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**COUNTY OF LOS ANGELES**

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**Chief Executive Officer**  
Fesia A. Davenport

"To Enrich Lives Through Effective and Caring Service"

April 09, 2024

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

42 April 9, 2024

JEFF LEVINSON  
INTERIM EXECUTIVE OFFICER

**THREE-YEAR LEASE AMENDMENT  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
501 SHATTO PLACE, LOS ANGELES  
(SECOND DISTRICT) (3 VOTES)**

**SUBJECT**

Approval of a proposed three-year lease amendment to renew an existing lease to provide the Department of Children and Family Services (DCFS) continued use of 15,717 square feet of office space and 36 on-site parking spaces for use as its Headquarters Annex.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed lease amendment is exempt from the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed lease amendment with S.C.P.T. Real Property Holding, Inc., a California corporation (Landlord), for approximately 15,717 square feet of office space and 36 on-site parking spaces located at 501 Shatto Place, Los Angeles (Premises) to be occupied by DCFS. The estimated maximum first year base rental cost is \$425,000, but with a one-month rent abatement of \$36,000, will equal \$389,000. The estimated total proposed lease cost is \$1,278,000 over the three-year term. The rental costs will be funded by 45 percent State and Federal funds and 55 percent net County cost (NCC) that is already included in DCFS' existing budget. DCFS will not be requesting additional NCC for this action.

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

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

DCFS has occupied the Premises since January 2002 for use as its Headquarters Annex, which provides administrative support to all DCFS Regional Offices in the County. Programs housed at the Premises include the Materials Management and Procurement section, Payroll and Personnel Processing section, Risk Management, Human Resources, and Community Based Support Division. The Premises also houses DCFS' Photographer/Videographer. These programs provide a wide variety of administrative support for all DCFS staff countywide.

The current lease expired on January 11, 2024, and has been in holdover with no additional fee. The current Premises consists of 34,855 square feet of office space, however, DCFS has implemented rotating telework for various programs and has been able to consolidate programs into other locations. As such, Payroll and Personnel Processing employees were relocated to 1933 Broadway, Los Angeles; Materials Management employees were relocated to 725 South Grand Avenue, Glendora and 510 South Vermont Avenue, Los Angeles; and Community Based Support Division employees also relocated to 510 South Vermont Avenue, Los Angeles. The remaining 97 employees at the subject property are on a telework schedule and are from Human Resources, Risk Management, and the DCFS' Photographer/Videographer. On-site employees are needed for front desk coverage, and for tasks which require in-person supervision.

The proposed lease amendment is for 15,717 square feet of office space at the Premises, resulting in a 55 percent reduction of occupied space. The Chief Executive Office (CEO) has negotiated an early termination right, which provides the County the right to terminate the proposed lease amendment any time after June 1, 2025.

The Premises is adequately served by public transportation routes, including Metro and local bus routes within 500 feet of the building, and Metro B and D Rail lines within half a mile.

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

The Countywide Strategic Plan Goal 1 – “Make Investments That Transform Lives” – provides that we will aggressively address society’s most complicated social, health, and public safety challenges. We want to be a highly responsive organization capable of responding to complex societal challenges – one person at a time.

The proposed lease amendment is also consistent with Strategic Asset Management Goal – Prioritize needs to optimize highest and best use of assets Key Objective 4 – Guide Strategic Decision-Making.

The proposed lease amendment supports the above goals and objective by providing sufficient office space and parking for DCFS employees to conduct vital administrative functions supporting all their regional offices in the County and by timing the proposed lease amendment to coincide with the opening of a new County building.

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

### **FISCAL IMPACT/FINANCING**

The estimated maximum first year base rental cost is \$425,000, but with one month free rent will be \$389,000, which includes parking at no additional cost. The aggregate cost associated with the proposed lease amendment over the entire three-year term, including utilities, janitorial, parking and taxes, is \$1,278,000 as shown in Enclosure B-1. The proposed lease costs will be funded by 45 percent State and Federal funds and 55 percent NCC that is already included in DCFS' existing budget. DCFS will not be requesting additional NCC for this action.

Sufficient funding to cover the proposed rent for the first year of the proposed lease amendment term is included in the Fiscal Year 2023-24 Rent Expense budget and will be billed back to DCFS. DCFS has sufficient funding in its Fiscal Year 2023-24 Operating Budget to cover the proposed rent for the first year. Future funding for the costs associated with the proposed lease amendment will be addressed through the annual budget process for DCFS.

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

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

- Upon commencement of the proposed lease amendment, the annual rental rate will increase from \$24.84 per square foot, per year to \$27 per square foot, per year. Base rent is subject to annual increases based on the Consumer Price Index capped at 3 percent per annum.
- The Landlord is responsible for all operating and maintenance costs of the building and all utilities and janitorial costs. The County has no responsibility for any operating and maintenance costs.
- Parking cost is included in the base rent at no additional cost.
- The Landlord will provide one month of rent abatement during month two of the proposed lease amendment term.
- The amendment proposes a three-year term with no option to extend.
- The County has the right to terminate the proposed lease amendment early any time after June 1, 2025, with 120 days' written notice.
- Holdover at the proposed lease amendment expiration is permitted to the same lease terms and conditions, except the monthly base rent during the holdover period will be at the base rent at the time of the proposed lease amendment expiration.
- A comparison of the existing lease and the proposed lease amendment is shown in Enclosure B-2.
- The proposed lease amendment will be effective upon approval by the Board and full execution of the proposed lease amendment but the term and rent will commence on May 1, 2024.

The CEO conducted a market search of available office space for lease, but was unable to identify any sites that could accommodate this requirement more economically. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$27.60 and \$31.80 per square foot, per year. The base annual rental rate of \$27 per square foot, per year for the proposed lease amendment represents a rate that is below the market range for the area. Further, relocation to a new building would require costly new tenant improvements and disrupt services. We recommend the proposed Premises as the most suitable to meet the County's space requirements.

Co-working space is not a viable option for this requirement due to the confidential nature of DCFS' programs which includes Human Resources.

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

The Department of Public Works has inspected this facility and found it suitable for the County's occupancy. The required notification letter to the City of Los Angeles has been sent in accordance with Government Code Section 25351.

County Counsel has reviewed the proposed lease amendment and approved it as to form. The proposed lease amendment is authorized by Government Code Section 25351, which allows the County to enter into leases and agreements for the leasing of buildings, as necessary, to carry out the work of the county government.

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

## **ENVIRONMENTAL DOCUMENTATION**

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

The Honorable Board of Supervisors

4/9/2024

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

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

The proposed lease amendment will adequately provide the necessary office space and parking for this County requirement. DCFS concurs with the proposed lease amendment and recommendations.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Fesia A. Davenport". The signature is fluid and cursive, with a large initial "F" and "D".

FESIA A. DAVENPORT

Chief Executive Officer

FAD:JMN:JTC:JLC

HD:ANR:EG:gb

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Children and Family Services

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
501 SHATTO PLACE, LOS ANGELES**

**Asset Management Principles Compliance Form<sup>1</sup>**

1.	<u>Occupancy</u>	Yes	No	N/A
A	Does lease consolidate administrative functions? <sup>2</sup>	X		
B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>	X		
C	Does this lease centralize business support functions? <sup>2</sup>	X		
D	Does this lease meet the guideline of 200 sq. ft. of space per person? <b>162 square feet per person based on 97 employees due to consolidation</b>		X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? <b>36 spaces provides a 2.3/1,000 parking ratio due to the shortage of parking available in this area.</b>		X	
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? <sup>2</sup>	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 Enclosure C?	X		
G	Was build-to-suit or capital project considered?			X
3.	<u>Portfolio Management</u>			
A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?	X		
D	Why was this program not co-located with other County departments?			
	1. ____ The program clientele requires a "stand alone" facility.			
	2. <u> X </u> No suitable County occupied properties in project area.			
	3. <u> X </u> No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. ____ The Program is being co-located.			
E	Is lease a full-service lease?	X		
F	Has growth projection been considered in space request?		X	
G	<sup>1</sup> Has the Dept. of Public Works completed seismic review/approval?	X		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98				
<sup>2</sup> If not, why not?				

## OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

**501 Shatto Pl., Los Angeles  
Department of Children and Family Services**

Leased Area (sq. ft.)	15,717
Term (Months)	36
Monthly Base Rent	\$35,363.25
Monthly Base Rent (PSF)	\$2.25
Annual Base Rent Adjustment	3.00%

	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	Total 3 Year Rental Costs
Base Rent <sup>1</sup>	\$424,359	\$437,090	\$450,202	<b>\$1,312,000</b>
Rent Abatement <sup>2</sup>	(\$35,363)			<b>(\$35,363)</b>
<b>Total Paid to Landlord</b>	<b>\$389,000</b>	<b>\$438,000</b>	<b>\$451,000</b>	<b>\$1,278,000</b>
<b>Total Annual Lease Costs</b>	<b>\$389,000</b>	<b>\$438,000</b>	<b>\$451,000</b>	<b>\$1,278,000</b>

<sup>1</sup> Base Rent includes CPI increases capped at 3 percent per annum.

<sup>2</sup> One month of rent abatement

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

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

	<b>Existing Lease:</b> <b>501 Shatto Place, Los Angeles</b>	<b>Proposed Lease Amendment:</b> <b>501 Shatto Place, Los Angeles</b>	<b>Change</b>
Area (Square Feet)	34,855 sq.ft.	15,717 sq.ft.	-19,138 sq.ft.
Term (years)	5 years and 6 months	3 years	-2 years and 6 months
Annual Base Rent	\$865,798.56	\$424,359.00	-\$441,439.56
Rental rate adjustment	Annual CPI adjustments capped at 2.5 percent with no minimum.	Annual CPI adjustments capped at 3 percent with no minimum.	Annual CPI capped at +0.5 percent per year



## DEPARTMENT OF CHILDREN AND FAMILY SERVICES

## SPACE SEARCH – 3 MILE RADIUS FROM 501 SHATTO PLACE, LOS ANGELES

LACO	Name	Address	Ownership	Gross SqFt	Vacant
X550	Mental Health - Le Sage Complex Tower	550 S Vermont Ave Los Angeles 90020	Owned	171,651	NONE
X317	Le Sage Complex 4 Story Building	3175 W 6th St Los Angeles 90020	Owned	52,230	NONE
A118	Citizens Commission On Jail Violence	355 S Grand Ave Los Angeles 90071	Gratis Use	60,984	NONE
10108	Vermont Corridor - Site 1	510 S Vermont Ave Los Angeles 90020	Revenue-Leaseback	478,877	NONE
A405	Arts Commission - Wilshire - Bixel Building	1055 Wilshire Blvd Ste. 800 Los Angeles 90017	Leased	10,358	NONE
5456	Health Services Administration Building	313 N Figueroa St. Los Angeles 90012	Owned	221,359	NONE
B922	DPSS - Wilshire Special District Office	2415 W 6th St. Los Angeles 90057	Leased	46,228	NONE
A532	PH Health - Wilshire Metroplex Building	3530 Wilshire Blvd Los Angeles 90010	Leased	113,027	NONE
0238	Foster Care Clinic Med Hub Program	3250 Wilshire Blvd 3rd Fl Los Angeles 90010	Gratis Use	231	NONE
A627	County Admin Offices - LA World Trade Center	350 S Figueroa St. Los Angeles 90071	Leased	68,314	NONE
0237	DCFS - Foster Care Medical Hub Program	4650 Sunset Blvd Los Angeles 90027	Gratis Use	78	NONE
A674	DMH - Hollywood Wellness Center	5000 W Sunset Blvd Los Angeles 90027	Leased	6,921	NONE
A683	Service Integration Pilot Project	1910 Magnolia Ave Los Angeles 90007	Leased	1,035	NONE
A600	Central Civil West Courthouse	600 S Commonwealth Ave Los Angeles 90005	Leased	281,988	NONE
A360	DPSS - Metro North AP/Calworks District Office	2601 Wilshire Blvd Los Angeles 90057	Leased	62,000	NONE

## FACILITY LOCATION POLICY ANALYSIS

**Proposed lease amendment:** Department of Children and Family Services – 501 Shatto Place, Los Angeles – Second District.

**A. Establish Service Function Category –** Headquarters Annex, DCFS administrative support.

**B. Determination of the Service Area –** The proposed lease amendment will allow DCFS to continue services located within Service Planning Area 4.

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

- Need for proximity to service area and population: Continued need for operation within close proximity to DCFS Headquarters.
- Need for proximity to existing County facilities: Within close proximity of the DCFS Headquarters.
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services, i.e., Metro D Line rail, Metro B Line rail, and local bus routes.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no alternative existing County buildings available that meet DCFS' space needs.
- Compatibility with local land use plans: The City of Los Angeles has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.
- Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed lease amendment over the entire term is \$1,278,000.

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

Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$27.60 and \$31.80 per square foot, per year. The base annual rental rate of \$27 per square foot, per year for the proposed lease amendment represents a rate that is below the market range for the area. Further, relocation to a new building would require costly new tenant improvements and disrupt services. We recommend the proposed Premises as the most suitable to meet the County's space requirements.

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

The proposed lease amendment will provide adequate and efficient office space for 97 employees consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.

AMENDMENT NO. 4 TO LEASE NO. 73414  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
501 SHATTO PLACE, LOS ANGELES

This AMENDMENT NO. 4 TO LEASE NO. 73414 ("Amendment No. 4") is made, entered and dated as of this \_\_\_\_\_ of April, 2024, by and between S.C.P.T. REAL PROPERTY HOLDING INC., a California corporation ("Lessor"), and the COUNTY OF LOS ANGELES, a body corporate and politic ("Lessee"), for those certain premises located at 501 Shatto Place, City of Los Angeles, County of Los Angeles, State of California (the "Property").

RECITALS:

A. WHEREAS, Lessor and Lessee have entered into that certain Lease No. 73414 ("Original Lease") dated June, 19, 2001 for those certain Premises located at 501 Shatto Place, Los Angeles, California ("Premises").

B. WHEREAS, the Original Lease was amended by that certain Amendment No. 1 to Lease No. 73414 dated December 20, 2011 ("Amendment No. 1"), by that certain Amendment No. 2 to Lease No. 73414 dated March 14, 20017 ("Amendment No. 2"), and by that certain Amendment No. 3 to Lease No. 73414 dated July 17, 2018 ("Amendment No. 3"). Collectively the Original Lease, as amended by the Amendment No. 1, Amendment No. 2, and Amendment No. 3 shall be referred to herein as the "Lease".

C. WHEREAS, Lessor and Lessee desire to, among other matters, to downsize the Premises and extend the term of the Lease as set forth below.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

1. Section 2, TERM, of the Lease is hereby amended by adding the following paragraph to the end of Section 2:

"Pursuant to Lease Amendment No. 4, the extended term of the Lease ("Fourth Amendment Extension Term") shall commence on May 1, 2024, upon full execution of Amendment No. 4 ("Fourth Amendment Extension Term Commencement Date") and terminate on April 30, 2027 (the "Fourth Amendment Extension Term Termination Date"), subject to earlier termination by Lessee as provided herein. Lessor and Lessee acknowledge and agree that Lessee shall have no right or option to extend or otherwise renew the term of the Lease beyond the extension term. During the Fourth Amendment Term, Rental Adjustments will continue to occur annually in accordance with Section 19 of the Lease, as amended."

2. Section 1, DESCRIPTION OF PREMISES, of the Lease is hereby amended by adding the following paragraph to the end of Section 1:

"Effective from and after the Fourth Amendment Extension Term Commencement

Date the Original Premises is decreased from approximately 34,855 rentable square feet ("RSF") to approximately 15,717 RSF, identified on the Floor Plan (attached as Exhibit A to Amendment No. 4 and incorporated herein by reference) comprised of Suite 300/301/303 (14,699 RSF), Suite 306 (427 RSF), and Suite 308 (591 RSF). Accordingly, from and after the Fourth Amendment Extension Term Commencement Date, all references in the Lease to the term "Premises" will mean and refer to 501 Shatto Place, Suites 300, 301, 303, 306 and 308. Upon the expiration of the Third Amendment Term, Lessee will surrender Suites 100, Suite 120, Suite 205, and Suite 401 (the "Surrendered Premises") to Lessor and Lessor agrees to accept the surrender of these certain Premises. Lessee shall have the right to measure the new Premises created under Amendment No. 4 as allowed under this Section 1 of the Lease."

3. Section 3, RENT, of the Lease is hereby amended by adding the following paragraph to the end of Section 3:

"Effective upon the Fourth Amendment Extension Term Commencement Date, Lessee agrees to pay as Basic Rent for the Premises during the Fourth Amendment Extension Term, the sum of Thirty-Five Thousand Three Hundred Sixty-Three and 25/100 Dollars (\$35,363.25) per month (i.e., \$2.25 per rentable square foot per month), for approximately 15,717 square feet of office space, payable by the 15th day of the month, after a claim therefor for each such month has been filed by the Lessor with the Auditor-Controller of the County of Los Angeles, per the terms of the Lease.

Commencing on the first anniversary of the Fourth Amendment Extension Term, and on each subsequent anniversary of the Fourth Amendment Extension Term, the Basic Rent shall be adjusted as follows:

(a) CPI. Commencing after the first anniversary of the Fourth Amendment Extension Term Commencement Date, on the first day of the first full calendar month thereafter (the "Adjustment Date") and on every anniversary of the Adjustment Date thereafter, Basic Rent shall be adjusted by applying the CPI Formula set forth below. The "Basic Index" shall be the Index published for the month the Lease commences.

(b) CPI Formula. The "Index" means the Consumer Price Index ("CPI") for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Basic 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 Basic Index. If the Index is changed so that the Index differs from that used as of the Amendment No. 4 Commencement Date, 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 Extension Term, such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

(c) Illustration of Formula. The formula for determining the new rent shall be

as follows:

$$\frac{\text{New Index}}{\text{Basic Index}} \times \$35,363.25 \text{ (Basic Rent)} = \text{Monthly Basic Rent}$$

(d) Limitations on CPI Adjustment. In no event shall the monthly Basic Rent adjustment based upon the CPI Formula result in an annual increase greater than three percent (3%) per year of the Basic Rent. In no event shall the monthly rent be adjusted by the CPI Formula to result in a lower monthly Basic Rent than was payable during the previous full calendar year.

(e) Rent Abatement. The Basic Rent for the second (2nd) month of the Fourth Amendment Extension Term shall be abated. Lessee shall have the option to convert all or any portion of its rental abatement to a "Lessee Improvement Allowance" to be used towards paint, carpet, and relocation costs and other deferred maintenance items as Lessee desires ("Amendment No. 4 Improvements"), which may include new furniture, fixtures and equipment. The Amendment No. 4 Improvements shall be performed by and under the authority of the Lessor, or its authorized agent, and approved by a designated representative of the Chief Executive Office. Improvements shall be in compliance with all applicable laws, codes and ordinances.

4. Section 5, CANCELLATION, of the Lease is hereby amended by deleting the paragraphs found in Section 5 in their entirety and adding the following new paragraph to Section 5:

"5. CANCELLATION: During the Fourth Amendment Extension Term, Lessee shall have the right to terminate this Lease for any reason on or after June 1, 2025. Such cancellation right may be exercised by Lessee on one hundred and twenty (120) days' written notice to Lessor executed by Lessee's Chief Executive Office."

5. Section 21, PARKING SPACES, of the Lease is hereby amended by deleting the paragraphs found in Section 21 in their entirety and adding the following new paragraph to Section 21:

"21. PARKING SPACES: During the Fourth Amendment Extension Term, Lessor, at its sole cost and expense shall provide Lessee for its exclusive use, a minimum of 36 on-site tandem parking spaces at all times during the Fourth Amendment Extension Term, or any renewal or holdover period as the case may be. Should any additional on-site parking spaces become available, Lessee may license such spaces on a month-to-month basis at the prevailing parking rate then in effect. "

6. INTENTIONALLY DELETED.

7. The Lease shall be amended by inserting a new Section 34, SMOKING PROHIBITION, to the Lease which shall read as follows:

"34. SMOKING IN COUNTY FACILITIES. The Surgeon General of the United States has concluded that passive smoke exposure is the third leading cause of preventable death in the United States. The United States Environmental Protection Agency has found Fourth-hand smoke to be a known carcinogen. It is recognized that the County has a responsibility to establish, maintain and promote

a healthful and safe working environment and to reduce health and safety risks of its employees and the public at large. Tobacco smoke is a hazard to the health of County employees and the general public and represents an annoyance which should be regulated and banned in all county facilities to the end that air quality in all such facilities be improved for the preservation and improvement of the health of all County employees and the public. Therefore, to the greatest extent possible, the rights and comfort of all employees shall be respected. Reasonable effort shall be made to provide smokers a place to smoke in areas open to the sky or otherwise located outside County facilities and, except as provided under Los Angeles County, California - Code of Ordinances Chapter 2.126 ("LAMC 2.126"), all portions of County-owned facilities and all portions of facilities leased by or from the County, which areas are not open to the sky, shall be designated as "no smoking" areas. Smoking, including the use of electronic smoking devices, shall be prohibited in the following areas of County facilities: (1) Within 50 feet of any operable entry or exit door or operable window of any County building and within 25 feet of any access ramp or handicap path; (2) Within any County parking lot, parking structure, or parking garage, whether enclosed or open to the sky; or (3) Within any driving range and eating area, including outdoor eating areas, of any County golf course. International no-smoking signs and other appropriate signs which designate no-smoking areas shall be clearly, sufficiently and conspicuously posted in every room, building or other place so covered by LAMC 2.126. The manner of such posting, including the wording, size, color and place of posting, whether on the walls, doors, tables, counters, stands or elsewhere, shall be at the discretion of the building proprietor so long as clarity, sufficiency and conspicuousness are apparent in communicating the intent. (Los Angeles County, California - Code of Ordinances Chapter 2.126.)"

8. The Lease shall be amended by inserting a new Section 35, FIXTURES, to the Lease which shall read as follows:

"35. FIXTURES. Lessee shall the right to leave any of its furniture systems in the Premises, but shall be responsible for removing any personal property (excluding furniture) leaving the Surrendered Premises broom clean, in good order and condition, ordinary wear and tear and damage for which Lessee is not responsible under the terms of this Lease excepted."

9. The Lease shall be amended by inserting a new Section 36, CASp INSPECTION, to the Lease which shall read as follows:

"36. CASp Inspection.

In accordance with California Civil Code Section 1938, Lessor hereby states that the Premises and the Common Areas:

[Check the appropriate box]

Have undergone inspection by a Certified Access Specialist (a "CASp") and have been determined to meet all applicable construction related accessibility standards pursuant to California Civil Code Section 55.53. Lessor shall provide Lessee with a copy of the CASp inspection report and a current disability access inspection certificate for the Premises within seven (7) days after the execution of

this Lease.

Have undergone inspection by a Certified Access Specialist and have not been determined to meet all applicable construction related accessibility standards pursuant to California Civil Code Section 55.53. Lessor has provided Lessee with a copy of the CASp inspection report at least 48 hours prior to the execution of this Lease. A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

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

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

Lessor agrees to indemnify and hold harmless Lessee from all damages, costs, and expenses, which result from a material breach of Lessor's representations contained in this Section."

10. REPORTS. Lessee has received an asbestos report and seismic report for the Building ("Reports"). Lessee will not execute the Lease prior to Lessee's review and approval of the Reports, which approval shall not unreasonably withheld, conditioned, and delayed.

11. BROKERS. Lessor and Lessee each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Amendment No. 4 other than Cushman & Wakefield, Inc ("Lessee's Agent") and CBRE ("Lessor's Agent") 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. The terms of any commissions due shall be pursuant to a separate commission agreement by and among Lessor, Lessor's Agent and Lessee's Agent.

12. AUTHORITY. Only the County's Board of Supervisors ("Board of Supervisors") has the authority, by formally approving and/or executing this Amendment No. 4, to bind Lessee to the terms included herein. Lessor understands that no material terms of this Amendment No. 4 may be altered or deleted, nor may any new material terms be added to this Amendment No. 4, without the express written approval of the Board of Supervisors, either through an amendment to the Amendment No. 4 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 Amendment No. 4, and Lessor may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Amendment No. 4 including, without limitation, any monetary ceiling established for Lessee Improvements or other project costs of Lessor which are subject to reimbursement by Lessee. Lessee shall not reimburse Lessor for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Office of the County (the "Chief Executive Office") may take any administrative act on behalf of Lessee hereunder which does not have the effect of increasing Basic Rent or other financial obligations of Lessee under this Amendment No. 4. Each individual executing this Amendment No. 4 on behalf of Lessor represents and warrants that he or she is duly authorized to execute and deliver this Amendment No. 4 on behalf of Lessor, and that this Amendment No. 4 is binding upon Lessor in accordance with its terms.

13. LEASE IN FULL FORCE AND EFFECT. Except as expressly amended as set forth in this Amendment No. 4, the terms and conditions of the Lease remain unmodified and in full force and effect. Except as expressly modified by this Amendment No. 4, all other terms and conditions of the Lease are hereby ratified and affirmed. In the event of any express conflict or inconsistency between the terms of this Amendment No. 4 and the terms of the Lease, the terms of this Amendment No. 4 shall control and govern. Any defined terms that are not defined in this Amendment No. 4 shall have the meanings ascribed thereto in the Lease unless the context clearly indicates otherwise.

14. COUNTERPARTS; ELECTRONIC SIGNATURES. This Amendment No. 4 and any other document necessary for the consummation of the transaction contemplated by this Amendment No. 4 may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Amendment No. 4 and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Amendment No. 4 had been delivered had been signed using a handwritten signature. Lessor and Lessee (i) agree that an electronic signature, whether digital or encrypted, of a party to this Amendment No. 4 is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intend to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Amendment No. 4 based on the foregoing forms

of signature. If this Amendment No. 4 has been executed by electronic signature, all parties executing this document are expressly consenting under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act ("UETA")(Cal. Civ. Code § 1633.1, et seq.), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.


*[SIGNATURE PAGE IMMEDIATELY FOLLOWS]*

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 4 as of the date first above set forth.

LESSOR:

S.C.P.T. REAL PROPERTY HOLDING INC.,  
a California corporation

By: Washington Capital Management, Inc.,  
a Washington corporation  
Its Manager/Authorized Agent

By:   
Name: Robin A. Dean  
Title: Asset Manager

LESSEE:

COUNTY OF LOS ANGELES,  
a body corporate and politic

FESIA A. DAVENPORT  
Chief Executive Officer

By: \_\_\_\_\_  
John T. Cooke  
Assistant Chief Executive Officer

ATTEST:

DEAN C. LOGAN  
Registrar-Recorder/County Clerk  
of the County of Los Angeles

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

APPROVED AS TO FORM:

DAWYN R. HARRISON  
County Counsel

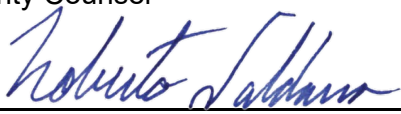
By:   
Senior Deputy

EXHIBIT A



3rd Floor

DCFS - Headquarters Annex  
501 Shatto Pl, L.A., 90020

Last modified 10/12/21