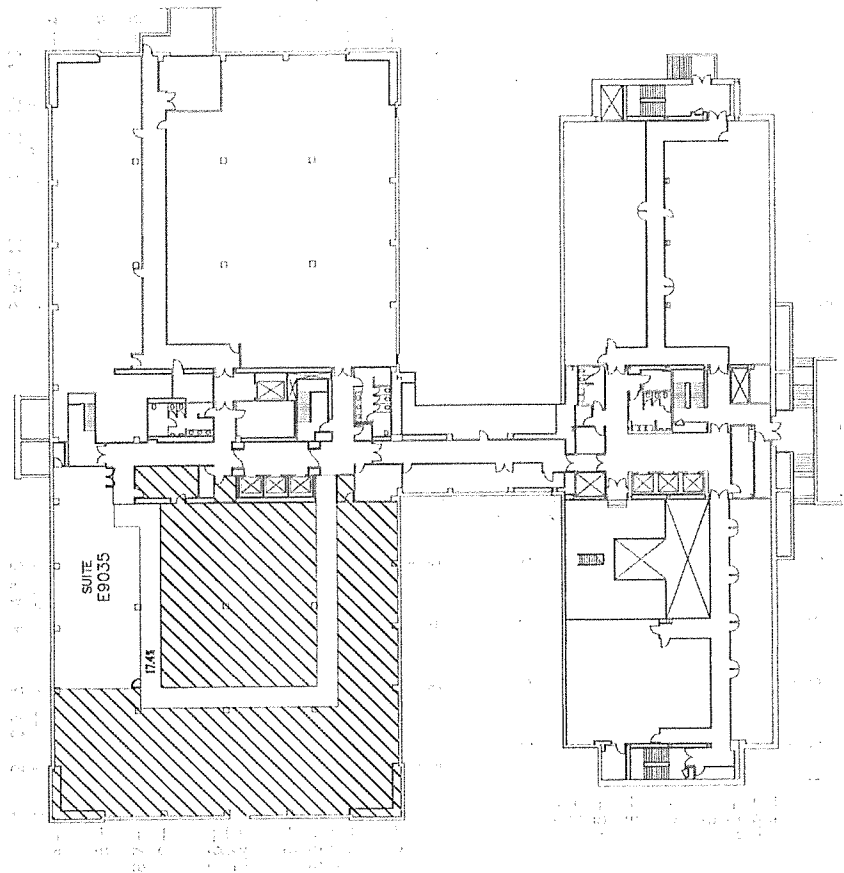


STEVENSON
SYSTEMS INC.
1000 S. FEMONT AVE.
ALHAMBRA, CA 91803

FINAL
Suite# E9300
ID# 3-07

Tenant: County of LA Dept. of Public Health (Premises) Lease
 Corridor: Exit
 Current Lease: 33886
 Add'l: Rentable: ---

Date: 10/14/15



FLOOR GR

Building AGE
1000 S. Fremont Ave.
Alhambra, CA 91803



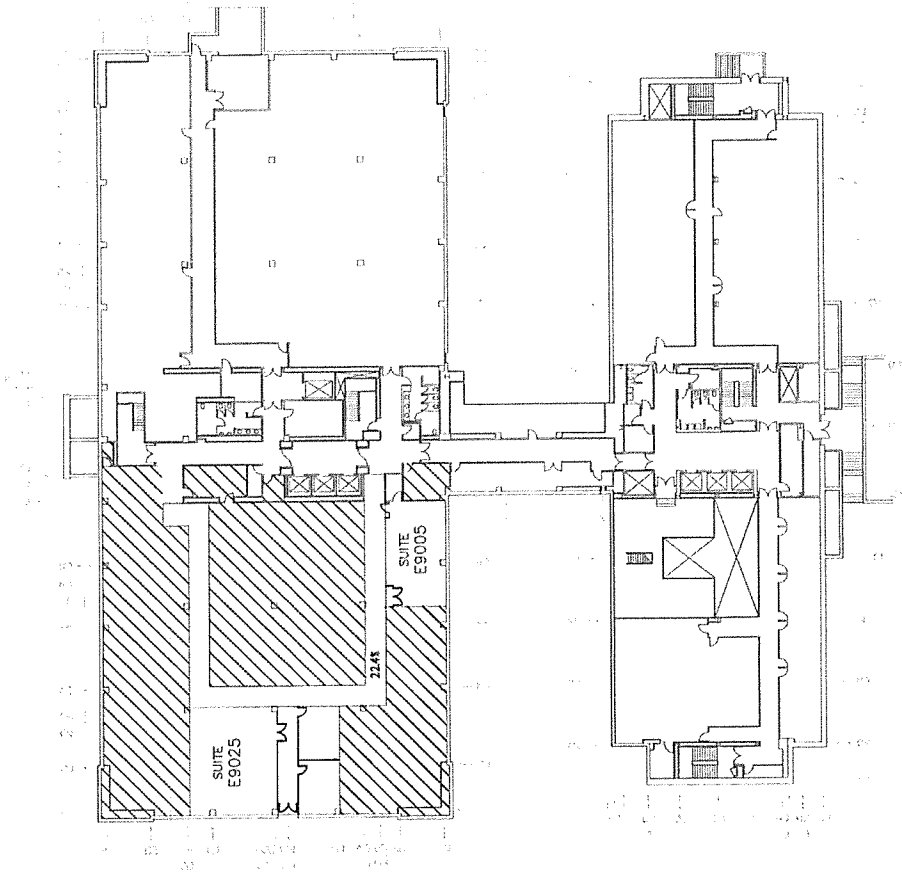
STEVENSON
SYSTEMS, INC.
Premises for
PHS
© 1992-2015, All Rights Reserved

FINAL

Suite# E9035
ID# GR-64

Date: 10/14/15

Tenant: County of LA--Public Health (Premises B)
Current Leases: 25866.00
Soft: 2,500.00
Carriar: Ext.
Useable: Rentable



FLOOR GR

Building AGE
 1000 S. Fremont Ave.
 Alhambra, CA 91803



STEVENSON
 SYSTEMS, Inc.
 1000 S. Fremont Ave.
 Alhambra, CA 91803

FINAL

Suite# E9005-9025 Tenant: County of LA-Public Health (Premises B) Subj 2: Suite, Corridor, Ext.

ID# GR-65
 Current Lease : 55,78.00
 Usable: Rentable:

Date: 10/14/15

EXHIBIT A-1

SITE PLAN

(COMPLEX AND BUILDING)

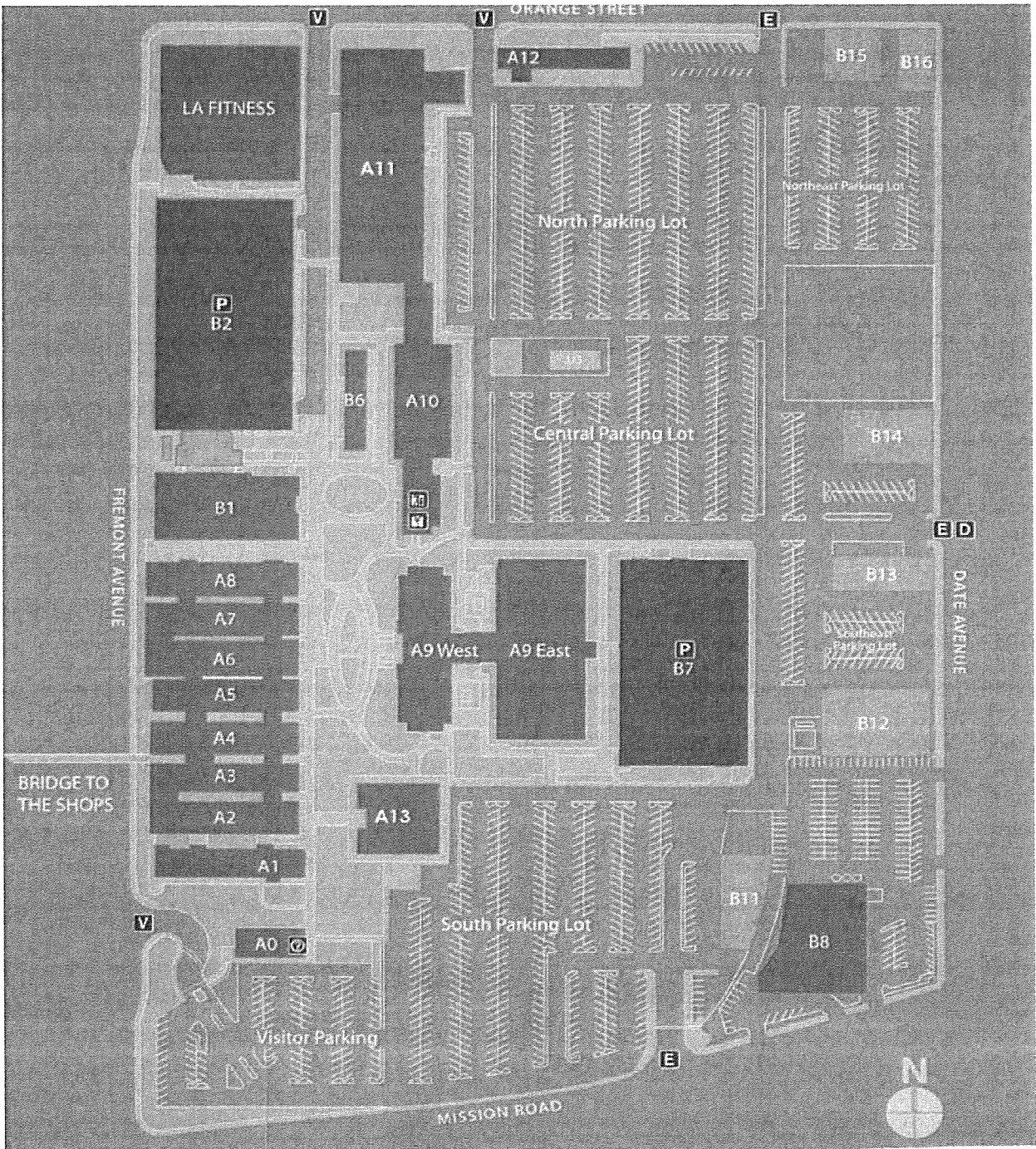


EXHIBIT B

CLEANING AND MAINTENANCE SCHEDULE

1. DAILY (MONDAY THROUGH FRIDAY)

- A. Carpets vacuumed.
- B. Composition floors dust-mopped.
- C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
- D. Waste baskets, other trash receptacles emptied.
- E. Chairs and waste baskets returned to proper position.
- F. Fingerprints removed from glass doors and partitions.
- G. Drinking fountains cleaned, sanitized and polished.
- H. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
- I. Bulb and tube replacements, as required.
- J. Graffiti in common areas expunged as needed within two (2) working days after notice by Tenant.
- K. Floors washed as needed.
- L. Kitchen/Lunchroom supplies replenished including paper supplies and soap.

2. WEEKLY

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

3. MONTHLY

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

4. QUARTERLY

- A. Light fixtures cleaned and dusted, but not less frequently than Quarterly.
- B. HVAC units serviced for preventative maintenance purposes, all filters changed.

5. SEMI-ANNUALLY

- A. All painted wall and door surfaces washed and stains removed.
- B. All walls treated with vinyl covering washed and stains removed.

6. ANNUALLY

- A. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.
- B. Touch-up paint all interior painted surfaces in a color and finish to match existing.
- C. HVAC chiller water checked for bacteria, water conditioned as necessary.
- D. Draperies or mini-blinds cleaned as required.
- E. Windows washed as required inside and outside.

7. AS NEEDED

- A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
- B. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance, as determined in Landlord's sole discretion. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition, as determined in Landlord's sole discretion.
- C. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning: (i) elevator lobby with a frequency of quarterly [four (4) times per year]; and (ii) within the Premises once per year. Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.

8. GENERAL

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

EXHIBIT C

TENANT ESTOPPEL CERTIFICATE

To: _____

Attn: _____

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

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

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

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

 (b) The current Rent is set forth above.

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

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

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

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

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

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

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

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

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

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: _____

APPROVED AS TO FORM:

County Counsel

By: _____
Deputy

EXHIBIT D

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 _____, 20__ by and among COUNTY OF LOS ANGELES, a body politic and corporate (“**Tenant**”), _____ (“**Borrower**”) and _____, (“**Lender**”).

Factual Background

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

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

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

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

Agreement

Therefore, the parties agree as follows:

1. Subordination. The 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: _____

To Borrower: _____

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

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by 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.

APPROVED AS TO FORM:

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

County Counsel

By: _____
Deputy

By: _____
Director of Real Estate

BORROWER:

By: _____
Name: _____
Title: _____

LENDER: [*Insert name of Lender*],
By: _____

EXHIBIT E

NONDISTURBANCE 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

NONDISTURBANCE AND ATTORNMENT AGREEMENT

This Nondisturbance and Attornment Agreement (“**Agreement**”) is entered into as of the ____ day of _____, 20__ by and among COUNTY OF LOS ANGELES, a body politic and corporate (“**Tenant**”), and [*Insert name of Lender*], (“**Lender**”).

Factual Background

- A. [*Insert name of Landlord*], (“**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 a loan to Borrower. The Loan is secured by a deed of trust or mortgage encumbering the Property (the “**Deed of Trust**”).
- C. Tenant and Borrower (as “**Landlord**”) intend to or have entered into a lease (the “**Lease**”) under which Borrower leases to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the “**Premises**”).
- D. Tenant’s rights under the Lease are subordinate to the lien of the Deed of Trust. Tenant is willing to make the substantial investment in the Premises required under the Lease, provided that Lender agrees to a nondisturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

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

County Counsel

By: _____
Deputy

By: _____
Director of Real Estate

BORROWER: [Insert name of Landlord]

By: _____
Name: _____
Title: _____

LENDER: [Insert name of Landlord]

By: _____
Name: _____
Title: _____

EXHIBIT F

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 2924 CIVIL CODE)

In accordance with Section 2924, 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 G

COMMUNITY BUSINESS ENTERPRISE FORM

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

Firm Name

Address

Contact Name

Telephone No.

Total # of Employees

Business Structure*

*Corporation, Partnership, etc.

MINORITY/WOMEN PARTICIPATION IN FIRM

	OWNERS	ASSOCIATE PARTNERS
Black/African American		
Hispanic/Latin		
Asian American		
Portuguese American		
A. Indian/Alaskan		
All Others		

TOTAL

Women*

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

PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

	TOTAL # OF OWNERS	% OF OWNERSHIP
Black/African American		
Hispanic/Latin American		
Asian American		

Portuguese American

American Indian/Alaskan Native

All Others

TOTAL

Women*

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

CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

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

yes No

State of California?

City of Los Angeles?

Federal Government?

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

Initial

Initial here if applicable

SIGNED: _____

TITLE: _____

DATE: _____

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

DEPARTMENT: Public Works, as Tenant

**LANDLORD: The Alhambra Office Community, LLC, a Delaware limited liability
company**

[1000 South Fremont Avenue, Alhambra]

78437

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**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE**

LEASE AGREEMENT

THIS LEASE (“Lease”) is entered into as of the 1st day of December, 2015, between **THE ALHAMBRA OFFICE COMMUNITY, LLC**, a Delaware limited liability company (“**Landlord**”), and **COUNTY OF LOS ANGELES**, a body politic and corporate (“**Tenant**” or (“**County**”).

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION.

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

- a. Landlord’s Address for Notice: The Alhambra Office Community, LLC
1000 South Fremont Avenue
Unit 1, Building A10C, Suite 10150
Alhambra, California 91803
Attn: Senior Development Manager
Telephone No.: (626) 300-5000
Facsimile No.: (626) 300-5025

with copies to:

c/o AIG Global Real Estate Investment Corp.
555 California Street, Suite 3130
San Francisco, California 94104
Attention: Mike Sahlman
Telephone: (415) 399-5840
Telecopier: (415) 399-5841

and

c/o AIG Global Real Estate Investment Corp.
70 Pine Street, 4th Floor
New York, New York 10270
Attention: General Counsel
Telephone: (212) 770-8300
Telecopier: (212) 770-8499

78437

and

DLA Piper LLP (US)
550 South Hope Street, Suite 2300
Los Angeles, California 90071
Attention: Jackie Park, Esq.
Telephone: (213) 330-7743
Telecopier: (213) 330-7543

- 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, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Fax Number: (213) 830-0926

- c. Premises:
- Premises A: Approximately 33,894 leasable square feet on the 4th Floor in the A9 East Building (defined below) as shown on Exhibit A attached hereto.
- Premises B: Approximately 6,825 leasable square feet on the 1st Floor in the A9 East Building (defined below) as shown on Exhibit A attached hereto.
- Premises C: Approximately 2,088 leasable square feet on the Ground Floor (north side) in the A9 East Building (defined below) as shown on Exhibit A attached hereto.
- Premises D: Approximately 1 leasable square feet on the rooftop in the A9 East Building (defined below) as shown on Exhibit A attached hereto.

Premises A, Premises B, Premises C and Premises D shall collectively be defined as the “**Premises**”.

- d. Complex: An office building project located at 1000 South Fremont Avenue, Alhambra, California, as shown on the site plan attached as Exhibit A-1 and made a part hereof. The Complex is currently assessed by the County Assessor as APN 5342-001-021, 5342-001-024 and 5342-001-025.
- e. Building: Building A9 East, depicted on Exhibit A-1 attached hereto.
- f. Term: Five years commencing upon the date this Lease is executed by the County of Los Angeles Board of Supervisors (the “**Commencement Date**”) and terminating at midnight on the day before the Fifth anniversary of the Commencement Date (the “**Termination Date**”), subject to earlier termination by Landlord or 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 Option Term for which an option has been validly exercised (pursuant to Section 4(f)).
- g. Commencement Date: Execution by the County of Los Angeles Board of Supervisors
- h. Irrevocable Offer Expiration Date: December 31, 2015
- i. Base Rent: \$93,319.26 per month for Premises A, B and C (which is based upon a rental rate of \$2.18 per leasable square foot adjustable only as provided in Section 5 hereof) along with \$2,005.63 per month for Premises D.
- j. Early Termination Date: Last day of the 48th month of the Lease Term

- k. Leasable Square Feet in the Premises: 42,808
- l. Use: General office use or for any other lawful purposes not incompatible with other uses in the Building.
- m. Initial Departmental Use: Public Works
- n. Parking Spaces: 171 unreserved parking spaces. Parking shall be paid as additional rent at the rate of \$60 per space per month. This rate shall increase to \$65 per space per month at the beginning of the 31st month of the Term.
- o. Normal Working Hours: 7:00 a.m. to 6:00 p.m., Monday through Friday, 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. (Please see Section 11 re: after-hours services and utilities.)
- p. Asbestos Report: A report dated November, 1999 prepared by Gail/Jordan Associates, a licensed California Asbestos Contractor.

1.2 Exhibits to Lease:

- Exhibit A - Floor Plan
- Exhibit A-1 - Site Plan (Complex and Building)
- Exhibit B - Cleaning Schedule
- Exhibit C – Tenant Estoppel Certificate
- Exhibit D – Subordination, Non-disturbance and Attornment Agreement
- Exhibit E - Nondisturbance Agreement
- Exhibit F - Request for Notice
- Exhibit G - Community Business Enterprises

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, which Premises is located in the Building described and depicted in

Section 1 and Exhibit A-1 attached hereto. The Building is part of the Complex located at 1000 South Fremont Avenue depicted on the site plan attached hereto as Exhibit A-1.

(b) Tenant confirms that Tenant is currently occupying the Premises pursuant to that certain Lease No. 72576 dated January 18, 2000, as amended (“**Existing Lease**”) and that Landlord has no delivery obligations with respect thereto. Prior to the Commencement Date of this Lease, Tenant shall continue to occupy the Premises and perform all of its obligations under the terms and conditions of the Existing Lease. As of the Commencement Date, the Existing Lease shall terminate for all purposes with respect to the Premises, except that Tenant shall be responsible for any liabilities or obligations which specifically survive the termination of the Existing Lease in accordance with its terms.

3. COMMON AREAS.

Tenant may use the following areas in common with Landlord and other tenants of the Building (“**Building Common Areas**”) and the Complex (“**Complex Common Areas**”) (Building Common Areas and Complex Common Areas are collectively, “**Common Areas**”): the entrances, lobbies and other public areas of the Building and the Complex, 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 and the Complex. The manner in which the Common Areas are maintained and operated shall be at the sole discretion of Landlord. 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.

(b) First Early Termination by Tenant. Tenant shall have a one-time right to terminate this Lease in its entirety with respect to the Premises (excluding Premises B as defined in Section 1) effective as of the Early Termination Date, as defined in Section 1, by giving Landlord not less than 365 days’ prior written notice (i.e., no later than the last day of the 36th month of the Lease Term) executed by the Chief Executive Officer of Tenant (“**Termination Notice**”). Within thirty (30) days of delivery by Tenant to Landlord of the Termination Notice, Tenant shall reimburse Landlord for the unamortized Paint and Floor Allowance (as hereinafter defined in Section 23) and Brokerage Commissions (“**Termination Fee**”), calculated at an interest rate of seven percent (7%) per annum. Subject to the terms hereof, if Tenant properly exercises such option to terminate this Lease with respect to the Premises (excluding Premises B), such termination shall be effective as of the Early Termination Date. If Tenant fails to exercise its rights under this Section 4(b) strictly in accordance with the terms and conditions set forth herein (including without limitation, failure to pay the Termination Fee as set forth herein), such right shall be null and void and shall be of no further force or effect.

(c) Second Early Termination by Tenant. In addition to the foregoing, Tenant shall also have an ongoing right to terminate this Lease with respect to only Premises B as defined in Section 1 (“**DPW Termination Space**”) upon the following terms:

(i) Tenant gives Landlord a sixty (60) day notice (“**DPW Termination Notice**”) of its intent to terminate the Lease with respect to the DPW Termination Space (which DPW Termination Notice must be received by Landlord prior to the last day of the 33rd month of the Lease Term), in which event the termination of the Lease with respect to the DPW Termination Space shall be effective as of the sixtieth (60th) day following Landlord’s receipt of the DPW Termination Notice (“**DPW Termination Date**”).

(ii) Landlord and Tenant have mutually signed a lease to backfill the DPW Termination Space with another County use.

(iii) Tenant pays Landlord a termination penalty equal to the unamortized Paint and Floor Allowance (as hereinafter defined in Section 23) and Brokerage Commissions at seven percent (7%) annual interest plus the amount of Rent that would have been paid by Tenant between the DPW Termination Date and the day the replacement County use takes possession of the DPW Termination Space and commences payment of Rent thereunder, which shall be a minimum of six (6) months, which termination penalty shall be paid by Tenant to Landlord on the date the replacement County use takes possession of the Premises.

(d) Early Termination by Landlord. Landlord shall have an ongoing option to terminate this Lease with respect to only Premises C as defined in Section 1 at any time during the Lease Term by giving Tenant not less than 60 days’ prior written notice (“**Landlord Termination Notice**”). There shall be no obligation by Landlord to pay any termination fee to Tenant. Subject to the terms hereof, if Landlord properly exercises such option to terminate this Lease with respect to only Premises C, such termination with respect to only Premises C shall be effective as of the 60th day following receipt by Tenant of the Landlord Termination Notice. If Landlord fails to exercise its rights under this Section 4(e) strictly in accordance with the terms and conditions set forth herein, such right shall be null and void and shall be of no further force or effect.

(e) Option to Extend. Provided that no material Tenant Default (as hereinafter defined in Section 13) has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have the option to renew this Lease for an additional period of five (5) years under the same terms and conditions except that the Base Rent shall be adjusted by negotiation not to exceed one hundred percent (100%) of the fair market value which Landlord could derive from the demised Premises if they were made available on the open market (“**Fair Rental Rate**”). The Fair Rental Rate of the demised Premises shall be determined by using the rental rate prevailing for similarly-improved office space within the Complex for transactions consummated within the last twelve (12) months immediately preceding the Commencement Date of the option term (“**Comparable Transactions**”), or if there are not a sufficient number of Current Transactions in the Complex, the Fair Rental Rate of the demised Premises shall be determined by using the rental rate prevailing for similarly-improved office space within a three (3) mile radius of the demised Premises for transactions consummated within the last twelve (12) months immediately preceding the Commencement Date of the option term. In determining the

Fair Rental Rate, equitable adjustments to the surveyed rental values shall be made for the size and credit-worthiness of Tenant, the quality of the project, the nature of the tenant's improvements and any other lease terms having an impact on rental values. The fair rental survey shall be conducted by the Landlord's appraiser and the Tenant's appraiser, each of which shall be certified and licensed by the State of California. Landlord shall bear the cost of Landlord's appraiser and Tenant shall bear the cost of Tenant's appraiser.

If Landlord and Tenant cannot agree on the Fair Rental Rate ninety (90) days prior to the expiration of the Lease Term, each shall mutually select a third appraiser who shall also conduct a fair rental appraisal. The third appraiser shall be required to have the same certification and licensing as the first two appraisers. The average of the two (2) appraisals nearest in value shall be the Fair Rental Rate. The cost of the third appraiser shall be borne equally by Landlord and Tenant.

Tenant, by Chief Executive Office letter, shall notify Landlord in writing not less than twelve (12) months prior to the expiration of the Lease Term, of Tenant's intention to exercise its option. The actual exercise of the option shall be only by the Board of Supervisors of the County of Los Angeles.

Notwithstanding the foregoing and if and only if (a) Tenant is leasing a minimum of 125,000 leasable square feet in the Complex on the date Landlord shall receive Tenant's notice of Tenant's intention to exercise its option to renew this Lease and on the date which shall be the first day of the option term, and (b) Tenant is otherwise in full compliance with the requirements of this Section 4(c), the Base Rent for the Premises during the option term shall be ninety-five percent (95%) of the Fair Rental Rate.

5. RENT.

(a) Base Rent. Tenant shall pay Landlord the Base Rent stated in Section 1 during the Term hereof within 15 days after a claim therefor for each such month has been filed by Landlord with the Auditor of the County of Los Angeles (the "**County**") prior to the first day of each month. Base Rent for any partial month shall be prorated in proportion to the number of days in such month ("**Base Rent**").

The Base Rent for the first full month of the Lease Term shall be paid within thirty (30) days of the Commencement Date.

If any rental payment date (including the Commencement Date) falls on a day of the month other than the first day of such month or if any rental payment is for a period which is shorter than one month, then the rental for any such fractional month shall be a proportionate amount of a full calendar month's rental based on the proportion that the number of days in such fractional month bears to the number of days in the calendar month during which such fractional month occurs. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

(b) Rent Adjustment. At the beginning of the 25th month of the Lease Term (the "**Adjustment Date**") and on every anniversary of the Adjustment Date thereafter, Base Rent shall be adjusted by applying the CPI Formula set forth below.

(c) CPI Formula. The “**Index**” means the Consumer Price Index for all Urban Consumers for the Los Angeles-Riverside-Orange County, CA area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The “**CPI Formula**” means Base Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Index published for the month the Lease commenced (the “**Base Index**”). If the Index is changed so that the Index differs from that used as of the Commencement Date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics.

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

(d) Illustration of Formula. The formula for determining the new rent shall be as follows:

$$\frac{\text{New Index}}{\text{Base Index}} \times \$95,324.89 \text{ (Base Rent)} = \text{New Monthly Base Rent}$$

(e) Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI formula result in an annual increase less than two percent (2%) nor more than five percent (5%) per year of the previous month’s Base Rent. In no event shall the monthly rent be adjusted by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year of the Lease.

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, as long as such use is consistent with the character of the Complex and allowed by applicable laws. Tenant agrees that it will not use or suffer or permit any person to use the Premises or any part thereof for any purpose in violation of the laws of California or the ordinances, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Complex. Tenant shall comply with all recorded covenants, conditions and restrictions, and the provisions of all ground or underlying leases now or hereafter affecting the Complex.

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 ninety (90) days’ written notice from Landlord or the Chief Executive Officer of Tenant at 150% of 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 Section 7 shall be construed as consent by Landlord to any holding over by Tenant, 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 other termination of this Lease. The provisions of this Section 7 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law.

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. Landlord's failure to comply with such legal requirements shall constitute a Landlord Default under this Lease (subject to applicable notice and cure periods set forth in Section 14(a)).

9. DAMAGE OR DESTRUCTION.

(a) Damage. In the event any portion of the Premises is damaged by fire or any other casualty rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then Landlord shall promptly, at Landlord's expense, repair such damage, and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within thirty (30) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. The failure to do so shall be a Landlord Default hereunder. Base Rent shall proportionally abate to the extent that the Premises are unusable by Tenant and not occupied by Tenant as a result thereof. 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 casualty 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 ten days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became 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.

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

(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, then upon not less than thirty (30) days' prior written notice to Landlord, Tenant may (a) declare a default hereunder, or (b) perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum from the Base Rent next due as a charge against the Landlord; provided, however, that if the nature of such repair or restoration is such that more than thirty (30) days is reasonably required, based on Tenant's review of the restoration bids, for completion of the same, then such thirty (30)-day period shall be extended as may be reasonably required provided that Landlord shall have undertaken such repair or restoration within said thirty (30)-day period and shall diligently prosecute the same to completion.

10. REPAIRS AND MAINTENANCE.

(a) Landlord Representations. Landlord represents to Tenant that (i) the Premises, the Building and all Common Areas, (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including use the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirements; (iii) the Premises, Building and Common Areas are free of the presence of any Hazardous Materials in violation of Environmental Laws (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).

(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 and the Premises, 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, 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 (if such floor covering is carpeting, it shall be replaced as needed but not less often than after five years of use); (2) interior partitions; (3) doors; (4) the interior side of

demising walls (which shall be repainted as needed but not less often than every five years); and (5) signage.

(c) Tenant Obligations. Without limiting Landlord's obligations, Tenant shall, at Tenant's sole expense, keep the Premises (including all improvements, fixtures and furnishings therein) in good order, repair and condition at all times during the Lease Term, wear and tear excepted, and 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 Landlord, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws.

(d) 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 receipt by Landlord of such notice, but in any event not later than ten (10) business days after the receipt by Landlord 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). All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Landlord, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws. Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action is required under the terms of this Lease to be taken by Landlord and is not taken by Landlord within such period (unless such notice is not required as provided above), and Tenant takes such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in taking such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten days from receipt by Landlord of invoices and back-up documentation, 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.

Tenant at its sole option, acting through the CEO, may request that Landlord perform, supply and administer certain repairs, replacement or services that are the responsibility of Tenant under this Lease ("**Tenant Obligations**"). In the event Landlord elects not to accept such request, the Tenant Obligations shall remain the obligations of Tenant. In the event Landlord elects to accept such request, then Landlord shall undertake the Tenant Obligations requested by Tenant, in which event (a) Tenant shall reimburse Landlord for the costs incurred by Landlord with respect to the Tenant Obligations, plus a commercially reasonable administration fee charged by Landlord, (b) Landlord shall have no liability to Tenant

for undertaking such Tenant Obligations, except as shall be due to the negligence or willful misconduct of Landlord, and (c) after undertaking the Tenant Obligations, Landlord shall have the subsequent right to shift the Tenant Obligations back to Tenant, in which event Landlord shall no longer have any obligations with respect to the Tenant Obligations.

11. SERVICES AND UTILITIES.

Landlord shall furnish the following services and utilities to the Premises:

(a) Heating, Ventilation and Air Conditioning. 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 event Tenant requires HVAC on Saturdays or beyond Normal Working Hours, Tenant shall give Landlord prior notice thereof (pursuant to procedures as shall have been established by Landlord from time to time), and Landlord shall supply such HVAC at such hourly cost to Tenant as Landlord shall from time to time establish to reimburse Landlord for its costs incurred to provide such HVAC, which cost is \$83 - \$114 per hour as of the date hereof.

(b) Electricity. Landlord shall furnish to the Premises the amount of electric current provided for in the Working Drawings (if applicable) but in any event not less than seven (7) watts of electric current (connected load) per square foot of Rentable Square Feet in the Premises (“**Building Electricity**”), for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or subpanels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises. Without limiting the foregoing, Tenant may at its sole cost and expense (subject to the right of Tenant to use the Tenant Improvement Allowance) elect to install electrical gear and equipment to achieve an electric current connected load exceeding the Building Electricity. Tenant hereby acknowledges and agrees that any electrical gear and equipment installed by Tenant shall not exceed the capacity of the feeders, risers or electrical installations of the Building. Tenant shall not install in the Premises office equipment, lighting fixtures or similar items which will generate above average heat, noise or vibration at the Premises or which will adversely affect the temperature maintained by the HVAC system. If in any calendar month, Tenant is using electricity in excess of seven watts per rentable square feet in the Premises multiplied by the number of Normal Working Hours in any month (“**Maximum Monthly Electrical Consumption**”), Tenant shall pay to Landlord within sixty (60) days of receipt of an invoice from Landlord for the actual cost of its electrical usage in excess of the Maximum Monthly Electrical Consumption (MMEC). The calculation of Tenant’s electrical usage and the MMEC shall not include electrical consumption associated with the Base Building HVAC system. By way of example, if total electrical consumption for the Premises is 10 watts and Base Building HVAC account for 2 watts then Tenant is responsible for 8 watts and would make a payment for the overage of 1 watt (8 watts – 7 watts).

Tenant shall have the right to audit these costs (which audit shall include review of only the following: Landlord’s method of submetering electricity, Landlord’s calculation of

electricity used by Tenant in excess of the MMEC, and electricity bills) for a period of twelve (12) months from the receipt by Tenant of each invoice therefor from Landlord. An audit conducted by Tenant herein shall be done at Tenant's sole cost and expense by Tenant's internal electrical engineer or a third party electrical engineer selected by Tenant and approved by Landlord (which approval shall not be unreasonably withheld). In the event an audit conducted by Tenant shows that Tenant has been overcharged for its electrical usage in excess of the MMEC, Tenant shall provide Landlord with a copy of such audit and Landlord shall, within sixty (60) days of receipt of the copy of such audit, credit Tenant the amount of any such overpayment made by Tenant. In the event that Landlord disagrees with the result of Tenant's audit, Landlord shall have the right to hire a third party electrical engineer (which third party electrical engineer shall be approved by Tenant, which approval not to be unreasonably withheld and shall be granted or withheld for reasonable reasons within five (5) days of receipt by Tenant of the name of such electrical engineer) and the decision of such third party electrical engineer shall be binding on Landlord and Tenant. There shall be a reconciliation of the cost of electricity based on the finding of such third party electrical engineer, and the cost of such electrical engineer shall be shared equally by Landlord and Tenant.

(c) Elevators. Landlord shall furnish passenger elevator services to the Premises during Normal Working Hours. During all other hours, Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis.

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

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

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

(g) Utility Charges. Landlord agrees to pay when due all charges for the use of the sewer, effluent treatment (when and if imposed by any Governmental authority), water, sprinkler standby charges, electricity, gas, power and other utility charges accruing or payable in connection with the demised Premises during the term of this Lease or any renewal, extension, or holdover thereof, whether the same are prorated or measured by separate meters.

(h) Interruption of Use. Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution does not exceed five (5) business days or is occasioned, in whole or in part, by repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other

fuel at the Building after reasonable effort to do so, by any change in the electric service provider, by any accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause beyond Landlord's reasonable control; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Section 11.

In the event that Tenant is prevented from using, and does not use, the Premises or any portion thereof, for five (5) consecutive business days (the "**Eligibility Period**") as a result of (a) any repair, maintenance or alteration performed by Landlord after the Commencement Date and required or permitted by the Lease, which substantially interferes with Tenant's use of the Premises, or (b) any failure by Landlord to provide Tenant with services or access to the Premises, then Tenant's Rent shall be abated or reduced, as the case may be, after expiration of the Eligibility Period for such time that Tenant continues to be so prevented from using, and does not use, the Premises or a portion thereof, in the proportion that the rentable area of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable area of the Premises. In the event Tenant does not use the Premises or a portion thereof for longer than five (5) business days as set forth herein, then Landlord shall be in default under this Lease, in which event Tenant shall have all the remedies and rights set forth in Section 14(a) of the Lease following the applicable notices to Landlord and expiration of the applicable cure periods.

12. LANDLORD ACCESS.

Landlord reserves the right at all reasonable times and upon reasonable advance notice, of 1-24 hours, to the Tenant to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees or tenants, or to the ground or underlying lessors; (iii) post notices of nonresponsibility; or (iv) alter, improve or repair the Premises or the Building if necessary to comply with current building codes or other applicable laws, or for structural alterations, repairs or improvements to the Building. Notwithstanding anything to the contrary contained in this Section 12, Landlord may enter the Premises at any time to (A) perform services required of Landlord; (B) take possession due to any breach of this Lease in the manner provided herein; and (C) perform any covenants of Tenant which Tenant fails to perform. Any such entries shall be without the abatement of Rent and shall include the right to take such reasonable steps as required to accomplish the stated purposes. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In a safety emergency that creates an immediate and imminent danger to the Premises or persons therein, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises in the manner hereinbefore described shall not be deemed to be a forcible or

unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises.

13. TENANT DEFAULT.

(a) Default. The occurrence of any one or more of the following events (a “**Tenant 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 five (5) 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 thirty (30) days after written notice from Landlord specifying in detail the nature of the Tenant default; provided, however, if more than thirty (30) days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Tenant 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 Article shall be deemed to affect either Landlord or Tenant’s right to indemnification under any indemnification clause or clauses set forth in this Lease.

14. LANDLORD DEFAULT.

(a) Remedies. In addition to the provisions for Landlord’s default provided by Sections 8, 9(d), 10(c) 19 and 20(b), Landlord shall be in default (“**Landlord Default**”) in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within twenty (20) 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 the Landlord Default is such that the same cannot reasonably be cured within such twenty (20)-day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant’s occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies as may be provided by 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 or loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due; and/or (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 determination of Tenant, create or allow to persist an emergency condition, or materially and adversely affect the operation of Tenant's business in the Premises. For purposes of this Section 14(c), an emergency condition or a condition that would materially or adversely affect the operation of Tenant's business in the Premises shall be limited to events and/or conditions that could cause personal injury or material property damage.

15. ASSIGNMENT AND SUBLETTING.

Tenant shall not, without the prior written consent of Landlord, (which consent shall not be unreasonably withheld), assign, mortgage, pledge, hypothecate, encumber or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment or other such foregoing transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or permit the use of the Premises by any person other than Tenant (all of the foregoing, a "**Transfer**"). Any Transfer made without Landlord's prior written consent shall constitute a default by Tenant under this Lease. Whether or not Landlord grant such consent, Tenant shall pay review and processing fees that are actually incurred by Landlord, (up to \$2,000 for each Transfer), within thirty (30) days after written request by Landlord.

If Landlord consents to a Transfer, (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer, and (iv) no Transfer, whether or without Landlord's consent, shall relieve Tenant from liability 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 any Alteration that satisfies all of the following criteria: (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 unreasonably interfere with the normal and customary business office operations of other tenants in the Building. If Landlord fails to respond in writing within thirty (30) days of such request, Landlord shall be deemed to approve the Alterations.

(b) Landlord may impose, as a condition of its consent to all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its sole discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors, materials, mechanics and materialmen approved by Landlord. In any event, a contractor approved by Landlord shall perform all mechanical, electrical, plumbing, structural, and heating, ventilation and air conditioning work, and such work shall be performed at Tenant's cost. Tenant shall not be required to obtain Landlord's approval of the contractor when the work will be performed by Los Angeles County Internal Services Department staff. Tenant shall construct such Alterations and perform such repairs in conformance with any and all applicable rules and regulations of any federal, state, county or municipal code or ordinance and pursuant to a valid building permit, issued by the city in which the Building is located, in conformance with Landlord's construction rules and regulations. Landlord's approval of the plans, specifications and working drawings for Tenant's Alterations shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all laws, rules and regulations of governmental agencies or authorities. Upon completion of any major Alterations involving a cost of at least \$50,000 or more, excluding telecommunication installations or alterations, Tenant agrees to cause a Notice of Completion to be recorded in the office of the Recorder of the county in which the Building is located in accordance with Section 3093 of the Civil Code of the State of California or any successor statute, and Tenant shall deliver to Landlord a reproducible copy of the "as built" drawings of the Alterations.

In connection with any Tenant Alterations, Tenant shall pay to Landlord a percentage of the cost of such work (such percentage to be established on a uniform basis for the Complex) sufficient to compensate Landlord for all overhead, general conditions, fees and other costs and expenses arising from Landlord's involvement with such Alterations.

(c) End of Term. Landlord may, by written notice to Tenant prior to the end of the Lease Term, or given upon any earlier termination of this Lease, require Tenant at Tenant's expense to remove any Alterations from the Premises and to repair any damage to the Premises and Building caused by such removal. If Tenant fails to complete such removal and/or to repair any damage caused by the removal of any Alterations, Landlord may do so and may charge the cost thereof to Tenant.

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 thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the “**Determination Date**”), which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within thirty (30) days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated.

(d) Restoration. Notwithstanding the preceding paragraph, if, within thirty (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 ninety (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 Complex, the Building or the Premises as a result of any negligent act, omission or willful misconduct of Tenant or its agents, contractors or employees (“**Tenant Parties**”), or arising from any default of 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 Tenant's rights or immunities under California workers' compensation laws and regulations.

(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 Complex, the Building or the Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors ("**Landlord Parties**"), or arising from breach or default under this Lease by Landlord or Landlord Parties. 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.

The provisions of this Section 18 shall survive the expiration or earlier termination of this Lease with respect to any claims occurring prior to such expiration or termination.

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 each party has named the other 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 thirty (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 rent the number of exclusive unreserved parking stalls set forth in Section 1 and shall rent parking passes at the charges set forth in Section 1 of this Lease. In addition, Tenant may rent from Landlord, subject to availability, additional unreserved parking passes ("**Additional Parking Passes**") on a month-to-month basis at the prevailing rate charged by Landlord for parking passes at the Complex, which Additional Parking Passes shall be subject to the right of Landlord upon thirty (30) days prior notice to no longer provide Tenant with any or all of such Additional Parking Passes. No unattended 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 non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building.

Landlord specifically reserves the right to change the size, configuration, design, layout, location and all other aspects of the parking facilities and Tenant acknowledges and agrees that Landlord may, without incurring any liability to Tenant and without any abatement of Rent under this Lease (except as provided in Section 11(i)), from time to time, close-off or restrict access to the parking facilities, or relocate Tenant's parking passes to other parking structures and/or surface parking areas within the Complex, for purposes of permitting or facilitating any such construction, alteration or improvements with respect to the parking facilities or to accommodate or facilitate renovation, alteration, construction or other modification of other improvements or structures located on the Complex. Landlord may delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control attributed hereby to the Landlord and such owner. Notwithstanding the foregoing, Landlord shall provide alternative parking arrangements within 600 feet of the premises or within the office campus complex in the event Tenant parking rights are interrupted. Tenant shall be responsible for any parking tax or other charges imposed by governmental authorities in connection with the use of such parking, which taxes and/or charges

shall be paid directly by Tenant or the parking users, or, if directly imposed against Landlord, Tenant shall reimburse Landlord for all such taxes and/or charges concurrent with its payment of the parking rates described herein.

(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) Tenant may (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective thirty (30) days thereafter or (b) deduct from the Base Rent thereafter accruing hereunder an amount each month equal to \$65 per parking stall per month for the parking spaces not provided

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 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.

Notwithstanding the foregoing, in no event shall Landlord be liable for consequential damages and/or punitive damages in connection with this Section 21(b).

22. ESTOPPEL CERTIFICATES.

Tenant shall, within thirty (30) days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit C 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.

(a) Paint and Floor Allowance. Landlord shall provide an allowance in the maximum sum of Three Hundred Twenty-Five Thousand Seven Hundred Fifty-Two Dollars (\$325,752.00) ("**Paint and Floor Allowance**") for the painting and the installation of flooring materials within the Premises (but excluding that portion of the Premises located on the Ground Floor of the Building and identified as Premises C in Section 1). The installation of paint and flooring materials in the Premises (excluding Premises C) shall be under Tenant's specifications including the lifting and moving of furniture ("**Tenant Improvements**").

(b) 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 Tenant Improvements. Particulars of the current Prevailing Wage Scale, as approved by the Board of Supervisors which are applicable to the Tenant Improvements, are filed with the Clerk of the Board of Supervisors and must be posted at the site.

(c) Completion of Tenant Improvements. The parties mutually agree that the estimated time for completion of the Tenant Improvements is 180 days from the date Tenant shall notify Landlord of Tenant's selection of the paint and flooring materials from the Building

standard paint and flooring materials choices. Landlord and Tenant shall commercially reasonable efforts to cooperate and collaborate on the completion of the Tenant Improvements since the lifting and moving of furniture within the Premises in order to complete the Tenant Improvements shall require input from Tenant in terms of timing and scheduling. Tenant shall be responsible for the architectural layout in connection with the Tenant Improvements; provided, however, if Tenant fails to timely provide such architectural layout so that Landlord can timely complete the Tenant Improvements as set forth herein, Landlord shall provide the architectural services and the cost incurred by Landlord shall be deducted from the Paint and Floor Allowance.

(d) Permitted Delay in Completion of Tenant Improvements. Completion of the painting and installation of flooring materials may be delayed by the following. All delay days incurred as a result of such delays shall be added to Landlord's time for completion under Section 23(e) above:

(i) Acts or omissions of Tenant or of any employees or agents of Tenant (including change orders in the work), or

(ii) Any act of God which Landlord could not have reasonably foreseen and provided for, or

(iii) Any strikes, boycotts or like obstructive acts by employees or labor organizations which Landlord cannot overcome with reasonable effort and could not reasonably have foreseen and provided for, or

(iv) Any war or declaration of a state of national emergency, or

(v) The imposition by government action or authority of restrictions upon the procurement of labor or materials necessary for the completion of the building Premises.

(e) Unused Paint and Floor Allowance. In the event the cost of the Tenant Improvements is less than the Paint and Floor Allowance, the unused Paint and Floor Allowance (the "**Unused Allowance**") shall be held by Landlord for use by Tenant for subsequent additions, improvements and alterations made to the Premises by Tenant until the Lease Termination Date or earlier termination of this Lease.

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 Complex, the Building and the Premises free from any liens which would impair the interest of Tenant hereunder.

25. SUBORDINATION AND MORTGAGES.

(a) 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 Complex and/or Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of a Subordination, Nondisturbance and Attornment Agreement, attached hereto as Exhibit D and incorporated herein by this reference, and provided further that no such subordination shall affect any option to extend the Term of this Lease or right of first offer to lease additional premises which may be included herein.

(b) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Complex and/or Building shall provide a written agreement to Tenant in the form of Exhibit E attached hereto and incorporated herein by this reference delivered to Landlord concurrently herewith within thirty (30) days after the execution of this Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Exhibit F attached hereto and incorporated herein by this reference delivered to Landlord concurrently herewith.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional thirty (30) 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 shall 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).

27. SIGNAGE.

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

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. Except for CB Richard Ellis, Inc., Landlord and Tenant each represent and warrant to each other that it has not engaged any other 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 is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

(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 nevertheless 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, or to such other address as Tenant or Landlord may from time to time designate in a notice to the other party. 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 therefor, together with all necessary information.

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

(l) Binding Effect. Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective successors or assigns.

(m) Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to Rent and other charges to be paid by Tenant pursuant to this Lease (collectively, the "**Force Majeure**"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

(n) Waiver of Jury Trial. If either party commences litigation against the other for the specific performance of this Lease, for damages for the breach hereof or otherwise for enforcement of any remedy hereunder, the parties hereto agree to and hereby do waive any right to a trial by jury. In the event of any dispute regarding the terms, conditions, rights or obligations of the parties hereto, such dispute may, at the request of either party, be submitted to arbitration in accordance with the provisions of California Code of Civil Procedure Section 1280, et. seq., as they now exist or may later be amended. The Chief Executive Officer or County Counsel shall determine the designee who shall act on behalf of Tenant in the Arbitration Proceedings. The cost of the Arbitration Proceedings shall be shared equally between Landlord and Tenant.

(o) Disclosure. Tenant hereby waives any and all rights under and benefits of California Civil Code Section 1938 and acknowledges that neither the Complex nor the Premises has undergone inspection by a Certified Access Specialist (CASp) (defined in California Civil Code Section 55.52).

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 delegee (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. ACKNOWLEDGMENT 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

(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, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.

(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. 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 Real Estate Management Commission of Los Angeles County in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

[Signatures on Next Page]

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

“LANDLORD”

THE ALHAMBRA OFFICE COMMUNITY, LLC,
a Delaware limited liability company

By: **AIGGRE-TRC Alhambra Stabilized Project, LLC,**
a Delaware limited liability company, its Sole Member

By: **AIGGRE-TRC Alhambra, LLC,**
a Delaware limited liability company, its Sole Member

By: **Ratkovich 1000, LLC,**
a California limited liability company,
its Administrative Member

By: **Ratkovich Investment Company, LLC,**
a California limited liability company,
its Managing Member

By: Wayne Ratkovich

Print Name: Wayne Ratkovich

Title: Managing Member

78437

“TENANT”

COUNTY OF LOS ANGELES,
a body politic and corporate

By: Mike Antonovich

Name: MIKE ANTONOVICH

Michael D. Antonovich
Mayor, Board of Supervisors

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

ATTEST:

Patrick Ogawa
Acting Executive Officer-Clerk
of the Board of Supervisors

By: *Sachelle Smitheman*
Deputy

PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By: *Sachelle Smitheman*
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
Interim County Counsel

By: *Mary C. Wickham*
Deputy



ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

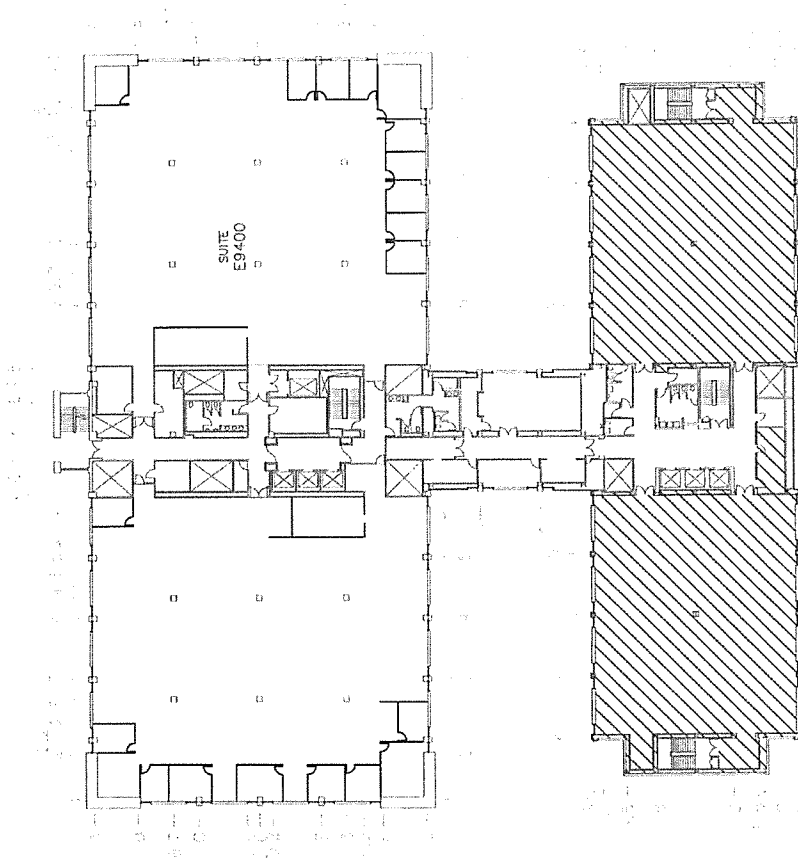
15

DEC 01 2015

Patrick Ogawa
PATRICK OGAWA
ACTING EXECUTIVE OFFICER

78437

EXHIBIT A
FLOOR PLAN OF PREMISES



FLOOR 4

Building A9
1000 S. Fremont Ave.
Alhambra, CA 91803



STEVENSON
SYSTEMS, INC.
Engineering/Construction
P/E/P
© 1985 by Stevenson

FINAL

Suite#: E9400
ID#: 4-12

Tenant: County of LA - Department of Public Works (Premises A)

Corridor Ext: ---

Current

Lease: 3,333,400

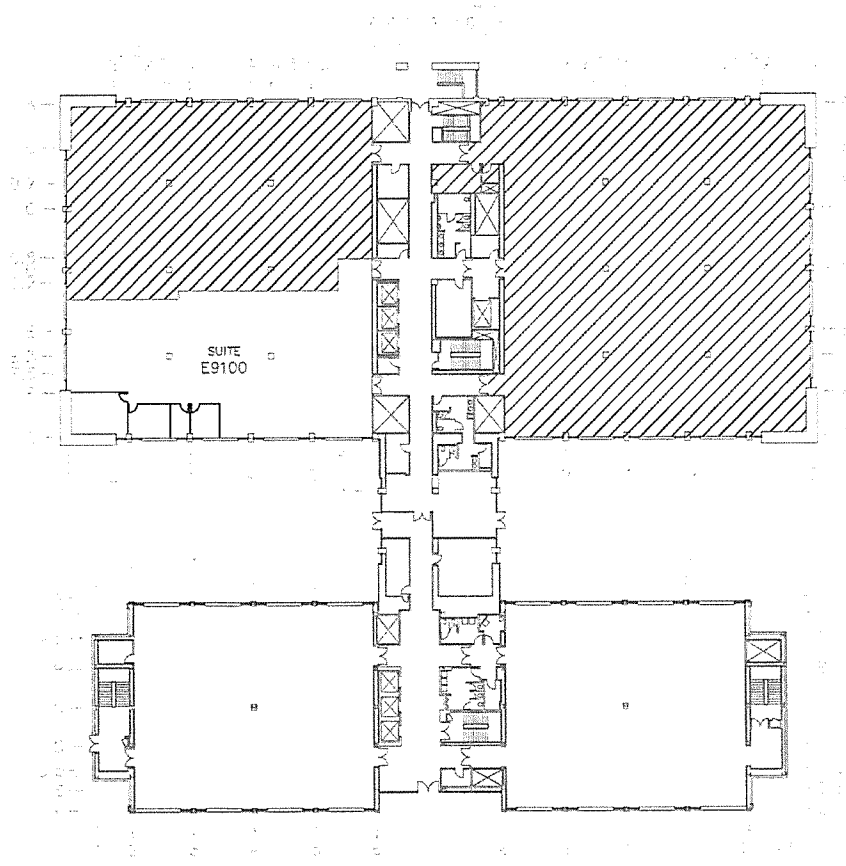
Uselet: ---


Rentable: ---

Date: 10/14/15

Department: Public Works [DPW]
 WESTV261630176.6.11/13/15 11:26 AM
 311403-000110

A-2



FLOOR 1 

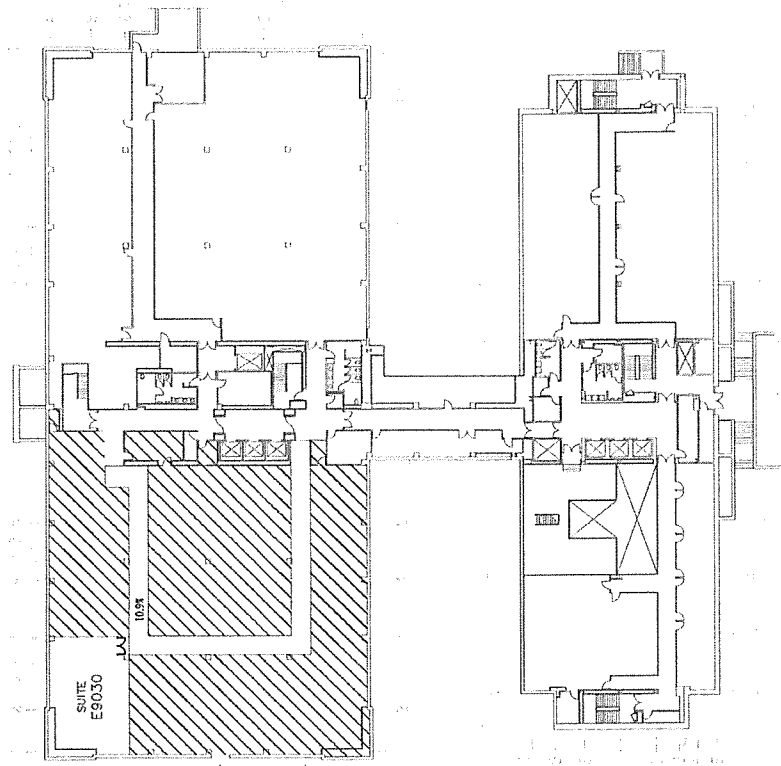
Building A9E
 1000 S. Fremont Ave.
 Alhambra, CA 91803

FINAL

Suite# E9100 Tenant: County of LA - Department of Public Works (Premises B) ---
 ID# 1-25 Corridor Ext. ---
 Date: 10/14/15 Current Lease: 6825.00 Usable Rentable: ---

STEVENSON
 SYSTEMS INC
 stevensonsystems.com
 PREG DP
 ©1994-2015 ALL RIGHTS RESERVED





FLOOR GR

Building ASE
 1000 S. Fremont Ave.
 Alhambra, CA 91803



STEVENSON
 SYSTEMS, INC.
 11000 Valley Blvd.
 Van Nuys, CA 91411

FINAL

Suite# E9030
 D# GR-63

Date: 10/14/15

Tenant: County of LA - Public Works (Premises)

Current: 2,068.00

Lease: Remable

--- Eject. Jabs

--- Carrier Ext.

--- Capable

--- Remable

EXHIBIT A-1

SITE PLAN

(COMPLEX AND BUILDING)

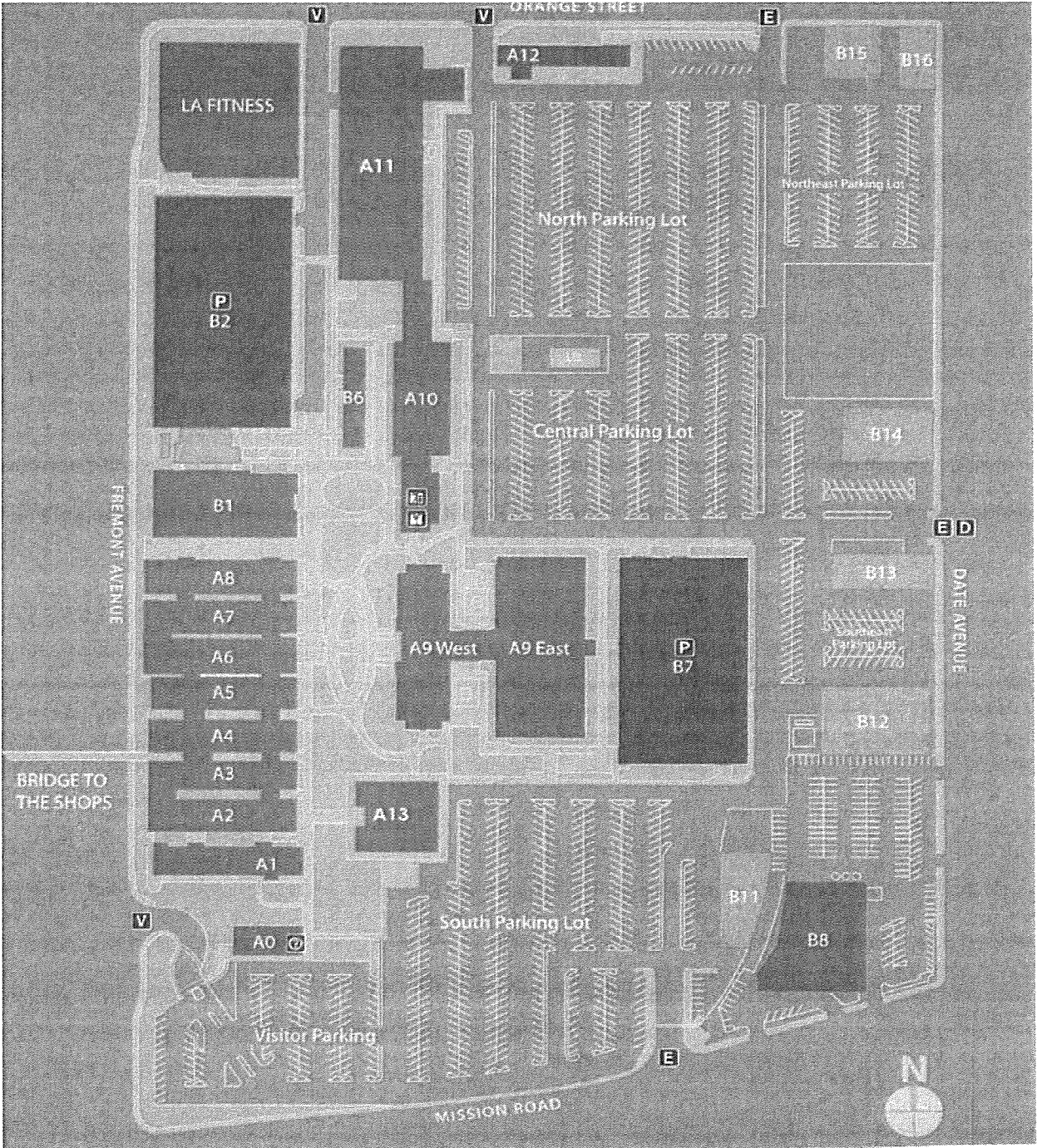


EXHIBIT B

CLEANING AND MAINTENANCE SCHEDULE

1. DAILY (MONDAY THROUGH FRIDAY)

- A. Carpets vacuumed.
- B. Composition floors dust-mopped.
- C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
- D. Waste baskets, other trash receptacles emptied.
- E. Chairs and waste baskets returned to proper position.
- F. Fingerprints removed from glass doors and partitions.
- G. Drinking fountains cleaned, sanitized and polished.
- H. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
- I. Bulb and tube replacements, as required.
- J. Graffiti in common areas expunged as needed within two (2) working days after notice by Tenant.
- K. Floors washed as needed.
- L. Kitchen/Lunchroom supplies replenished including paper supplies and soap.

2. WEEKLY

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

3. MONTHLY

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

4. QUARTERLY

- A. Light fixtures cleaned and dusted, but not less frequently than Quarterly.
- B. HVAC units serviced for preventative maintenance purposes, all filters changed.

5. SEMI-ANNUALLY

- A. All painted wall and door surfaces washed and stains removed.
- B. All walls treated with vinyl covering washed and stains removed.

6. ANNUALLY

- A. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.
- B. Touch-up paint all interior painted surfaces in a color and finish to match existing.
- C. HVAC chiller water checked for bacteria, water conditioned as necessary.
- D. Draperies or mini-blinds cleaned as required.
- E. Windows washed as required inside and outside.

7. AS NEEDED

A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.

B. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance, as determined in Landlord's sole discretion. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition, as determined in Landlord's sole discretion.

C. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning: (i) elevator lobby with a frequency of quarterly [four (4) times per year]; and (ii) within the Premises once per year. Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.

8. GENERAL

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

EXHIBIT C

TENANT ESTOPPEL CERTIFICATE

To: _____

Attn: _____

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

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

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

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

 (b) The current Rent is set forth above.

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

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

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

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

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

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

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

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

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

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: _____

APPROVED AS TO FORM:

County Counsel

By: _____
Deputy

EXHIBIT D

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 _____, 20__ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("**Tenant**"), _____ ("**Borrower**") and _____, ("**Lender**").

Factual Background

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

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

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

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

Agreement

Therefore, the parties agree as follows:

1. Subordination. The 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: _____

To Borrower: _____

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

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by 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.

APPROVED AS TO FORM:

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

County Counsel

By: _____
Deputy

By: _____
Director of Real Estate

BORROWER:

By: _____
Name: _____
Title: _____

LENDER: [*Insert name of Lender*],
By: _____

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

County Counsel

By: _____
Deputy

By: _____
Director of Real Estate

BORROWER: [Insert name of Landlord]

By: _____
Name: _____
Title: _____

LENDER: [Insert name of Landlord]

By: _____
Name: _____
Title: _____

EXHIBIT F

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 2924 CIVIL CODE)

In accordance with Section 2924, 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 G

COMMUNITY BUSINESS ENTERPRISE FORM

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

Firm Name

Address

Contact Name

Telephone No.

Total # of Employees

Business Structure*

*Corporation, Partnership, etc.

MINORITY/WOMEN PARTICIPATION IN FIRM

	OWNERS	ASSOCIATE PARTNERS
Black/African American		
Hispanic/Latin		
Asian American		
Portuguese American		
A. Indian/Alaskan		
All Others		

TOTAL

Women*

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

PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

	TOTAL # OF OWNERS	% OF OWNERSHIP
Black/African American		
Hispanic/Latin American		
Asian American		

Portuguese American

American Indian/Alaskan Native

All Others

TOTAL

Women*

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

CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

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

yes No

State of California?

City of Los Angeles?

Federal Government?

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

Initial

Initial here if applicable

SIGNED: _____

TITLE: _____

DATE: _____

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

DEPARTMENT: Internal Services, as Tenant

**LANDLORD: The Alhambra Office Community, LLC, a Delaware limited liability
company**

[1000 South Fremont Avenue, Alhambra]

78438

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**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE**

LEASE AGREEMENT

THIS LEASE (“Lease”) is entered into as of the 1st day of December, 2015, between **THE ALHAMBRA OFFICE COMMUNITY, LLC**, a Delaware limited liability company (“Landlord”), and **COUNTY OF LOS ANGELES**, a body politic and corporate (“Tenant” or “County”).

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION.

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

- a. Landlord’s Address for Notice: The Alhambra Office Community, LLC
1000 South Fremont Avenue
Unit 1, Building A10C, Suite 10150
Alhambra, California 91803
Attn: Senior Development Manager
Telephone No.: (626) 300-5000
Facsimile No.: (626) 300-5025

with copies to:

c/o AIG Global Real Estate Investment Corp.
555 California Street, Suite 3130
San Francisco, California 94104
Attention: Mike Sahlman
Telephone: (415) 399-5840
Telecopier: (415) 399-5841

and

c/o AIG Global Real Estate Investment Corp.
70 Pine Street, 4th Floor
New York, New York 10270
Attention: General Counsel
Telephone: (212) 770-8300
Telecopier: (212) 770-8499

78438

and

DLA Piper LLP (US)
550 South Hope Street, Suite 2300
Los Angeles, California 90071
Attention: Jackie Park, Esq.
Telephone: (213) 330-7743
Telecopier: (213) 330-7543

- 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, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Fax Number: (213) 830-0926

- c. Premises: Approximately 5,085 leasable square feet on the 1st Floor in the A9 East Building (defined below) as shown on Exhibit A attached hereto.
- d. Complex: An office building project located at 1000 South Fremont Avenue, Alhambra, California, as shown on the site plan attached as Exhibit A-1 and made a part hereof. The Complex is currently assessed by the County Assessor as APN 5342-001-021, 5342-001-024 and 5342-001-025.
- e. Building: Building A9 East, depicted on Exhibit A-1 attached hereto.

- f. Term: Five years commencing upon the date this Lease is executed by the County of Los Angeles Board of Supervisors (the “**Commencement Date**”) and terminating at midnight on the day before the Fifth 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 Option Term for which an option has been validly exercised (pursuant to Section 4(f)).
- g. Commencement Date: Execution by the County of Los Angeles Board of Supervisors
- h. Irrevocable Offer Expiration Date: December 31, 2015
- i. Base Rent: \$11,085.30 per month (which is based upon a rental rate of \$2.18 per leasable square foot adjustable only as provided in Section 5 hereof.)
- j. Early Termination Date: NA
- k. Leasable Square Feet in the Premises: 5,085
- l. Use: General office use or for any other lawful purposes not incompatible with other uses in the Building.
- m. Initial Departmental Use: Internal Services Department
- n. Parking Spaces: 20 unreserved parking spaces. Parking shall be paid as additional rent at the rate of \$60 per space per month. This rate shall increase to \$65 per space per month at the beginning of the 31st month of the Term.

- o. Normal Working Hours: 7:00 a.m. to 6:00 p.m., Monday through Friday, 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. (Please see Section 11 re: after-hours services and utilities.)
- p. Asbestos Report: A report dated November, 1999 prepared by Gail/Jordan Associates, a licensed California Asbestos Contractor.

1.2 Exhibits to Lease:

- Exhibit A - Floor Plan
- Exhibit A-1 - Site Plan (Complex and Building)
- Exhibit B - Cleaning Schedule
- Exhibit C - Tenant Estoppel Certificate
- Exhibit D - Subordination, Non-disturbance and Attornment Agreement
- Exhibit E - Nondisturbance Agreement
- Exhibit F - Request for Notice
- Exhibit G - Community Business Enterprises

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, which Premises is located in the Building described and depicted in Section 1 and Exhibit A-1 attached hereto. The Building is part of the Complex located at 1000 South Fremont Avenue depicted on the site plan attached hereto as Exhibit A-1.

(b) Tenant confirms that Tenant is currently occupying the Premises pursuant to that certain Lease No. 72576 dated January 18, 2000, as amended ("**Existing Lease**") and that Landlord has no delivery obligations with respect thereto. Prior to the Commencement Date of this Lease, Tenant shall continue to occupy the Premises and perform all of its obligations under the terms and conditions of the Existing Lease. As of the Commencement Date, the Existing Lease shall terminate for all purposes with respect to the Premises, except that Tenant shall be responsible for any liabilities or obligations which specifically survive the termination of the Existing Lease in accordance with its terms.

3. COMMON AREAS.

Tenant may use the following areas in common with Landlord and other tenants of the Building ("**Building Common Areas**") and the Complex ("**Complex Common Areas**")

(Building Common Areas and Complex Common Areas are collectively, “**Common Areas**”): the entrances, lobbies and other public areas of the Building and the Complex, 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 and the Complex. The manner in which the Common Areas are maintained and operated shall be at the sole discretion of Landlord. 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.

(b) Termination by Tenant. The Internal Services (“**ISD**”) shall have an ongoing right to terminate this Lease with respect to the entire Premises upon the following terms:

(i) Tenant gives Landlord a sixty (60) day notice (“**ISD Termination Notice**”) of its intent to terminate the Lease with respect to the entire Premises (which ISD Termination Notice must be received by Landlord prior to the last day of the 33rd month of the Lease Term), in which event the termination of the Lease with respect to the entire Premises shall be effective as of the sixtieth (60th) day following Landlord’s receipt of the ISD Termination Notice (“**ISD Termination Date**”).

(ii) Landlord and Tenant have mutually signed a lease to backfill the Premises with another County use.

(iii) Tenant pays Landlord a termination penalty equal to the unamortized Paint and Floor Allowance (as hereinafter defined in Section 23) and Brokerage Commissions at seven percent (7%) annual interest plus the amount of Rent that would have been paid by Tenant between the ISD Termination Date and the day the replacement County use takes possession of the Premises and commences payment of Rent thereunder, which shall be a minimum of six (6) months, which termination penalty shall be paid by Tenant to Landlord on the date the replacement County use takes possession of the Premises.

(c) Option to Extend. Provided that no material Tenant Default (as hereinafter defined in Section 13) has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have the option to renew this Lease for an additional period of five (5) years under the same terms and conditions except that the Base Rent shall be adjusted by negotiation not to exceed one hundred percent (100%) of the fair market value which Landlord could derive from the demised Premises if they were made available on the open market (“**Fair Rental Rate**”). The Fair Rental Rate of the demised Premises shall be determined by using the rental rate prevailing for similarly-improved office space within the Complex for transactions consummated within the last twelve (12) months immediately preceding the Commencement Date of the option term (“**Comparable Transactions**”), or if there are not a sufficient number of Current Transactions in the Complex, the Fair Rental Rate of the demised Premises shall be

determined by using the rental rate prevailing for similarly-improved office space within a three (3) mile radius of the demised Premises for transactions consummated within the last twelve (12) months immediately preceding the Commencement Date of the option term. In determining the Fair Rental Rate, equitable adjustments to the surveyed rental values shall be made for the size and credit-worthiness of Tenant, the quality of the project, the nature of the tenant's improvements and any other lease terms having an impact on rental values. The fair rental survey shall be conducted by the Landlord's appraiser and the Tenant's appraiser, each of which shall be certified and licensed by the State of California. Landlord shall bear the cost of Landlord's appraiser and Tenant shall bear the cost of Tenant's appraiser.

If Landlord and Tenant cannot agree on the Fair Rental Rate ninety (90) days prior to the expiration of the Lease Term, each shall mutually select a third appraiser who shall also conduct a fair rental appraisal. The third appraiser shall be required to have the same certification and licensing as the first two appraisers. The average of the two (2) appraisals nearest in value shall be the Fair Rental Rate. The cost of the third appraiser shall be borne equally by Landlord and Tenant.

Tenant, by Chief Executive Office letter, shall notify Landlord in writing not less than twelve (12) months prior to the expiration of the Lease Term, of Tenant's intention to exercise its option. The actual exercise of the option shall be only by the Board of Supervisors of the County of Los Angeles.

Notwithstanding the foregoing and if and only if (a) Tenant is leasing a minimum of 125,000 leasable square feet in the Complex on the date Landlord shall receive Tenant's notice of Tenant's intention to exercise its option to renew this Lease and on the date which shall be the first day of the option term, and (b) Tenant is otherwise in full compliance with the requirements of this Section 4(c), the Base Rent for the Premises during the option term shall be ninety-five percent (95%) of the Fair Rental Rate.

5. RENT.

(a) Base Rent. Tenant shall pay Landlord the Base Rent stated in Section 1 during the Term hereof within 15 days after a claim therefor for each such month has been filed by Landlord with the Auditor of the County of Los Angeles (the "**County**") prior to the first day of each month. Base Rent for any partial month shall be prorated in proportion to the number of days in such month ("**Base Rent**").

The Base Rent for the first full month of the Lease Term shall be paid within thirty (30) days of the Commencement Date.

If any rental payment date (including the Commencement Date) falls on a day of the month other than the first day of such month or if any rental payment is for a period which is shorter than one month, then the rental for any such fractional month shall be a proportionate amount of a full calendar month's rental based on the proportion that the number of days in such fractional month bears to the number of days in the calendar month during which such fractional month occurs. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

(b) Rent Adjustment. At the beginning of the 25th month of the Lease Term (the “**Adjustment Date**”) and on every anniversary of the Adjustment Date thereafter, Base Rent shall be adjusted by applying the CPI Formula set forth below.

(c) CPI Formula. The “**Index**” means the Consumer Price Index for all Urban Consumers for the Los Angeles-Riverside-Orange County, CA area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The “**CPI Formula**” means Base Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Index published for the month the Lease commenced (the “**Base Index**”). If the Index is changed so that the Index differs from that used as of the Commencement Date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics.

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

(d) Illustration of Formula. The formula for determining the new rent shall be as follows:

$$\frac{\text{New Index}}{\text{Base Index}} \times \$11,085.30 \text{ (Base Rent)} = \text{New Monthly Base Rent}$$

(e) Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI formula result in an annual increase less than two percent (2%) nor more than five percent (5%) per year of the previous month’s Base Rent. In no event shall the monthly rent be adjusted by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year of the Lease.

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, as long as such use is consistent with the character of the Complex and allowed by applicable laws. Tenant agrees that it will not use or suffer or permit any person to use the Premises or any part thereof for any purpose in violation of the laws of California or the ordinances, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Complex. Tenant shall comply with all recorded covenants, conditions and restrictions, and the provisions of all ground or underlying leases now or hereafter affecting the Complex.

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 ninety (90) days’ written notice from Landlord or the Chief Executive Officer of Tenant at

150% of 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 Section 7 shall be construed as consent by Landlord to any holding over by Tenant, 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 other termination of this Lease. The provisions of this Section 7 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law.

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. Landlord's failure to comply with such legal requirements shall constitute a Landlord Default under this Lease (subject to applicable notice and cure periods set forth in Section 14(a)).

9. DAMAGE OR DESTRUCTION.

(a) Damage. In the event any portion of the Premises is damaged by fire or any other casualty rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then Landlord shall promptly, at Landlord's expense, repair such damage, and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within thirty (30) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. The failure to do so shall be a Landlord Default hereunder. Base Rent shall proportionally abate to the extent that the Premises are unusable by Tenant and not occupied by Tenant as a result thereof. 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 casualty 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 ten days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and

the Base Rent shall be abated from the date the Premises became 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.

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

(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, then upon not less than thirty (30) days' prior written notice to Landlord, Tenant may (a) declare a default hereunder, or (b) perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum from the Base Rent next due as a charge against the Landlord; provided, however, that if the nature of such repair or restoration is such that more than thirty (30) days is reasonably required, based on Tenant's review of the restoration bids, for completion of the same, then such thirty (30)-day period shall be extended as may be reasonably required provided that Landlord shall have undertaken such repair or restoration within said thirty (30)-day period and shall diligently prosecute the same to completion.

10. REPAIRS AND MAINTENANCE.

(a) Landlord Representations. Landlord represents to Tenant that (i) the Premises, the Building and all Common Areas, (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including use the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirements; (iii) the Premises, Building and Common Areas are free of the presence of any Hazardous Materials in violation of Environmental Laws (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).

(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 and the Premises, 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, 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 (if such floor covering is carpeting, it shall be replaced as needed but not less often than after five years of use); (2) interior partitions; (3) doors; (4) the interior side of demising walls (which shall be repainted as needed but not less often than every five years); and (5) signage.

(c) Tenant Obligations. Without limiting Landlord's obligations, Tenant shall, at Tenant's sole expense, keep the Premises (including all improvements, fixtures and furnishings therein) in good order, repair and condition at all times during the Lease Term, wear and tear excepted, and 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 Landlord, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws.

(d) 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 receipt by Landlord of such notice, but in any event not later than ten (10) business days after the receipt by Landlord 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). All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Landlord, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws. Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action is required under the terms of this Lease to be taken by Landlord and is not taken by Landlord within such period (unless such notice is not required as provided above), and Tenant takes such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in taking such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten days from receipt by Landlord of invoices and back-up documentation, 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.

Tenant at its sole option, acting through the CEO, may request that Landlord perform, supply and administer certain repairs, replacement or services that are the responsibility of Tenant under this Lease ("**Tenant Obligations**"). In the event Landlord elects not to accept such request, the Tenant Obligations shall remain the obligations of Tenant. In the

event Landlord elects to accept such request, then Landlord shall undertake the Tenant Obligations requested by Tenant, in which event (a) Tenant shall reimburse Landlord for the costs incurred by Landlord with respect to the Tenant Obligations, plus a commercially reasonable administration fee charged by Landlord, (b) Landlord shall have no liability to Tenant for undertaking such Tenant Obligations, except as shall be due to the negligence or willful misconduct of Landlord, and (c) after undertaking the Tenant Obligations, Landlord shall have the subsequent right to shift the Tenant Obligations back to Tenant, in which event Landlord shall no longer have any obligations with respect to the Tenant Obligations.

11. SERVICES AND UTILITIES.

Landlord shall furnish the following services and utilities to the Premises:

(a) Heating, Ventilation and Air Conditioning. 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 event Tenant requires HVAC on Saturdays or beyond Normal Working Hours, Tenant shall give Landlord prior notice thereof (pursuant to procedures as shall have been established by Landlord from time to time), and Landlord shall supply such HVAC at such hourly cost to Tenant as Landlord shall from time to time establish to reimburse Landlord for its costs incurred to provide such HVAC, which cost is \$83 - \$114 per hour as of the date hereof.

(b) Electricity. Landlord shall furnish to the Premises the amount of electric current provided for in the Working Drawings (if applicable) but in any event not less than seven (7) watts of electric current (connected load) per square foot of Rentable Square Feet in the Premises (“**Building Electricity**”), for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or subpanels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises. Without limiting the foregoing, Tenant may at its sole cost and expense (subject to the right of Tenant to use the Tenant Improvement Allowance) elect to install electrical gear and equipment to achieve an electric current connected load exceeding the Building Electricity. Tenant hereby acknowledges and agrees that any electrical gear and equipment installed by Tenant shall not exceed the capacity of the feeders, risers or electrical installations of the Building. Tenant shall not install in the Premises office equipment, lighting fixtures or similar items which will generate above average heat, noise or vibration at the Premises or which will adversely affect the temperature maintained by the HVAC system. If in any calendar month, Tenant is using electricity in excess of seven watts per rentable square feet in the Premises multiplied by the number of Normal Working Hours in any month (“**Maximum Monthly Electrical Consumption**”), Tenant shall pay to Landlord within sixty (60) days of receipt of an invoice from Landlord for the actual cost of its electrical usage in excess of the Maximum Monthly Electrical Consumption (MMEC). The calculation of Tenant’s electrical usage and the MMEC shall not include electrical consumption associated with the Base Building HVAC system. By way of example, if total electrical consumption for the Premises is 10 watts and Base Building HVAC account for 2 watts

then Tenant is responsible for 8 watts and would make a payment for the overage of 1 watt (8 watts – 7 watts).

Tenant shall have the right to audit these costs (which audit shall include review of only the following: Landlord's method of submetering electricity, Landlord's calculation of electricity used by Tenant in excess of the MMEC, and electricity bills) for a period of twelve (12) months from the receipt by Tenant of each invoice therefor from Landlord. An audit conducted by Tenant herein shall be done at Tenant's sole cost and expense by Tenant's internal electrical engineer or a third party electrical engineer selected by Tenant and approved by Landlord (which approval shall not be unreasonably withheld). In the event an audit conducted by Tenant shows that Tenant has been overcharged for its electrical usage in excess of the MMEC, Tenant shall provide Landlord with a copy of such audit and Landlord shall, within sixty (60) days of receipt of the copy of such audit, credit Tenant the amount of any such overpayment made by Tenant. In the event that Landlord disagrees with the result of Tenant's audit, Landlord shall have the right to hire a third party electrical engineer (which third party electrical engineer shall be approved by Tenant, which approval not to be unreasonably withheld and shall be granted or withheld for reasonable reasons within five (5) days of receipt by Tenant of the name of such electrical engineer) and the decision of such third party electrical engineer shall be binding on Landlord and Tenant. There shall be a reconciliation of the cost of electricity based on the finding of such third party electrical engineer, and the cost of such electrical engineer shall be shared equally by Landlord and Tenant.

(c) Elevators. Landlord shall furnish passenger elevator services to the Premises during Normal Working Hours. During all other hours, Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis.

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

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

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

(g) Utility Charges. Landlord agrees to pay when due all charges for the use of the sewer, effluent treatment (when and if imposed by any Governmental authority), water, sprinkler standby charges, electricity, gas, power and other utility charges accruing or payable in connection with the demised Premises during the term of this Lease or any renewal, extension, or holdover thereof, whether the same are prorated or measured by separate meters.

(h) Interruption of Use. Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution does not exceed five (5) business days or is occasioned, in whole or in part, by repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building after reasonable effort to do so, by any change in the electric service provider, by any accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause beyond Landlord's reasonable control; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Section 11.

In the event that Tenant is prevented from using, and does not use, the Premises or any portion thereof, for five (5) consecutive business days (the "**Eligibility Period**") as a result of (a) any repair, maintenance or alteration performed by Landlord after the Commencement Date and required or permitted by the Lease, which substantially interferes with Tenant's use of the Premises, or (b) any failure by Landlord to provide Tenant with services or access to the Premises, then Tenant's Rent shall be abated or reduced, as the case may be, after expiration of the Eligibility Period for such time that Tenant continues to be so prevented from using, and does not use, the Premises or a portion thereof, in the proportion that the rentable area of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable area of the Premises. In the event Tenant does not use the Premises or a portion thereof for longer than five (5) business days as set forth herein, then Landlord shall be in default under this Lease, in which event Tenant shall have all the remedies and rights set forth in Section 14(a) of the Lease following the applicable notices to Landlord and expiration of the applicable cure periods.

12. LANDLORD ACCESS.

Landlord reserves the right at all reasonable times and upon reasonable advance notice, of 1-24 hours, to the Tenant to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees or tenants, or to the ground or underlying lessors; (iii) post notices of nonresponsibility; or (iv) alter, improve or repair the Premises or the Building if necessary to comply with current building codes or other applicable laws, or for structural alterations, repairs or improvements to the Building. Notwithstanding anything to the contrary contained in this Section 12, Landlord may enter the Premises at any time to (A) perform services required of Landlord; (B) take possession due to any breach of this Lease in the manner provided herein; and (C) perform any covenants of Tenant which Tenant fails to perform. Any such entries shall be without the abatement of Rent and shall include the right to take such reasonable steps as required to accomplish the stated purposes. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the above purposes, Landlord shall at all times have a key

with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In a safety emergency that creates an immediate and imminent danger to the Premises or persons therein, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises.

13. TENANT DEFAULT.

(a) Default. The occurrence of any one or more of the following events (a "Tenant 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 five (5) 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 thirty (30) days after written notice from Landlord specifying in detail the nature of the Tenant default; provided, however, if more than thirty (30) days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Tenant 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 Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

14. LANDLORD DEFAULT.

(a) Remedies. In addition to the provisions for Landlord's default provided by Sections 8, 9(d), 10(c) 19 and 20(b), Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within twenty (20) 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 the Landlord Default is such that the same cannot reasonably be cured within such twenty (20)-day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to

Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies as may be provided by 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 or loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due; and/or (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 determination of Tenant, create or allow to persist an emergency condition, or materially and adversely affect the operation of Tenant's business in the Premises. For purposes of this Section 14(c), an emergency condition or a condition that would materially or adversely affect the operation of Tenant's business in the Premises shall be limited to events and/or conditions that could cause personal injury or material property damage.

15. ASSIGNMENT AND SUBLETTING.

Tenant shall not, without the prior written consent of Landlord, (which consent shall not be unreasonably withheld), assign, mortgage, pledge, hypothecate, encumber or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment or other such foregoing transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or permit the use of the Premises by any person other than Tenant (all of the foregoing, a "**Transfer**"). Any Transfer made without Landlord's prior written consent shall constitute a default by Tenant under this Lease. Whether or not Landlord grant such consent, Tenant shall pay review and processing fees that are actually incurred by Landlord, (up to \$2,000 for each Transfer), within thirty (30) days after written request by Landlord.

If Landlord consents to a Transfer, (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer, and (iv) no Transfer, whether or without Landlord's consent, shall relieve Tenant from liability 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 any Alteration that satisfies all of the following criteria: (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 unreasonably interfere with the normal and customary business office operations of other tenants in the Building. If Landlord fails to respond in writing within thirty (30) days of such request, Landlord shall be deemed to approve the Alterations.

(b) Landlord may impose, as a condition of its consent to all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its sole discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors, materials, mechanics and materialmen approved by Landlord. In any event, a contractor approved by Landlord shall perform all mechanical, electrical, plumbing, structural, and heating, ventilation and air conditioning work, and such work shall be performed at Tenant's cost. Tenant shall not be required to obtain Landlord's approval of the contractor when the work will be performed by Los Angeles County Internal Services Department staff. Tenant shall construct such Alterations and perform such repairs in conformance with any and all applicable rules and regulations of any federal, state, county or municipal code or ordinance and pursuant to a valid building permit, issued by the city in which the Building is located, in conformance with Landlord's construction rules and regulations. Landlord's approval of the plans, specifications and working drawings for Tenant's Alterations shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all laws, rules and regulations of governmental agencies or authorities. Upon completion of any major Alterations involving a cost of at least \$50,000 or more, excluding telecommunication installations or alterations, Tenant agrees to cause a Notice of Completion to be recorded in the office of the Recorder of the county in which the Building is located in accordance with Section 3093 of the Civil Code of the State of California or any successor statute, and Tenant shall deliver to Landlord a reproducible copy of the "as built" drawings of the Alterations.

In connection with any Tenant Alterations, Tenant shall pay to Landlord a percentage of the cost of such work (such percentage to be established on a uniform basis for the Complex) sufficient to compensate Landlord for all overhead, general conditions, fees and other costs and expenses arising from Landlord's involvement with such Alterations.

(c) End of Term. Landlord may, by written notice to Tenant prior to the end of the Lease Term, or given upon any earlier termination of this Lease, require Tenant at Tenant's expense to remove any Alterations from the Premises and to repair any damage to the Premises and Building caused by such removal. If Tenant fails to complete such removal and/or to repair any damage caused by the removal of any Alterations, Landlord may do so and may charge the cost thereof to Tenant.

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 thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the "**Determination Date**"), which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within thirty (30) days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated.

(d) Restoration. Notwithstanding the preceding paragraph, if, within thirty (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 ninety (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 Complex, the Building or the Premises as a result of any negligent act, omission or willful misconduct of Tenant or its agents, contractors or employees (“**Tenant Parties**”), or arising from any default of 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 Tenant’s rights or immunities under California workers’ compensation laws and regulations.

(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 Complex, the Building or the Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors (“**Landlord Parties**”), or arising from breach or default under this Lease by Landlord or Landlord Parties. 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.

The provisions of this Section 18 shall survive the expiration or earlier termination of this Lease with respect to any claims occurring prior to such expiration or termination.

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 each party has named the other 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 thirty (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 rent the number of exclusive unreserved parking stalls set forth in Section 1 and shall rent parking passes at the charges set forth in Section 1 of this Lease. In addition, Tenant may rent from Landlord, subject to availability, additional unreserved parking passes ("**Additional Parking Passes**") on a month-to-month basis at the prevailing rate charged by Landlord for parking passes at the Complex, which Additional Parking Passes shall be subject to the right of Landlord upon thirty (30) days prior notice to no longer provide Tenant with any or all of such Additional Parking Passes. No unattended 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 non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building.

Landlord specifically reserves the right to change the size, configuration, design, layout, location and all other aspects of the parking facilities and Tenant acknowledges and agrees that Landlord may, without incurring any liability to Tenant and without any abatement of Rent under this Lease (except as provided in Section 11(i)), from time to time, close-off or restrict access to the parking facilities, or relocate Tenant's parking passes to other parking structures and/or surface parking areas within the Complex, for purposes of permitting or facilitating any such construction, alteration or improvements with respect to the parking facilities or to accommodate or facilitate renovation, alteration, construction or other modification of other improvements or structures located on the Complex. Landlord may

delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control attributed hereby to the Landlord and such owner. Notwithstanding the foregoing, Landlord shall provide alternative parking arrangements within 600 feet of the premises or within the office campus complex in the event Tenant parking rights are interrupted. Tenant shall be responsible for any parking tax or other charges imposed by governmental authorities in connection with the use of such parking, which taxes and/or charges shall be paid directly by Tenant or the parking users, or, if directly imposed against Landlord, Tenant shall reimburse Landlord for all such taxes and/or charges concurrent with its payment of the parking rates described herein.

(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) Tenant may (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective thirty (30) days thereafter or (b) deduct from the Base Rent thereafter accruing hereunder an amount each month equal to \$65 per parking stall per month for the parking spaces not provided

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 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.

Notwithstanding the foregoing, in no event shall Landlord be liable for consequential damages and/or punitive damages in connection with this Section 21(b).

22. ESTOPPEL CERTIFICATES.

Tenant shall, within thirty (30) days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit C 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.

(a) Paint and Floor Allowance. Landlord shall provide an allowance in the maximum sum of Forty Thousand Six Hundred Eighty Dollars (\$40,680.00) ("**Paint and Floor Allowance**") for the painting and the installation of flooring materials within the Premises. The installation of paint and flooring materials in the Premises shall be under Tenant's specifications including the lifting and moving of furniture ("**Tenant Improvements**").

(b) 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 Tenant Improvements. Particulars of the current Prevailing Wage Scale, as approved by the Board of Supervisors which are applicable to the Tenant Improvements, are filed with the Clerk of the Board of Supervisors and must be posted at the site.

(c) Completion of Tenant Improvements. The parties mutually agree that the estimated time for completion of the Tenant Improvements is 180 days from the date Tenant shall notify Landlord of Tenant's selection of the paint and flooring materials from the Building standard paint and flooring materials choices. Landlord and Tenant shall commercially reasonable efforts to cooperate and collaborate on the completion of the Tenant Improvements since the lifting and moving of furniture within the Premises in order to complete the Tenant Improvements shall require input from Tenant in terms of timing and scheduling. Tenant shall be responsible for the architectural layout in connection with the Tenant Improvements; provided, however, if Tenant fails to timely provide such architectural layout so that Landlord can timely complete the Tenant Improvements as set forth herein, Landlord shall provide the architectural services and the cost incurred by Landlord shall be deducted from the Paint and Floor Allowance.

(d) Permitted Delay in Completion of Tenant Improvements. Completion of the painting and installation of flooring materials may be delayed by the following. All delay days incurred as a result of such delays shall be added to Landlord's time for completion under Section 23(e) above:

(i) Acts or omissions of Tenant or of any employees or agents of Tenant (including change orders in the work), or

(ii) Any act of God which Landlord could not have reasonably foreseen and provided for, or

(iii) Any strikes, boycotts or like obstructive acts by employees or labor organizations which Landlord cannot overcome with reasonable effort and could not reasonably have foreseen and provided for, or

(iv) Any war or declaration of a state of national emergency, or

(v) The imposition by government action or authority of restrictions upon the procurement of labor or materials necessary for the completion of the building Premises.

(e) Unused Paint and Floor Allowance. In the event the cost of the Tenant Improvements is less than the Paint and Floor Allowance, the unused Paint and Floor Allowance (the "**Unused Allowance**") shall be held by Landlord for use by Tenant for subsequent additions, improvements and alterations made to the Premises by Tenant until the Lease Termination Date or earlier termination of this Lease.

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 Complex, the Building and the Premises free from any liens which would impair the interest of Tenant hereunder.

25. SUBORDINATION AND MORTGAGES.

(a) 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 Complex and/or Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of a Subordination, Nondisturbance and Attornment Agreement, attached hereto as Exhibit D and incorporated herein by this reference, and provided further that no such subordination shall affect any option to extend the Term of this Lease or right of first offer to lease additional premises which may be included herein.

(b) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Complex and/or Building shall provide a written agreement to Tenant in the form of Exhibit E attached hereto and incorporated herein by this reference delivered to Landlord concurrently herewith within thirty (30) days after the execution of this Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Exhibit F attached hereto and incorporated herein by this reference delivered to Landlord concurrently herewith.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional thirty (30) 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 shall 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).

27. SIGNAGE.

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

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. Except for CB Richard Ellis, Inc., Landlord and Tenant each represent and warrant to each other that it has not engaged any other 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 is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

(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 nevertheless 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, or to such other address as Tenant or Landlord may from time to time designate in a notice to the other party. 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 therefor, together with all necessary information.

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

(l) Binding Effect. Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective successors or assigns.

(m) Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to Rent and other charges to be paid by Tenant pursuant to this Lease (collectively, the "**Force Majeure**"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

(n) Waiver of Jury Trial. If either party commences litigation against the other for the specific performance of this Lease, for damages for the breach hereof or otherwise for enforcement of any remedy hereunder, the parties hereto agree to and hereby do waive any right to a trial by jury. In the event of any dispute regarding the terms, conditions, rights or obligations of the parties hereto, such dispute may, at the request of either party, be submitted to arbitration in accordance with the provisions of California Code of Civil Procedure Section 1280, et. seq., as they now exist or may later be amended. The Chief Executive Officer or County Counsel shall determine the designee who shall act on behalf of Tenant in the Arbitration Proceedings. The cost of the Arbitration Proceedings shall be shared equally between Landlord and Tenant.

(o) Disclosure. Tenant hereby waives any and all rights under and benefits of California Civil Code Section 1938 and acknowledges that neither the Complex nor the Premises has undergone inspection by a Certified Access Specialist (CAsp) (defined in California Civil Code Section 55.52).

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 delegee (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. ACKNOWLEDGMENT 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

(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, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.

(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. 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 Real Estate Management Commission of Los Angeles County in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

[Signatures on Next Page]

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

“LANDLORD”

THE ALHAMBRA OFFICE COMMUNITY, LLC,
a Delaware limited liability company

By: **AIGGRE-TRC Alhambra Stabilized Project, LLC,**
a Delaware limited liability company, its Sole Member

By: **AIGGRE-TRC Alhambra, LLC,**
a Delaware limited liability company, its Sole Member

By: **Ratkovich 1000, LLC,**
a California limited liability company,
its Administrative Member

By: **Ratkovich Investment Company, LLC,**
a California limited liability company,
its Managing Member

By: *Wayne Ratkovich*

Print Name: Wayne Ratkovich

Title: Managing Member

78438

“TENANT”

COUNTY OF LOS ANGELES,
a body politic and corporate

By: *Mike Antonovich*

Name: **MIKE ANTONOVICH**

Michael D. Antonovich
Mayor, Board of Supervisors

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

ATTEST:

Patrick Ogawa
Acting Executive Officer-Clerk
of the Board of Supervisors

By: Rachelle Smitheman
Deputy

PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By: Rachelle Smitheman
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
Interim County Counsel

By: Mary Wickham
Deputy



ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

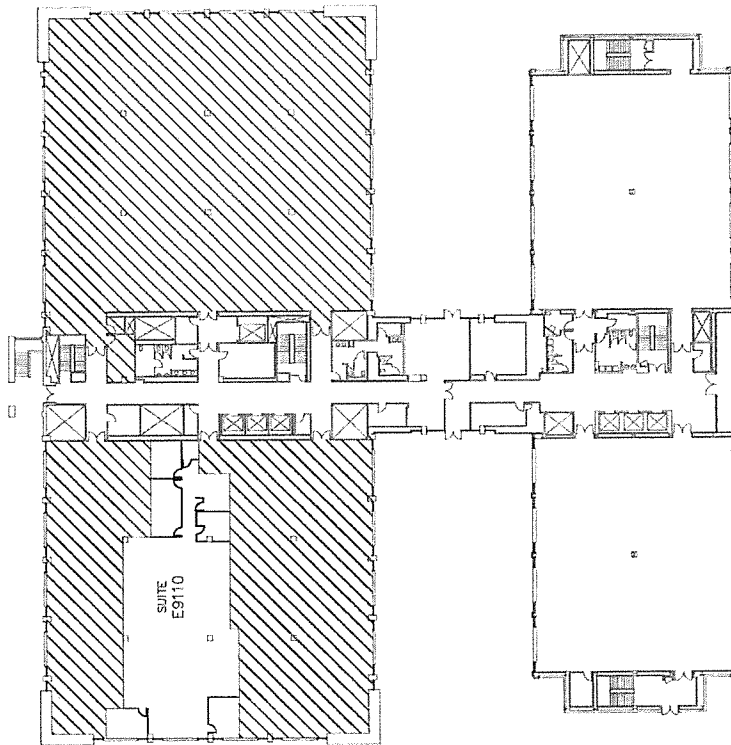
15


DEC 01 2015

78438

Patrick Ogawa
PATRICK OGAWA
ACTING EXECUTIVE OFFICER

EXHIBIT A
FLOOR PLAN OF PREMISES



FLOOR 1 

Building A9E
1000 S. Fremont Ave.
Alhambra, CA 91803



STENSON
SYSTEMS, INC.
www.stenson.com
FISB © 1991-2015 ALL RIGHTS RESERVED

FINAL

Suite# E9110
ID# 1-25

Date: 10/14/15

Tenant: County of LA Public Works — Internal Services
 Corridor: Usable
 Current Lease: 50,955.00
 Rentable: Rentable

EXHIBIT A-1

SITE PLAN

(COMPLEX AND BUILDING)

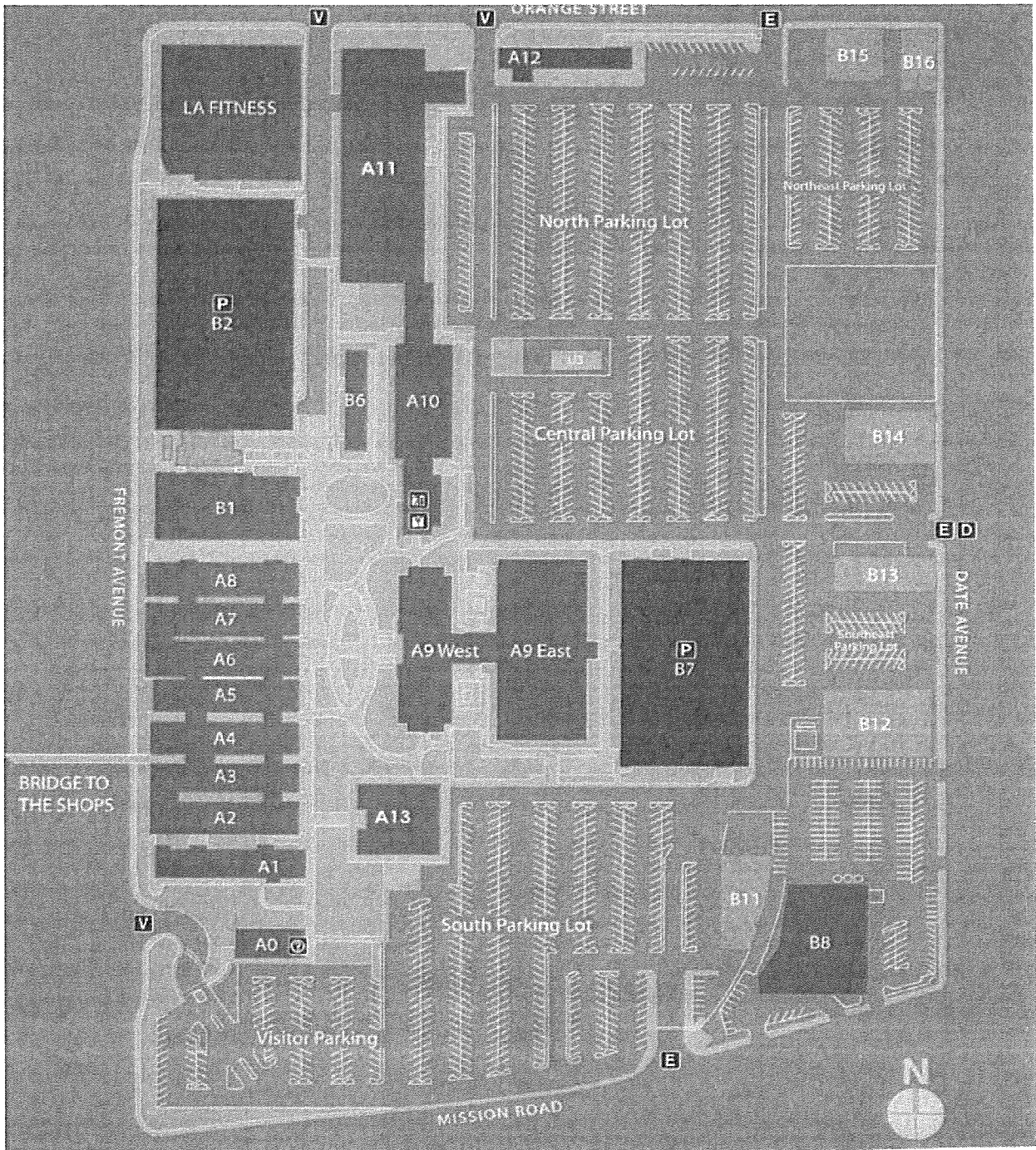


EXHIBIT B

CLEANING AND MAINTENANCE SCHEDULE

1. DAILY (MONDAY THROUGH FRIDAY)

- A. Carpets vacuumed.
- B. Composition floors dust-mopped.
- C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
- D. Waste baskets, other trash receptacles emptied.
- E. Chairs and waste baskets returned to proper position.
- F. Fingerprints removed from glass doors and partitions.
- G. Drinking fountains cleaned, sanitized and polished.
- H. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
- I. Bulb and tube replacements, as required.
- J. Graffiti in common areas expunged as needed within two (2) working days after notice by Tenant.
- K. Floors washed as needed.
- L. Kitchen/Lunchroom supplies replenished including paper supplies and soap.

2. WEEKLY

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

3. MONTHLY

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

4. QUARTERLY

- A. Light fixtures cleaned and dusted, but not less frequently than Quarterly.
- B. HVAC units serviced for preventative maintenance purposes, all filters changed.

5. SEMI-ANNUALLY

- A. All painted wall and door surfaces washed and stains removed.
- B. All walls treated with vinyl covering washed and stains removed.

6. ANNUALLY

- A. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.
- B. Touch-up paint all interior painted surfaces in a color and finish to match existing.
- C. HVAC chiller water checked for bacteria, water conditioned as necessary.
- D. Draperies or mini-blinds cleaned as required.
- E. Windows washed as required inside and outside.

7. AS NEEDED

- A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
- B. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance, as determined in Landlord's sole discretion. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition, as determined in Landlord's sole discretion.
- C. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning: (i) elevator lobby with a frequency of quarterly [four (4) times per year]; and (ii) within the Premises once per year. Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.

8. GENERAL

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

EXHIBIT C

TENANT ESTOPPEL CERTIFICATE

To: _____

Attn: _____

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

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

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

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

 (b) The current Rent is set forth above.

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

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

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

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

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

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

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

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

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

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: _____

APPROVED AS TO FORM:

County Counsel

By: _____
Deputy

EXHIBIT D

**SUBORDINATION, NON-DISTURBANCE
AND ATTORNMEN 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 ATTORNMEN AGREEMENT

**NOTICE: THIS SUBORDINATION, NON-DISTURBANCE AND
ATTORNMEN 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 _____, 20__ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("**Tenant**"), _____ ("**Borrower**") and _____, ("**Lender**").

Factual Background

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

Agreement

Therefore, the parties agree as follows:

1. Subordination. The 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: _____

To Borrower: _____

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

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by 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.

APPROVED AS TO FORM:

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

County Counsel

By: _____
Deputy

By: _____
Director of Real Estate

BORROWER:

By: _____

Name: _____

Title: _____

LENDER: [*Insert name of Lender*],

By: _____

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

County Counsel

By: _____
Deputy

By: _____
Director of Real Estate

BORROWER: [Insert name of Landlord]

By: _____
Name: _____
Title: _____

LENDER: [Insert name of Landlord]

By: _____
Name: _____
Title: _____

EXHIBIT F

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 2924 CIVIL CODE)

In accordance with Section 2924, 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 G

COMMUNITY BUSINESS ENTERPRISE FORM

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

Firm Name

Address

Contact Name

Telephone No.

Total # of Employees

Business Structure*

*Corporation, Partnership, etc.

MINORITY/WOMEN PARTICIPATION IN FIRM

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

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

PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

	TOTAL # OF OWNERS	% OF OWNERSHIP
Black/African American		
Hispanic/Latin American		
Asian American		

Portuguese American

American Indian/Alaskan Native

All Others

TOTAL

Women*

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

CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

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

yes No

State of California?

City of Los Angeles?

Federal Government?

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

Initial

Initial here if applicable

SIGNED: _____

TITLE: _____

DATE: _____