

**BOARD OF  
SUPERVISORS**

Hilda L. Solis  
First District

Holly J. Mitchell  
Second District

Lindsey P. Horvath  
Third District

Janice Hahn  
Fourth District

Kathryn Barger  
Fifth District



**Chief  
Executive  
Office.**

**COUNTY OF LOS ANGELES**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, CA 90012  
(213) 974-1101 ceo.lacounty.gov

**Chief Executive Officer**

Fesia A. Davenport

"To Enrich Lives Through Effective and Caring Service"

July 23, 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:

**TEN-YEAR LEASE  
AGING & DISABILITIES DEPARTMENT  
441 EAST CARSON STREET, SUITES J, K, L, CARSON  
(SECOND DISTRICT) (3 VOTES)**

**SUBJECT**

Approval of a proposed new ten-year lease for 5,680 square feet of office space, and 15 on-site parking spaces for the Aging & Disabilities Department (AD) Senior Center.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed lease is exempt from the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed lease with Tung's Investment Group, Inc., a California corporation (Landlord), for approximately 5,680 square feet of office space, and 15 on-site parking spaces located at 441 East Carson Street, Suites J, K, L, Carson (Premises) to be occupied by AD. This proposes a lease for a term of ten years. The estimated maximum first year base rental cost is \$229,000, but with a one-month rent abatement of about \$19,000, will equal \$210,000. The estimated total proposed lease cost is \$4,986,000 over the ten-year term. The rental costs will be funded 100 percent by net County cost (NCC) that is already included in AD's existing budget. AD will not be requesting additional NCC for this action.
3. Authorize the Chief Executive Officer, or her designee, to reimburse the Landlord up to \$767,000 for the County's tenant improvement (TI) contribution, if paid in lump sum or \$922,000 if amortized over five years at 7.5 percent interest per annum.

4. Authorize the Director of AD, or her designee, to contract with and direct the Internal Services Department (ISD), in coordination with the Chief Executive Officer, or her designee, for the acquisition and installation of telephone, data, and low-voltage systems and vendor installation (Low-Voltage Items) at a total cost not to exceed \$1,466,000 paid in a lump sum. The cost for the Low-Voltage Items is in addition to the rental costs and the County's TI contribution payable to the Landlord.
5. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the terms of the proposed lease, and to take actions necessary and appropriate to implement the proposed lease, including, without limitation, exercising any early termination rights.

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

AD's Senior Center and Adult Protective Services (APS) programs are currently co-located with a County Mental Health Center located at 14112 South Kingsley Drive, Gardena. All three programs have outgrown the current space. Once the programs have secured suitable alternate locations and are built out, the existing lease will be terminated because the existing location does not meet the needs of the programs.

AD's Senior Center is a multipurpose service center that provides a wide range of direct, bilingual services to the community, with a special focus on South Bay area seniors in the Asian and Pacific Islander community. The Senior Center offers social and recreational activities such as fitness and wellness programs, congregate meals, volunteer opportunities, and educational workshops. General support services are available to assist with form completion, general translations, and information about other County resources. Additional programs include the Emergency Food Assistance Program, which provides pantry and produce to individuals and low-income families, and APS. APS is a state mandated crisis intervention program responsible for investigating situations of neglect, abuse, or unsafe living involving dependent adults and elders. These services are designed to support the well-being, independence, and quality of life of older adults in the community.

There are 50 AD employees located in the Premises and onsite coverage is needed to provide services to constituents who visit the site each day and participate in AD's programs. Due to the direct services and the group activities at the Senior Center, there are no plans for teleworking or hoteling.

AD selected the Premises due to its location within AD's service area, which is in the South Bay region of the County. Also, the proposed Premises is located on the ground floor and not within a traditional office building making it easier for constituents to access said services. In addition, the proposed premises is near freeway access and near public transportation such as LA Metro, Long Beach Transit, and Carson Circuit. The Premises provides adequate space for AD to expand and continue their programs while being easily accessible to the community it serves.

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

The Countywide Strategic Plan North Star 2 – "Foster Vibrant and Resilient Communities" – provides that our investments in the lives of County residents are sustainable only when grounded in strong communities. We want to be the hub of a network of public-private partnering agencies supporting vibrant communities.

The proposed lease is also consistent with Strategic Asset Management Goal – Strengthen connection between service priorities and asset decisions, and Key Objective No. 4 – Guide Strategic Decision-Making.

The proposed lease supports the above goals and objective by providing AD with adequate space in the appropriate service area.

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

### **FISCAL IMPACT/FINANCING**

The estimated maximum first year base rental cost is \$229,000, with a one-month rent abatement of around \$19,000, will equal approximately \$210,000, which includes 15 on-site parking at no additional cost. The aggregate cost associated with the proposed lease over the entire ten-year term, including rent abatement, TI costs, and Low-voltage costs is \$4,986,000 as shown in Enclosure B. The proposed lease costs will be funded 100 percent by NCC that is already included in AD's existing budget. AD will not be requesting additional NCC for this action.

Sufficient funding to cover the proposed rent for the first year of the proposed lease term is included in the Fiscal Year 2024-25 Rent Expense budget and will be billed back to AD. AD has sufficient funding in its Fiscal Year 2024-25 Operating Budget to cover the proposed rent for the first year. Future funding for the costs associated with the proposed lease will be addressed through the annual budget process for AD.

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

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

- The annual rental rate will be \$40.20 per square foot, per year and is subject to annual increases based on the Consumer Price Index with a minimum of 2 percent per annum and capped at 3 percent per annum.
- The Landlord will provide one-month of rent abatement to be applied toward the first month of the lease term.
- Total TI costs are expected to be \$1,050,800. The Landlord will provide \$284,000 (\$50 per square foot) base TI allowance.
- The County will reimburse the Landlord up to \$766,800 (\$135 per square foot) as the County's lump sum TI contribution. If the Landlord advances the County's TI contribution, this amount will be amortized over five years with interest at 7.5 percent for a fully amortized amount not to exceed \$922,000.
- The County will pay \$1,466,000 for the lump sum cost of the Low-Voltage Items.
- The Landlord is responsible for the operating and maintenance cost of the building, and the County is responsible for utilities and janitorial costs. The County is not subject to the building's operating expense increases.
- There are 15 reserved parking spaces included in the base rent at no additional cost.

- A ten-year initial term with an option to extend the proposed lease for an additional five years with nine months' prior written notice, at fair market rent. If all options are exercised, the total term of the proposed lease would be 15 years.
- The proposed lease includes a Right of First Offer to the County to lease additional premises (Suite I and Suite M).
- The County has the right to terminate the proposed lease any time after 96 months, with 180 days' prior written notice subject to payment of a termination fee not to exceed \$56,800.
- Holdover at the proposed lease expiration is permitted on 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 expiration.
- The proposed lease was submitted for review to the Board's appointed Real Estate Management Commission on June 27, 2024, and was unanimously approved.
- The proposed lease will be effective upon approval by the Board and full execution of the proposed lease, but the term and rent will commence 30 days after substantial completion of the TIs by the Landlord and acceptance of the Premises by the County.

The Chief Executive Office (CEO) issued a flyer soliciting proposals for available space from landlords, brokers, and other owner representatives, for this space need, through the Board's Executive Office website and Real Estate's County website. None of the responses received were suitable for AD's needs as the responses were for space in a traditional office building or were at high rental rates. 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 \$39.95 and \$61.79 per square foot, per year. The base annual rental rate of \$40.20 per square foot, per year for the proposed lease represents a rate that is within the market range for the area. We were unable to identify any sites that could accommodate this requirement more economically. We recommend the Premises as the most suitable to meet the County's space requirements.

Co-working space is not suitable for this requirement due to the public-facing nature of AD's programs.

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

The Department of Public Works has inspected the facility and found it suitable for County occupancy. Construction of the TIs will be completed in compliance with relevant building and construction laws and regulations, including the Americans with Disabilities Act. The required notification letter to the City of Carson has been sent in accordance with Government Code Section 25351.

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

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

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

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

The Honorable Board of Supervisors

7/23/2024

Page 6

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  
Aging & Disabilities  
Internal Services

**AGING AND DISABILITIES DEPARTMENT  
441 EAST CARSON STREET, SUITE J, K, L, CARSON**

**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> <b>The primary function is a Senior Center</b>                     |     | X  |     |
| C   | Does this lease centralize business support functions? <sup>2</sup> <b>The primary function is a Senior Center</b>                                 |     | X  |     |
| D   | Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>114 sq. ft per person due to type of program at the site</b> |     | X  |     |
| E   | Does lease meet the 4/1000 sq. ft. parking ratio guideline? <sup>2</sup> <b>2.69/1,000</b>   |     | X  |     |
| F   | Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?                       | 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 enclosed as Enclosure C?  |     |    | X   |
| G   | Was build-to-suit or capital project considered?   |     |    | X   |
| 3. <u>Portfolio Management</u>                                |  |     |    |     |
| A   | Did department use CEO Space Request Evaluation (SRE)?   | X   |    |     |
| B   | Was the space need justified?  | X   |    |     |
| C   | If a renewal lease, was co-location with other County departments considered?  |     |    | X   |
| D   | Why was this program not co-located?   |     |    |     |
|   | 1. ____ The program clientele requires a "stand alone" facility.   |     |    |     |
|   | 2. <u>X</u> No suitable County occupied properties in project area.  |     |    |     |
|   | 3. <u>X</u> No County-owned facilities available for the project.  |     |    |     |
|   | 4. ____ Could not get City clearance or approval.  |     |    |     |
|   | 5. ____ The Program is being co-located.   |     |    |     |
| E   | Is lease a full-service lease? <sup>2</sup> <b>County is responsible for utility and janitorial costs.</b>   |     | 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**

441 Carson St., Carson  
Aging & Disabilities Department

**Basic Lease Assumptions**

| <b>Leased Area (sq.ft.)</b>                            | 5,680  |                           |                          |        |          |                 |            |           |           |           |
|--|--|---------------------------|--------------------------|--------|----------|-----------------|------------|-----------|-----------|-----------|
|  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">Per RSF<br/>Per Month (\$)</th> <th style="width: 50%;">Per RSF<br/>Per Year (\$)</th> </tr> <tr> <td style="text-align: center;">\$3.35</td> <td style="text-align: center;">\$40.20</td> </tr> </table>  | Per RSF<br>Per Month (\$) | Per RSF<br>Per Year (\$) | \$3.35 | \$40.20  |                 |            |           |           |           |
| Per RSF<br>Per Month (\$)                              | Per RSF<br>Per Year (\$)   |                           |                          |        |          |                 |            |           |           |           |
| \$3.35   | \$40.20  |                           |                          |        |          |                 |            |           |           |           |
| <b>Base Rent</b>                                       |  |                           |                          |        |          |                 |            |           |           |           |
| <b>Term</b>  | 120 months/10 years  |                           |                          |        |          |                 |            |           |           |           |
| <b>Annual Rent Adjustments</b>                         | CPI cap at 3%  |                           |                          |        |          |                 |            |           |           |           |
|  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 100%;"># of Spaces</th> </tr> <tr> <td style="text-align: center;">15</td> </tr> </table>  | # of Spaces               | 15                       |        |          |                 |            |           |           |           |
| # of Spaces  |  |                           |                          |        |          |                 |            |           |           |           |
| 15   |  |                           |                          |        |          |                 |            |           |           |           |
| <b>Parking</b>   |  |                           |                          |        |          |                 |            |           |           |           |
|  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="3" style="text-align: center;">Amortized Cost @</th> </tr> <tr> <th style="width: 33%;">Lump Sum</th> <th style="width: 33%;">7.5% IR, 5 Yrs.</th> <th style="width: 33%;">Difference</th> </tr> <tr> <td style="text-align: center;">\$766,800</td> <td style="text-align: center;">\$921,906</td> <td style="text-align: center;">\$155,106</td> </tr> </table> | Amortized Cost @          |                          |        | Lump Sum | 7.5% IR, 5 Yrs. | Difference | \$766,800 | \$921,906 | \$155,106 |
| Amortized Cost @                                       |  |                           |                          |        |          |                 |            |           |           |           |
| Lump Sum   | 7.5% IR, 5 Yrs.  | Difference                |                          |        |          |                 |            |           |           |           |
| \$766,800  | \$921,906  | \$155,106                 |                          |        |          |                 |            |           |           |           |
| <b>Tenant Improvement Costs (Reimbursable)</b>         |  |                           |                          |        |          |                 |            |           |           |           |
|  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 100%;">Lump Sum</th> </tr> <tr> <td style="text-align: center;">\$ 1,465,164</td> </tr> </table>   | Lump Sum                  | \$ 1,465,164             |        |          |                 |            |           |           |           |
| Lump Sum   |  |                           |                          |        |          |                 |            |           |           |           |
| \$ 1,465,164   |  |                           |                          |        |          |                 |            |           |           |           |
| <b>Low Voltage Costs (TESMA Labor &amp; Materials)</b> |  |                           |                          |        |          |                 |            |           |           |           |

|                                       | 1 <sup>st</sup> Year | 2nd Year         | 3rd Year         | 4th Year         | 5th Year         | 6th Year         | 7th Year         | 8th Year         | 9th Year         | 10th Year        | Total 10 Years<br>Rental Costs |
|---------------------------------------|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------------------|
| Annual Base Rent Costs <sup>(1)</sup> | \$228,336            | \$235,186        | \$242,242        | \$249,509        | \$256,994        | \$264,704        | \$272,645        | \$280,824        | \$289,249        | \$297,927        | <b>\$2,618,000</b>             |
| Rent Abatement (1 month)              | (\$19,028)           |                  |                  |                  |                  |                  |                  |                  |                  |                  | <b>(\$20,000)</b>              |
| <b>Rent Paid to Landlord</b>          | <b>\$209,308</b>     | <b>\$235,186</b> | <b>\$242,242</b> | <b>\$249,509</b> | <b>\$256,994</b> | <b>\$264,704</b> | <b>\$272,645</b> | <b>\$280,824</b> | <b>\$289,249</b> | <b>\$297,927</b> | <b>\$2,599,000</b>             |
| TI Allowance (Reimbursable)           | \$184,381            | \$184,381        | \$184,381        | \$184,381        | \$184,381        |                  |                  |                  |                  |                  | <b>\$922,000</b>               |
| <b>Total Costs Paid to Landlord</b>   | <b>\$393,689</b>     | <b>\$419,567</b> | <b>\$426,623</b> | <b>\$433,890</b> | <b>\$441,375</b> | <b>\$264,704</b> | <b>\$272,645</b> | <b>\$280,824</b> | <b>\$289,249</b> | <b>\$297,927</b> | <b>\$3,521,000</b>             |
| Low Voltage Costs                     | \$1,465,164          |                  |                  |                  |                  |                  |                  |                  |                  |                  | <b>\$1,466,000</b>             |
| <b>Total Annual Lease Costs</b>       | <b>\$1,858,853</b>   | <b>\$419,567</b> | <b>\$426,623</b> | <b>\$433,890</b> | <b>\$441,375</b> | <b>\$264,704</b> | <b>\$272,645</b> | <b>\$280,824</b> | <b>\$289,249</b> | <b>\$297,927</b> | <b>\$4,986,000</b>             |

<sup>(1)</sup> County shall pay separately for its utility and janitorial costs. This is a new lease and historical cost data is not available.



**AGING AND DISABILITIES DEPARTMENT  
SPACE SEARCH – 3 MILE RADIUS  
441 EAST CARSON STREET, CARSON**

| Name  | Address                                | OwnershipType |
|---|--|---------------|
| Harbor-F-9 Trailer (Annex)                      | 1000 W Carson St. Torrance 90502       | Owned         |
| Harbor-N-16                                     | 1000 W Carson St. Torrance 90502       | Owned         |
| Harbor-D-5 Annex                                | 1000 W Carson St. Torrance 90502       | Owned         |
| Harbor-N-33 Annex                               | 1000 W Carson St. Torrance 90502       | Owned         |
| Harbor-D-4.5                                    | 1000 W Carson St. Torrance 90502       | Owned         |
| Animal Control #3 - Administration Building     | 216 W Victoria St. Carson 90248        | Owned         |
| Harbor-F-4.5                                    | 1000 W Carson St. Torrance 90502       | Owned         |
| Harbor-D-2.5                                    | 1000 W Carson St. Torrance 90502       | Owned         |
| Harbor-N-21                                     | 1000 W Carson St. Torrance 90502       | Owned         |
| Harbor - Public Health Programs Building N - 22 | 1000 W Carson St. Torrance 90502       | Owned         |
| Harbor - Medical Records Office F - 8           | 1000 W Carson St. Torrance 90502       | Owned         |
| Harbor-J-4                                      | 1000 W Carson St. Torrance 90502       | Owned         |
| Harbor-N-33                                     | 1000 W Carson St. Torrance 90502       | Owned         |
| Harbor-D-5.5                                    | 1000 W Carson St. Torrance 90502       | Owned         |
| DMH - Wellness Center                           | 21732 S Vermont Ave, Torrance<br>90502 | Leased        |
| Harbor-D-3.5                                    | 1000 W Carson St. Torrance 90502       | Owned         |
| Harbor - REI Administration Building N - 14     | 1124 W Carson St. Torrance 90502       | Owned         |

## FACILITY LOCATION POLICY ANALYSIS

**Proposed lease:** Lease for the Department of Aging and Disabilities – 441 East Carson Street, Suites J/K/L, Carson – Second District.

**A. Establish Service Function Category – Senior Center**

**B. Determination of the Service Area – Concentration of clients in the South Bay region of the County**

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

- Need for proximity to service area and population: Continued need for operation in the South Bay region of the County.
- Need for proximity to existing County facilities: N/A
- 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., LA Metro local bus routes, Long Beach Transit System, Carson Circuit.
- 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 that meet AD's space needs.
- Compatibility with local land use plans: The City of Carson 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 over the entire term is \$4,986,000.

**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 \$39.95 and \$61.79 per square foot, per year. The base annual rental rate of \$40.20 per square foot, per year for the proposed lease represents a rate that is within the market range for the area. We were unable to identify any sites that could accommodate this requirement more economically. We recommend the 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 will provide adequate and efficient office space for 50 employees and clients consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.

**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE**

**LEASE AGREEMENT**

**COUNTY OF LOS ANGELES - Tenant  
TUNG'S INVESTMENT GROUP, INC. – Landlord**

**441 EAST CARSON STREET  
SUITE J, K, and L  
CARSON, CALIFORNIA, 90745**

**TABLE OF CONTENTS**

|  | <b>Page</b> |
|--|-------------|
| 1. BASIC LEASE INFORMATION .....                           | 1           |
| 1.1 Terms .....  | 1           |
| 1.2 Defined Terms Relating to Landlord's Work Letter ..... | 3           |
| 1.3 Exhibits to Lease.....                                 | 4           |
| 2. PREMISES.....   | 4           |
| 2.1 Lease of Premises .....                                | 4           |
| 2.2 Measurement of Premises .....                          | 4           |
| 3. COMMON AREAS.....                                       | 5           |
| 4. COMMENCEMENT AND EXPIRATION DATES .....                 | 5           |
| 4.1 Term .....   | 5           |
| 4.2 Termination Right For Delay of Commencement Date ..... | 6           |
| 4.3 Early Entry .....                                      | 7           |
| 4.4 Early Termination.....                                 | 7           |
| 5. RENT .....  | 7           |
| 5.1 Base Rent.....   | 7           |
| 5.2 Base Rent Adjustments.....                             | 8           |
| 5.3 Rent Abatement.....                                    | 8           |
| 6. USES .....  | 8           |
| 7. HOLDOVER .....  | 9           |
| 8. COMPLIANCE WITH LAW .....                               | 9           |
| 9. DAMAGE OR DESTRUCTION.....                              | 9           |
| 9.1 Damage .....   | 9           |
| 9.2 Tenant Termination Right.....                          | 9           |
| 9.3 Damage In Last Year .....                              | 10          |
| 9.4 Default By Landlord .....                              | 10          |
| 10. REPAIRS AND MAINTENANCE .....                          | 10          |
| 10.1 Landlord Representations .....                        | 10          |
| 10.2 Landlord Obligations .....                            | 12          |
| 10.3 Tenant Obligations.....                               | 13          |
| 10.4 Tenant's Right to Repair .....                        | 13          |
| 11. SERVICES AND UTILITIES .....                           | 14          |
| 11.1 Services.....   | 14          |
| 11.2 Utilities .....                                       | 15          |
| 12. TAXES .....  | 16          |
| 13. LANDLORD ACCESS .....                                  | 16          |
| 14. TENANT DEFAULT .....                                   | 16          |
| 14.1 Default .....   | 16          |
| 14.2 Termination.....                                      | 16          |
| 14.3 No Effect on Indemnity.....                           | 17          |
| 15. LANDLORD DEFAULT .....                                 | 17          |
| 15.1 Remedies .....  | 17          |
| 15.2 Waiver .....  | 17          |
| 15.3 Emergency.....  | 17          |
| 16. ASSIGNMENT AND SUBLETTING .....                        | 18          |
| 16.1 Assignment and Subletting .....                       | 18          |
| 16.2 Sale .....  | 18          |
| 17. ALTERATIONS AND ADDITIONS.....                         | 19          |
| 17.1 Landlord Consent.....                                 | 19          |

|     |       |   |    |
|-----|-------|---|----|
|     | 17.2  | End of Term .....   | 19 |
| 18. |       | CONDEMNATION .....  | 19 |
|     | 18.1  | Controlling Terms.....                                    | 19 |
|     | 18.2  | Total Taking .....  | 19 |
|     | 18.3  | Partial Taking.....                                       | 19 |
|     | 18.4  | Restoration .....   | 20 |
|     | 18.5  | Award .....   | 20 |
|     | 18.6  | Waiver of Statute .....                                   | 20 |
| 19. |       | INDEMNIFICATION.....                                      | 20 |
|     | 19.1  | Landlord's Indemnity.....                                 | 20 |
|     | 19.2  | Tenant's Indemnity.....                                   | 21 |
| 20. |       | INSURANCE .....   | 21 |
|     | 20.1  | Waiver .....  | 21 |
|     | 20.2  | General Insurance Provisions – Landlord Requirements..... | 21 |
|     | 20.3  | Insurance Coverage Types And Limits.....                  | 24 |
|     | 20.4  | Landlord Requirements.....                                | 24 |
| 21. |       | PARKING .....   | 25 |
|     | 21.1  | Tenant's Rights .....                                     | 25 |
|     | 21.2  | Remedies .....  | 25 |
| 22. |       | ENVIRONMENTAL MATTERS.....                                | 26 |
|     | 22.1  | Hazardous Materials .....                                 | 26 |
|     | 22.2  | Indemnity .....   | 26 |
| 23. |       | ESTOPPEL CERTIFICATES.....                                | 27 |
| 24. |       | TENANT IMPROVEMENTS .....                                 | 27 |
| 25. |       | LIENS.....  | 27 |
| 26. |       | SUBORDINATION AND MORTGAGES .....                         | 28 |
|     | 26.1  | Subordination and Non-Disturbance .....                   | 28 |
|     | 26.2  | Existing Deeds of Trust.....                              | 28 |
|     | 26.3  | Notice of Default .....                                   | 28 |
| 27. |       | SURRENDER OF POSSESSION.....                              | 28 |
| 28. |       | SIGNAGE.....  | 28 |
| 29. |       | QUIET ENJOYMENT .....                                     | 28 |
| 30. |       | GENERAL .....   | 29 |
|     | 30.1  | Headings .....  | 29 |
|     | 30.2  | Successors and Assigns.....                               | 29 |
|     | 30.3  | Brokers .....   | 29 |
|     | 30.4  | Entire Agreement.....                                     | 29 |
|     | 30.5  | Severability .....  | 29 |
|     | 30.6  | Notices.....  | 29 |
|     | 30.7  | Governing Law and Venue.....                              | 30 |
|     | 30.8  | Waivers.....  | 30 |
|     | 30.9  | Time of Essence .....                                     | 30 |
|     | 30.10 | Consent .....   | 30 |
|     | 30.11 | Community Business Enterprises .....                      | 30 |
|     | 30.12 | Memorandum of Lease .....                                 | 30 |
|     | 30.13 | Counterparts; Electronic Signatures.....                  | 30 |
| 31. |       | AUTHORITY.....  | 31 |
| 32. |       | ACKNOWLEDGEMENT BY LANDLORD .....                         | 31 |
|     | 32.1  | Consideration of GAIN Program Participants .....          | 32 |
|     | 32.2  | Solicitation of Consideration.....                        | 32 |
|     | 32.3  | Landlord Assignment .....                                 | 32 |

|      |   |    |
|------|---|----|
| 32.4 | Smoking in County Facilities.....                       | 33 |
| 33.  | IRREVOCABLE OFFER.....                                  | 34 |
| 34.  | RIGHT OF FIRST OFFER TO LEASE ADDITIONAL PREMISES ..... | 34 |
| 35.  | OPTION TO EXTEND .....                                  | 35 |

## **EXHIBITS**

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



COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ between TUNG'S INVESTMENT GROUP, INC., a California corporation ("Landlord"), and COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant" or "County").

Landlord and Tenant agree:

**1. BASIC LEASE INFORMATION**

1.1 Terms

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

|  |  |
|--|--|
| <p>(a) Landlord's Address for Notices:</p> | <p>Tung's Investment Group, Inc.<br/>c/o Charles Dunn Real Estate Services, Inc.<br/>800 W 6th St, Suite 600<br/>Los Angeles, CA 90017<br/>Attn: Henry Van Moyland<br/>Email: hvanmoyland@charlesdunn.com</p> <p>With copy to: victor@tgroupre.com</p>   |
| <p>(b) Tenant's Address for Notices:</p>   | <p>County of Los Angeles<br/>Chief Executive Office - Real Estate Division<br/>320 West Temple Street, 7th Floor<br/>Los Angeles, CA 90012<br/>Attention: Director of Real Estate</p> <p>With a copy to:</p> <p>County of Los Angeles<br/>Office of the County Counsel<br/>648 Kenneth Hahn Hall of Administration<br/>500 West Temple Street, Suite 648<br/>Los Angeles, CA 90012-2713<br/>Attention: Property Division</p> |
| <p>(c) Premises:</p>                       | <p>Approximately <u>5,680</u> rentable square feet, designated as Suites J, K, and L, in the Building (defined below), as shown on <u>Exhibit A</u> attached hereto.</p>   |

|  |   |
|--|---|
| (d) Building:  | The Building located at 441 East Carson Street, Carson, California, which is currently assessed by the County Assessor as APN 7334-018-044 (collectively, the "Property");  |
| (e) Term:  | Ten (10) years, commencing thirty (30) days after the date of Tenant's Acceptance of the Premises, as defined in Section 4.1 (the "Commencement Date"), and terminating at midnight on the day before the tenth (10th) annual anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised. |
| (f) Estimated Commencement Date:                           | The Estimated Commencement Date shall be 15 months from the later of the date of 1) mutual execution of the Lease or 2) Tenant's delivery of the complete Space Plan in accordance with Article 5 of the Work Letter to Landlord.   |
| (g) Irrevocable Offer Expiration Date:<br>(see Section 33) | July 31, 2024   |
| (h) Base Rent:   | <p>\$3.35 per rentable square foot per month</p> <p>(i.e., \$19,028.00 per month or \$228,336.00 per year)</p> <p>Such amount is increased annually as provided in Section 5.2 hereof.</p>  |
| (i) Early Termination<br>(see Section 4.4)                 | Any time after the ninety-sixth month of the Term hereof upon One Hundred and Eighty (180) days' notice, subject to Tenant paying any remaining balance of the unamortized portion of Landlord's TI Allowance on a straight-line, no interest basis, if any.  |
| (j) Rentable Square Feet in the Premises:                  | 5,680 rentable square feet  |
| (k) Initial Departmental Use:                              | Aging & Disabilities Department, subject to Section 6.  |

|                                  |   |
|----------------------------------|---|
| (l) Parking Spaces:              | Fifteen (15) exclusive reserved spaces (i.e., 2.69 parking spaces/1,000 SF) in the Building's parking lot at no additional charge to Tenant. Landlord shall designate and stripe Tenant's parking as "Reserved Parking" and Tenant, at its option and expense, shall have the right, subject to prior notice, to have Landlord install any additional signage identifying Tenant's reserved parking spaces. |
| (m) Tenant's Hours of Operation: | 7 a.m. to 7 p.m. Monday through Friday, and 9 a.m. to 2 p.m. on Saturdays, excluding holidays recognized by the County of Los Angeles.  |
| (n) Asbestos Report:             | A report dated March 6, 2024, prepared by AIH Laboratory.   |
| (o) Seismic Report               | A report dated November 27, 2023, prepared by the Department of Public Works.   |
| (p) Disabled Access Survey       | A report dated November 2018 prepared by Gabriel Argueta CASp Services has been provided to Tenant.   |

1.2 Defined Terms Relating to Landlord's Work Letter

|  |  |
|--|--|
| (a) Landlord's TI Allowance:   | \$284,000.00 (\$50.00 per rentable square foot)                              |
| (b) Tenant's TI Contribution:  | \$766,800.00 (\$135.00 per rentable square foot)                             |
| (c) Tenant's TI Contribution Amortization Rate and Change Authorization Amortization Rate:         | Fixed seven and one-half percent (7.5%) per annum for five (5) years.        |
| (d) Estimated Monthly Payments Attributable to Total TI Costs in Excess of Landlord's TI Allowance | \$15,365.10 per month, ending on the 60th month of the Original Term.        |
| (e) Tenant's Work Letter Representative:   | Tenant's assigned Project Manager  |
| (f) Landlord's Work Letter Representative:   | Victor Tung  |
| (g) Landlord's Address for Work Letter Notices:  | Tung's Investment Group, Inc.<br>c/o Charles Dunn Real Estate Services, Inc. |

|   |   |
|---|---|
|   | 800 W 6th St, Suite 600<br>Los Angeles, CA 90017  |
| (h) Tenant's Address for Work Letter Notices: | County of Los Angeles<br>Chief Executive Office - Real Estate Division<br>320 West Temple Street, 7th Floor<br>Los Angeles, CA 90012<br>Attention: Director of Real Estate  |
| 1.3 <u>Exhibits to Lease</u>                  | Exhibit A - Floor Plan of Premises<br>Exhibit B - Commencement Date Memorandum and Confirmation of Lease Terms<br>Exhibit C - HVAC Standards<br>Exhibit D - Intentionally Omitted<br>Exhibit E - Subordination, Non-Disturbance and Attornment Agreement<br>Exhibit F - Tenant Estoppel Certificate<br>Exhibit G - Community Business Enterprises Form<br>Exhibit H - Memorandum of Lease<br>Exhibit I - Landlord's Work Letter |

**2. PREMISES**

2.1 Lease of Premises

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

2.2 Measurement of Premises

Tenant shall have the right, at Tenant's cost, and prior to the Commencement Date Lease to field-measure and verify the exact footage of the Premises by an experience third-party space accountant or architect. All measurements shall be taken in accordance with the methods of measuring rentable area as described in the Standard Method for Measuring Floor Area in Retail Properties, ANSI/BOMA Z65.5-2020, as promulgated by the Building Owners and Management Association ("BOMA") International, except that no penthouse mechanical room space shall be included in the measurement. Should this measurement of the Premises be reasonably determined by a certified space accountant to be more than 2% less than the rentable square footage stated above, then Tenant shall have the right to have the rentable square footage adjusted to the amount determined after submitting the measurement report and request for adjustment to the Landlord. Landlord shall be given the opportunity to have its own third-party space accountant or architect review, verify and dispute the determination by the Tenant's space accountant or architect. If there is an adjustment of the rentable area of the Premises, then the Base Rent, & Landlord's TI Allowance and other provisions that are based on the size of the Premises in Sections 1.1 and 1.2 shall be adjusted and accomplished by the mutual execution of an amendment to this

Lease. Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no increase made to the Base Rent or the Landlord's TI Allowance if the measured square footage exceeds the amount represented by Landlord.

### **3. COMMON AREAS**

Tenant may use the following areas ("Common Areas") in common with Landlord and any other tenants, occupants, and invitees of the Building and the Property: public areas that are designated as Common Areas of the Property, which include walkways, landscaped areas, courtyards, 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 Property. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Area established by Landlord.

All Common Areas of the Property are subject to the exclusive control of the Landlord. Landlord shall maintain and manage the Common Areas in a clean and safe manner. Landlord reserves the right from time to time during the Term of the Lease to (1) increase, reduce or change the number, type, height, layout, size, location and use of any improvements, buildings and facilities in the Common Areas, (2) construct new improvements, buildings and facilities in the Common Areas, (3) remove existing improvements, buildings and facilities on the Property, including the right to change the parking plan, parking ratios and the Common Areas (but such changes to parking may not be made unless Tenant continues to have access to the same number of reserved parking spaces granted to Tenant under Paragraph 1.1(l), even though the locations of such spaces may be changed by Landlord), (4) change the tenant mix or uses of the Property, (5) increase, reduce or change the size, height or layout of the Building on the Property, provided, however, that Landlord shall not materially and adversely affect Tenant's use of the Premises or its rights of access and parking. Landlord may employ and discharge all personnel hired a connection with the Common Areas. Landlord may maintain security services for the Common Areas, but Tenant acknowledges that the rental payable to Landlord by Tenant does not include the cost of guard service or any other security measures for the Premises or the Property and that the Landlord has no obligation whatsoever to provide the same. Subject to Section 21 of this Lease, Landlord may (1) use and allow others to use the Common Areas non-exclusively for any purpose, (2) regulate the parking at the Property by the Tenant and other occupants, including their respective employees, invitees and customers, (3) establish, modify and enforce non-discriminatory rules and regulations for the Common Areas, and (4) close the Common Areas when necessary to make repairs, changes or alterations to the Common Areas or to prevent the acquisition of public rights in the Common Areas, provided, however, that Landlord shall not materially and adversely affect Tenant's use of the Premises or its rights of access and parking and not unreasonably interfere with Tenant's business.

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

#### **4.1 Term**

The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within thirty (30) days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the

Commencement Date by executing a Commencement Date Memorandum and Confirmation of Lease Terms in the form attached hereto as Exhibit B. The term "Tenant's Acceptance of the Premises" as used in this Lease shall mean the date upon which the Tenant Improvements and the Premises are "Substantially Complete" (as defined below), Tenant has inspected the Premises which shall occur within ten (10) business days of Landlord's written notice that the Tenant Improvements have been Substantially Completed, and Tenant has accepted the Tenant Improvements and the Premises in writing, such acceptance shall not be unreasonably withheld, refused or delayed. The terms "Substantial Completion" or "Substantially Complete" as used in this Lease shall mean compliance with all of the following:

- (a) The shell and core of the Building are complete and in compliance with all applicable laws and codes, and all of the building systems are operational to the extent necessary to service the Premises (except minor punch list items which Landlord shall thereafter promptly complete);
- (b) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease and Landlord's Work Letter (if any), including the installation of modular furniture systems, if so required (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises;
- (c) Landlord has obtained a certificate of occupancy for the Building, or a temporary certificate of occupancy of the Premises, or its equivalent;
- (d) Tenant has been provided with the number of parking privileges and spaces to which it is entitled under this Lease.

#### 4.2 Termination Right For Delay of Commencement Date

If the Substantial Completion of the Tenant Improvements has not occurred within ninety (90) days after the Estimated Commencement Date, and such 90 day period is subject to extensions based on any Tenant Delays or Force Majeure Delays, as provided in Landlord's Work Letter executed concurrently herewith and attached hereto as Exhibit I and incorporated herein by reference (and such date is referred to as the "Section 4.2 Deadline"), then Tenant may thereafter at any time before the Commencement Date occurs, provide Landlord with written notice of its intent to terminate this Lease. If Landlord does not Substantially Complete the Tenant Improvements by the Section 4.2 Deadline and still fails to Substantially Complete the Tenant Improvements within thirty (30) days of the written notice of intent to terminate under this provision, then the Tenant may terminate this Lease effective upon the giving of written notice to Landlord, and the parties shall have no further rights or obligations to one another hereunder. However, Tenant shall not be entitled to exercise this right to terminate under this provision in the event that Tenant has occupied the Premises for the purpose of conducting business under Section 4.3 below. Landlord also has the right to extend the Section 4.2 Deadline, by giving written notice to Tenant, and such extension shall be a maximum of sixty (60) additional days. In order to exercise the right to such extension, Landlord shall provide Tenant with a credit for the daily amount of Base Rent for each day of such

extension. The credit for any partial calendar month during the Term shall be prorated in proportion to the number of days within such calendar month.

#### 4.3 Early Entry

Tenant and Tenant's vendors shall be entitled to enter the Premises not less than thirty (30) days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures, and equipment in the Premises ("Early Entry"). Such early entry shall be subject to all provisions hereof, but shall not advance the Termination Date, and Tenant shall not pay Base Rent nor any other charges for such early entry period. Tenant shall exercise the Early Entry rights in a manner that will not unreasonably interfere with the Landlord's construction of the Tenant Improvements. During the Early Entry period Tenant shall be subject to all the terms and conditions of this Lease with the exception of having to pay Base Rent for Premises until following the Commencement Date.

#### 4.4 Early Termination

Tenant shall have the right to terminate this Lease at any time after the Early Termination date specified in Section 1.1, by giving Landlord not less than one hundred and eighty days (180) days prior written notice, executed by Tenant's Chief Executive Officer or his/her designee. In the event Tenant exercises its Early Termination option, the unamortized portion of the Landlord's TI Allowance, if any, shall be reimbursed to Landlord calculated on a straight line, no interest basis and due upon the date of termination which shall not exceed \$56,799.68.

#### 4.5 Lease Expiration Notice

No later than twelve (12) months, nor earlier than eighteen (18) months, prior to the expiration of the Lease Term, Landlord shall provide a written notice to Tenant notifying Tenant of the Termination Date.

### 5. RENT

#### 5.1 Base Rent

Tenant shall pay Landlord the Base Rent stated in Section 1.1 during the Term and as adjusted in Section 5.2 below, (a) within fifteen (15) days after the Commencement Date, and (b) by the first day of each calendar month thereafter, provided that at least fifteen (15) business days prior to the Commencement Date, Landlord must provide the Auditor of the County of Los Angeles with the following information: (i) name and address of Landlord or other party to whom Base Rent should be paid, (ii) Landlord's federal tax ID number; (iii) name of contact person and contact information (including phone number) for Landlord; (iv) a completed IRS form W-9, and (v) evidence of insurance in compliance with Section 20.2. If Landlord fails to timely provide the information required pursuant to this Section 5.1, or to provide updates for any changed information, then Tenant shall not be required to pay accrued Base Rent to Landlord until fifteen (15) business days after Landlord provides such information and shall then pay Landlord such outstanding amount. Base Rent for any partial calendar month during the Term shall be prorated in proportion to the number of days during the Term within such calendar month.

5.2. Base Rent Adjustments

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

(b) CPI Formula. The Index means the Consumer Price Index for all Urban Consumers for the Los Angeles-Long Beach-Anaheim area, all items, published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Base Rent for the first full month after the Commencement Date multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month in which the adjustment is to be effective (the "New Index"), and the denominator being 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.

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

$$\frac{\text{New Index}}{\text{Base Index}} \times \text{Base Rent at the Commencement Date} = \text{Adjusted Base Rent}$$

(d) Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI Formula result in an increase less than two percent (2%) or greater than three percent (3%) per year of the Base Rent payable in the month preceding the applicable adjustment. In no event shall the Base 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.

5.3 Rent Abatement

The Base Rent for the first (1<sup>st</sup>) month of the Term of this Lease shall be abated.

6. USES

Landlord agrees that the demised Premises, together with all appurtenances thereto, shall be used by the Tenant for the government department set forth in Section 1.1 for administrative office and public facing uses. Landlord will approve a change of use to any other County Department the County designates, unless such Department's use may cause an adverse impact to the Property; including but not limited to, Department of Social Services, or for other governmental purposes, or other lawful purposes that do not



materially adversely interfere with other uses in the Building, during Tenant's Hours of Operation, after Tenant's Hours of Operation, and on weekends and holidays.

**7. HOLDOVER**

If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease', such occupancy shall be a tenancy which is terminable only upon ninety (90) days written notice from Landlord or sixty (60) days written notice from Tenant's Chief Executive Officer or his/her designee at the last monthly Base Rent payable under this Lease, plus any other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease, including any future Base Rent Adjustments.

**8. COMPLIANCE WITH LAW**

Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including but not limited to the Americans with Disabilities Act ("ADA"), except if such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises.

**9. DAMAGE OR DESTRUCTION**

9.1 Damage

Within 14 days of its occurrence, Tenant shall notify Landlord of any damage or accident occurring on the Premises. If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days, 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 unusable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall use commercially reasonable efforts, but in any event within forty-five (45) days from Tenant's notification to Landlord, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises leasable again using standard working methods. The failure to do so shall be a material default hereunder. Base Rent shall abate based on the percentage and to the extent that the Premises are rendered unusable by Tenant by such damage.

9.2 Tenant Termination Right

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

that existed immediately prior to such casualty in less than two hundred forty (240) days for any reason, then Tenant may terminate this Lease by giving Landlord written notice within ten days after Tenant's receipt of written notice from Landlord or its agents specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated, based upon the percentage and to the extent the Premises are rendered unusable by the Tenant from the date the Premises or portion thereof became unusable. If Tenant does not elect to terminate this Lease, then Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided that insurance proceeds are available to repair the damages.

### 9.3 Damage In Last Year

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

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

### 9.4 Default By Landlord

If Landlord is required to repair and restore the Premises as provided for in this Section 9, and Landlord thereafter fails to diligently pursue said repair and restoration work to completion within forty-five (45) days after Tenant's notification, as determined by Tenant in its reasonable discretion, then Tenant may, at its sole election:

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

## 10. REPAIRS AND MAINTENANCE

### 10.1 Landlord Representations

- (a) Landlord represents to Tenant that, as of the date hereof and on the Commencement Date:
  - i. The Premises, the Building, and all Common Areas (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including but not limited to the

Americans With Disabilities Act, and are in good working order and condition;

- ii. The Building and the Premises comply with all covenants, conditions, restrictions and insurance underwriter's requirements;
- iii. The Premises, the Building and the Common Areas are free of the presence of Hazardous Materials (as hereinafter defined); and
- iv. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation.

(b) Landlord represents, based upon a professional inspection of the Premises and the Building and the Asbestos Report (as defined in Section 1.1) that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Asbestos Report). Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos-containing materials to the extent required by law and provide Tenant with an updated report from a licensed California Asbestos contractor to that effect.

(c) CASp Inspection:

In accordance with California Civil Code Section 1938, Landlord hereby states that the Common Areas:  
*[Check the appropriate box]*

Have undergone inspection by a Certified Access Specialist (a "CASp") and have been determined to meet all applicable construction related accessibility standards pursuant to California Civil Code Section 55.53. Landlord has provided Tenant with a copy of the CASp inspection report and a current disability access inspection certificate for the Premises prior to the execution of this Lease.

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

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

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

- (d) Landlord agrees to indemnify and hold harmless Tenant from all damages, costs, and expenses, which result from a material breach of Landlord's representations contained in this Section 10.1.

## 10.2 Landlord Obligations

- (a) Landlord shall keep and maintain the Property in good condition and repair (reasonable wear and tear excepted) 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, foundations, roof, concealed plumbing, stairways, concealed electrical systems;
  - ii. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Premises;
  - iii. the Common Areas;
  - iv. exterior windows of the Building;
  - v. 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, reasonable wear and tear excepted.
  - vi. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition, and

- (b) Subject to Tenant's Obligations in 10.3, Landlord, at its sole cost and expense, shall 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, or replacements of:
  - i. the floor covering
  - ii. interior partitions;
  - iii. doors, door frames and hardware;
  - iv. the interior side of demising walls (which may require spot painting from time to time); emergency exit signage and battery replacement;
  - v. HVAC equipment for the Premises, dedicated to the mechanical rooms housing Tenant's computer servers and related equipment, installed as part of the Tenant Improvement, and
  - vi. Light fixtures, bulbs, tubes and ballasts.
- (c) Landlord shall, to the best of its ability, provide all reports, maintenance records, or other documentation as may be requested from time to time.

### 10.3 Tenant Obligations

Without limiting Landlord's repair and maintenance obligations, Tenant shall, at Tenant's sole expense, be responsible for (i) the cost of repairing any area of the Property damaged by Tenant or by Tenant's agents, employees, invitees, contractors or visitors, and (ii) the repair of Tenant's personal property, trade fixtures, including all low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall:

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

### 10.4 Tenant's Right to Repair

- (a) If Tenant provides written notice (or oral notice in the event of an emergency, such as damage or destruction to or of any portion of the Building structure and/or the Building systems, and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and if Landlord fails to commence such action within a reasonable period of time given the circumstances after the giving of such notice, but in any event not later than ten (10) business days after the giving

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

- (b) Notwithstanding any provisions of this Lease to the contrary, Tenant, acting through the County's Chief Executive Office, may request that the Landlord perform, supply and administer any repairs, maintenance, building services and/or alterations that are the responsibility of the Tenant, not to exceed \$5,000, as part of a separate purchase order issued by the County on Tenant's behalf and reimbursed by Tenant. Any improvements by Landlord shall be subject to (i) the Work Letter provisions regarding selection and bidding of contractors, Landlord-Tenant coordination and audit rights, and Tenant's remedies found in said Work Letter; and (ii) compliance with County Internal Services Department Purchasing Policy and Procedure No. A-0300, effective November 22, 2016, delivered to Landlord and incorporated by reference herein. This Section shall not apply to any Tenant Improvements as defined in Section 24. If Tenant elects to contract through Landlord, Landlord shall be entitled to a 10% administrative fee.

## 11. **SERVICES AND UTILITIES**

### 11.1 Services

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

Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Tenant's Hours of Operations in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings in the area and not less than the standard set forth in Exhibit C attached hereto. In addition, if, as part of the Tenant Improvements, a separate dedicated HVAC system was installed for the mechanical room housing the Tenant's computer servers, then Landlord shall furnish HVAC at all times (i.e., twenty-four (24) hours per day, seven (7) days per week, three hundred sixty-five (365) days per year) to the mechanical room housing Tenant's computer servers and related equipment.

(b) Electricity

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

(c) Water

Landlord shall make available in the Premises warm and cold water for normal lavatory and kitchen purposes and potable water for drinking purposes, all of which shall meet applicable government standards.

(d) Janitorial

Tenant shall be responsible for its Janitorial Services for the Premises.

(e) Access

Landlord shall furnish to Tenant's employees and agents access to the 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 Property, and subject to temporary closures due to casualty, damages, repairs and maintenance ("Closures"), provided Landlord (i) provides Tenant with ten (10) business days prior written notice to such Closures, (ii) performs such work after Tenant's Hours of Operation, and (iii) make commercially reasonable efforts to not interfere with Tenant's business operations. Landlord shall provide four (4) keys to the Premises upon the Commencement Date but any additional keys shall be at Tenant's cost. Tenant shall have the right to make copies of the keys for its employees use.

(f) Pest Control

Landlord at its sole cost and expense shall provide any and all pest control services to the Common Areas.

11.2 Utilities

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

payments from the next installments of rent due as a charge against the Landlord. Notwithstanding anything to the contrary herein, during the Term of this Lease or any renewal, extension, or holdover thereof, Tenant agrees to pay, at its sole cost, when due, all charges for its electrical and gas use directly to the public utility provider pursuant to a separate meter installed and maintained by Landlord for the Term of the Lease.

## **12. TAXES**

Landlord, at its sole cost and expense, shall pay, prior to delinquency, all real property taxes, assessments and special assessments which may be levied or assessed against the Premises or the Building during the term of this Lease or any renewal or holdover period thereof. Landlord is not subject to personal property taxes.

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

## **13. LANDLORD ACCESS**

Tenant shall permit Landlord and its agents to enter the Premises during Tenant's Hours of Operation upon prior written notice only for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Premises, Base Rent shall be prorated based upon the percentage of the Premises rendered unusable and not used by Tenant ("Closure"), unless such Closure is caused as a result of an Alteration as provided for under Section 17. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency and notify Tenant immediately thereafter.

## **14. TENANT DEFAULT**

### **14.1 Default**

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

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



#### 14.2 Termination

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

#### 14.3 No Effect on Indemnity

Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

### 15. LANDLORD DEFAULT

#### 15.1 Remedies

In addition to the provisions for Landlord's default provided by Sections 9.4, 10.4, 19, 21.2 and 32.3, Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within five (5) business days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10.4); provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such five (5) business 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 after five (5) days written notice to Landlord advising Landlord that if the Landlord Default is not cured within five (5) day period, then Tenant shall have the following described remedies (which may be elected by written notice to the Landlord) in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

- (a) to remedy such default or breach and deduct the costs thereof (including but not limited to reasonable attorney' fees) plus interest at the rate of ten percent (10%) per annum from the installments of Base Rent next falling due;
- (b) to pursue the remedy of specific performance;
- (c) to seek money damages for loss arising from the Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due; and/or
- (d) to terminate this Lease

#### 15.2 Waiver

Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services,

or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

### 15.3 Emergency

Notwithstanding the foregoing cure period, Tenant may cure any default where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition, or materially and adversely affect the operation of Tenant's business in the Premises. In such cases, Tenant may perform the necessary work through its Internal Services Department and deduct the cost of said work from the Base Rent next due.

## 16. **ASSIGNMENT AND SUBLETTING**

### 16.1 Assignment and Subletting

Except for a transfer or use by another department of the County as stated in Section 6, Tenant may not assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises without first obtaining Landlord's prior consent provided however, no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto which Landlord shall not unreasonably withhold its consent if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease.

### 16.2 Sale

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

Upon any sale or transfer of the Property by Landlord, Landlord shall provide thirty (30) days prior written notice of said sale or transfer to Tenant. In addition, Landlord shall provide the following information to Tenant, at Tenant's Address for Notice (set forth in Section 1.1 hereof), as a condition of Tenant's obligation to pay Base Rent to the new owner:

- (a) A letter from the Landlord confirming that the Property was transferred to the new owner, along with written evidence of the transfer of the Property (e.g., a recorded deed).
- (b) A signed letter from the new owner including the following information:
  - i. Name and address of new owner or other party to whom Base Rent should be paid
  - ii. Federal tax ID number for new owner

- iii. Name of contact person and contact information (including phone number) for new owner
  - iv. Proof of insurance
- (c) A W-9 form for new owner.

Tenant shall not be obligated to pay any rental amounts to any party other than the Landlord named herein until such time as all the requirements of this Section 16.2 are satisfied.

## **17. ALTERATIONS AND ADDITIONS**

### **17.1 Landlord Consent**

Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. If Landlord fails to respond in writing within thirty (30) days after Tenant's request, then Landlord shall be deemed to have approved the requested Alterations.

### **17.2 End of Term**

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

## **18. CONDEMNATION**

### **18.1 Controlling Terms**

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

### **18.2 Total Taking**

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

### **18.3 Partial Taking**

If any portion, but not all, of the Premises or the Common Areas is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to

terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within 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 termination date designated by Tenant. If Tenant does not so notify Landlord within thirty (30) days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated in proportion to the degree to which Tenant's use of the Premises and the Common Areas is impaired by such Condemnation.

#### 18.4 Restoration

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

#### 18.5 Award

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

#### 18.6 Waiver of Statute

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

### 19. **INDEMNIFICATION**

#### 19.1 Landlord's Indemnity

The Landlord shall indemnify, defend and hold harmless the Tenant from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including reasonable attorney and expert witness fees) (collectively referred to as "Claims"), arising from or connected with the Landlord's repair, maintenance and other acts and

omissions arising from and/or relating to the Landlord's ownership of the Premises. The foregoing provision shall not be construed to make Landlord responsible for loss, damage, liability or expense from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees, or invitees.

#### 19.2 Tenant's Indemnity

The Tenant shall indemnify, defend and hold harmless the Landlord, from and against any and all liability, loss, injury or damage, including (but not limited to) demands, claims, actions, fees, costs and expenses (including reasonable attorney and expert witness fees) arising from or connected with the Tenant's repair, maintenance and other acts and omissions arising from and/or relating to the Tenant's use of the Premises. The foregoing provision shall not be construed to make Tenant responsible for loss, damage, liability or expense from injuries to third parties caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, or invitees.

### 20. INSURANCE

During the term of this Lease, the following insurance requirements will be in effect:

#### 20.1 Waiver

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

#### 20.2 General Insurance Provisions – Landlord Requirements

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

##### (a) Evidence of Coverage and Notice to Tenant

- i. Certificate(s) of insurance coverage ("Certificate") satisfactory to Tenant, and a copy of an Additional Insured endorsement confirming that Tenant and its Agents (defined below) has been given insured status under the Landlord's General Liability policy, shall be delivered to Tenant at the address shown below and provided prior to the start day of this Lease.
- ii. Renewal Certificates shall be provided to Tenant not less than 5 days prior to Landlord's policy expiration dates. The Tenant reserves the right to obtain complete, certified copies of any required Landlord insurance policies at any time.

- iii. Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Landlord identified in this Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding twenty-five thousand (\$25,000.00) dollars, and list any Tenant-required endorsement forms.
- iv. Neither the Tenant's failure to obtain, nor the Tenant's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Landlord, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
- v. Certificates and copies of any required endorsements, and/or notices of cancellation shall be delivered to:

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

Landlord also shall promptly notify Tenant of any third party claim or suit filed against Landlord which arises from or relates to this Lease, and could result in the filing of a claim or lawsuit against Landlord and/or Tenant.

(b) Additional Insured Status and Scope of Coverage

The Tenant, which is the County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively, "Tenant and its Agents"), shall be provided additional insured status under Landlord's General Liability policy with respect to liability arising from or connected with the Landlord's acts, errors, and omissions arising from and/or relating to the Landlord's operations on and/or its ownership of the Premises. Tenant's additional insured status shall apply with respect to liability and defense of suits arising out of the Landlord's acts or omissions, whether such liability is attributable to the Landlord or to the Tenant. The full policy limits and scope of protection also shall apply to the Tenant as an additional insured, even if they exceed the Tenant's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable, providing it satisfies the Required Insurance provisions herein.

(c) 'Cancellation of or Changes in Insurance

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

(d) Failure to Maintain Insurance

Landlord's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Lease upon which County immediately may withhold payments due to Landlord and/or suspend or terminate this Lease. County, at its sole discretion, may obtain damages from Landlord resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Landlord, deduct the premium cost from sums due to Landlord or pursue Landlord reimbursement.

(e) Insurer Financial Ratings

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

(f) Landlord's Insurance Shall Be Primary

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

(g) Waiver of Subrogation

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

- (h) Deductibles and Self-Insured Retentions ("SIRs")
- (i) Landlord's policies shall not obligate the Tenant to pay any portion of any Landlord deductible or SIR.
- (j) Claims Made Coverage

If any part of the Required Insurance is written on a per occurrence basis, any policy retroactive date shall precede the start date of this Lease. Landlord understands and agrees it shall maintain such coverage until the date of the closing of any sale of the Building by Landlord to a third party.

- (k) Application of Excess Liability Coverage

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

- (l) Separation of Insureds

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

20.3 Insurance Coverage Types And Limits

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

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

|  |              |
|--|--------------|
| General Aggregate:                       | \$ 3 million |
| Products/Completed Operations Aggregate: | \$ 2 million |
| Personal and Advertising Injury:         | \$ 2 million |
| Each Occurrence:                         | \$ 2 million |

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

Business Personal Property – Special Form, Replacement Cost providing coverage on all of Tenant's personal property, trade fixtures, equipment, telecommunications systems, the modular furniture systems, and the Tenant's Outdoor Seating Area items, with full replacement costs coverage, including flood and ordinance or law coverage.



## 20.4 Landlord Requirements

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

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

|  |              |
|--|--------------|
| General Aggregate:                       | \$ 5 million |
| Products/Completed Operations Aggregate: | \$ 5 million |
| Personal and Advertising Injury:         | \$ 3 million |
| Each Occurrence:                         | \$ 3 million |

Landlord shall be permitted to maintain such coverage pursuant to an umbrella or excess polic(ies) of insurance.

- (b) Commercial Property Insurance. Such insurance shall:

Be written for the full replacement cost of the Property, with a deductible no greater than \$250,000 or 5% of the Property value, whichever is less. Insurance proceeds shall be payable to the Landlord and Tenant, as their interests may appear.

## 21. PARKING

### 21.1 Tenant's Rights

Tenant shall have the right to the number of exclusive reserved parking spaces and unreserved parking spaces set forth in Section 1.1, without charge, for the Term of this Lease. No tandem parking shall be required or allowed, and Tenant shall be entitled to full in/out privileges at all times. Landlord shall be required to designate and stripe Tenant's parking as "Reserved Parking" and Tenant, at its option and expense, shall have Landlord install any additional signage identifying Tenant's reserved parking spaces at the Building. 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 unreserved 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 Property.

In order to make sure that the other tenants of the Property are not adversely impacted by Tenant's use, Tenant shall not use more than its reasonable share of parking spaces at the Property at any time. Landlord may implement rules and procedures to prevent Tenant or any other tenant from using more than their reasonable share of parking spaces at the Property. If Tenant plans to host an event that will require more than 30 non-exclusive spaces, Tenant agrees to notify Landlord and also make rideshare of off-site parking arrangements to avoid adverse impact to other tenants and their visitors' access to parking at the Property.

## 21.2 Remedies

Landlord acknowledges that it is a material term of this Lease that Tenant receives the number of the parking spaces to which it is entitled under Section 1.1(l) of this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the parking spaces required above are not available to Tenant (in addition to the rights given to Tenant under Section 14 and Sections 9 and 18 in the event of casualty or condemnation) and, if such parking spaces are not restored to Tenant within five (5) business days after Landlord's receipt of written notice from Tenant, then Tenant may:

- (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective thirty (30) days thereafter, or
- (b) deduct from the Base Rent thereafter accruing hereunder an amount each month equal to the Base Rent times the percentage of parking spaces not so provided times the number 1.5, but such deduction from Base Rent shall be not less than ten percent (10%) nor more than one hundred percent (100%) of the Base Rent.

## 22. ENVIRONMENTAL MATTERS

### 22.1 Hazardous Materials

Tenant shall not cause nor permit, nor allow any of Tenant's employees agents, customers, visitors, invitees, licensee, contractor, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently

existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

## 22.2 Indemnity

Landlord shall indemnify, protect, defend (by counsel reasonably acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fines, taxes, costs, liabilities, losses and expenses arising as a direct result of, or in connection with a Hazardous Materials Condition discovered on, under or about the Premises and/or the Building and Common Area that was NOT released, brought onto, caused or contributed to by any intentional or unintentional act or omission on the part of Tenant or any subtenant, employee, officer, director, manager, agent, contractor, customer, or invitee of 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.

Tenant shall indemnify, protect, defend (by counsel reasonably acceptable to Landlord, but a licensed attorney retained by Tenant's insurance company shall be deemed acceptable) and hold harmless Landlord from and against any and all claims, judgments, causes of action, damage, penalties, fines, costs, liabilities, losses and expenses arising as a direct result of, or in connection with a Hazardous Materials Condition that was on, under or about the Premises and/or the Building and Common Areas and released, brought onto, caused or contributed to by any intentional or unintentional act or omission on the part of Tenant or any subtenant, employee, officer, director, manager, agent, contractor, customer, or invitee of 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. Tenant shall promptly deliver to Landlord a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of a Hazardous Material Condition in the Building or the Premises or the Common Areas. Tenant's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Tenant under this Section shall constitute a material default under this Lease.

## 23. ESTOPPEL CERTIFICATES

Tenant shall, within thirty (30) calendar days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit F attached hereto (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's

interest in the Premises or a holder of any mortgage upon Landlord's interest in the Premises.

**24. TENANT IMPROVEMENTS**

Prior to the Commencement Date, Landlord shall construct the Tenant Improvements in the manner set forth in Landlord's Work Letter executed by Landlord and Tenant concurrently herewith. Any unused portion of Landlord's TI Allowance shall be applied toward Base Rent next due.

**25. LIENS**

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

**26. SUBORDINATION AND MORTGAGES**

26.1 Subordination and Non-Disturbance

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

26.2 Existing Deeds of Trust

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

26.3 Notice of Default

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

**27. SURRENDER OF POSSESSION**

Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant may (but shall not be required to) remove, at its own

expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

**28. SIGNAGE**

Tenant shall be allowed building standard signage on the monument sign and building exterior, at Tenant's sole cost and expense, subject to reasonable review and approval by Landlord. Tenant shall be permitted to install signs at the Premises that conform with any and all applicable laws and ordinances.

**29. QUIET ENJOYMENT**

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

**30. GENERAL**

30.1 Headings

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

30.2 Successors and Assigns

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

30.3 Brokers

Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than Cushman & Wakefield, Inc ("Tenant's Agent") and Beta Agency ("Landlord'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 other 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 Landlord, Landlord's Agent and Tenant's Agent.

30.4 Entire Agreement

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

30.5 Severability

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

30.6 Notices

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

30.7 Governing Law and Venue

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

30.8 Waivers

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

30.9 Time of Essence

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

30.10 Consent

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

30.11 Community Business Enterprises

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

### 30.12 Memorandum of Lease

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

### 30.13 Counterparts; Electronic Signatures

This Lease and any other documents necessary for the consummation of the transaction contemplated by this Lease 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 Lease 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 Lease had been delivered had been signed using a handwritten signature. Landlord and Tenant (i) agree that an electronic signature, whether digital or encrypted, of a party to this Lease is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intended 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 Lease based on the foregoing forms of signature. If this Lease 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.

## 31. AUTHORITY

Only the County's Board of Supervisors ("Board of Supervisors") has the authority, by formally approving and/or executing this Lease, to bind Tenant to the terms included herein. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease, and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by Tenant. Tenant shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Office of the



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

## **32. ACKNOWLEDGEMENT BY LANDLORD**

Landlord acknowledges that it is aware of the following provisions:

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

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

### **32.2 Solicitation of Consideration**

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

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

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

### **32.3 Landlord Assignment**

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



- (b) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease, or any portion thereof, as security for the Landlord's obligation to repay any monetary obligation, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.
- (c) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the Tenant. Notwithstanding the foregoing, the Tenant hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (commercial mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.
- (d) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the Tenant may impose damages in an amount equal to the greater of \$500,000 or 10% of the aggregate principal portion of all rental payments payable by the Tenant 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 Tenant may exercise or pursue any other right or remedy it may have under this Lease or applicable law.
- (e) Landlord shall give Tenant written notice and a copy of each and every assignment, transfer, hypothecation or encumbrance of Landlord's interest in this Lease and any instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least thirty (30) days prior to the effective date thereof.).
- (f) Landlord shall not furnish any information concerning Tenant 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 Tenant) to any person or entity, other than Landlord's consultants, advisors, attorneys, employees, agent and personnel who are required to effectuate the terms of the Lease, except with Tenant's prior written consent. Landlord shall indemnify, defend and hold Tenant 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 32.3.

- (g) The provisions of this Section 32.3 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.

#### 32.4 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 second-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.)

#### 33. IRREVOCABLE OFFER

In consideration for the time and expense that Tenant will invest in this Lease, including but not limited to preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County, as necessary, in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.1.

#### 34. RIGHT OF FIRST OFFER TO LEASE ADDITIONAL PREMISES.

- (a) Provided that no material Default has occurred and is continuing under the Lease, if at any time prior to the last twelve (12) months of the Term, if the space located contiguous to the Premises at 441 E Carson St Ste I Carson, CA 90745 ("Suite I") and or 441 E Carson St Ste M Carson, CA 90745 ("Suite M") become available for lease by the Landlord to third parties (collectively the "Additional Premises"), the Landlord shall first give written notice to Tenant of the expected date the existing tenant or occupant expects to return possession of the Premises to the Landlord and the rental rate, the anticipated Commencement Date, and all other material terms which Landlord is willing to lease the Additional Premises and that will apply to the availability of the available Additional Premises ("Landlord's Lease Notice"). This Landlord's Lease Notice is only required in the event that business in Suite I or Suite M will close and only if possession of such space will be returned to the Landlord, and such notice is not required in the event that the existing leases end, but Landlord elects to enter into an agreement for a renewal or extension, through an amendment or a new lease with the existing tenants or their assignees, subtenant, licenses, or a third party the purchases the business assets or equipment in such space. Landlord's Lease Notice shall constitute an offer to lease the available Additional Premises referenced in the Landlord's Lease Notice to Tenant for a Term that will expire upon the expiration of the Lease Term in this Lease. Tenant shall have twenty (20) business days after receipt of Landlord's Lease Notice to accept such offer, provided notification of acceptance with such offer is subject to approval by the Board of Supervisors' no later than four (4) months from date of notification of acceptance to Landlord. Tenant shall accept such offer, if at all, only by delivery to Landlord of Tenant's irrevocable written commitment to lease the Additional Premises at the rental rate and upon the terms and conditions contained in Landlord's Lease Notice (the "Expansion Commitment") Tenant confirms that the Landlord typically offers space at the Property based on a Net Net Net Lease, with the tenants paying operating expenses separate from Base Rent so the terms contained in the Landlord's Lease Notice will take into account such differences in terms and if Tenant desires to not accept the terms set forth in the Landlord's Lease Notice and desires to negotiate changes to those terms, then the rights under this provision shall end.
- (b) If Tenant delivers to Landlord the Expansion Commitment within such twenty (20) business day period, all (but not part) of either Suite I and/or Suite M shall be leased to Tenant commencing on the earlier of (a) the date Tenant first uses the Additional Premises for the Permitted Use; or (b) thirty (30) days after Landlord provides Tenant with possession of the Additional Premises and continuing for a period of time coterminous with the remaining Term, including any options to extend the Term. Tenant shall lease the Additional Premises upon the same terms, conditions and covenants as are contained in the Lease except that (i) the Base Rent for the Additional Premises shall be at the rate set forth in Landlord's Lease Notice, and (ii) any terms and conditions set forth in Landlord's Lease Notice that are inconsistent with the terms and conditions of the Lease shall control.
- (c) Except as otherwise set forth in the Landlord's Lease Notice, possession of the Expansion Premises shall be delivered to the Tenant on an "as-is" basis. Landlord shall prepare, and Landlord and Tenant shall execute and deliver a written agreement modifying and supplementing the Lease and specifying that the Expansion Premises are part of the Premises and, except as otherwise specified in Landlord's Lease Notice, subject to all of the terms and conditions of the Lease.

- (d) Time is of the essence with respect to the exercise by Tenant of its rights granted hereunder. In the event Tenant fails to deliver to Landlord Tenant's Expansion Commitment within the twenty (20) business day period prescribed above, all rights of Tenant to lease the Available Additional Premises shall terminate and Landlord shall have no further obligation to notify Tenant of any proposed leasing of the Additional Premises, and Landlord shall thereafter have the unconditional right to lease the Available Additional Premises to third parties or to accept offers from third parties to lease the Additional Premises without further obligation to Tenant. The rights granted to Tenant under this Section 34 shall not apply to any sales or similar transfers of the Additional Premises. This provision is a one-time right and once the Landlord provides the Landlord's Lease Notice for Suite I or Suite M, no further notices are required if space becomes available in the future.

**35. OPTION TO EXTEND.**

- (a) Option Terms. Provided that no material Default has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have one (1) option to renew this Lease for an additional period of five (5) years (the "First Extension Term").
- (b) Exercise of Option. Tenant must exercise its options to extend this Lease by:
  - (i) giving Landlord written notice of its intention to do so (its "Notice of Intent") no later than nine (9) months, nor earlier than twelve (12) months, prior to the end of the initial Term.
  - (ii) after the Agreed Market Rental Value has been determined as provided below, and after the Board of Supervisors has approved the exercise of the option to renew, by giving written notice of its election to exercise such option ("Option Exercise Notice") no later than thirty (30) days after the determination of the Agreed Market Rental Value, as provided below. It is understood that Tenant will not have been deemed to have exercised its option unless the Board of Supervisors has approved and given the Option Exercise Notice, which must be given within thirty (30) days of the determination of the Agreed Market Rental Value, as provided below. If the Tenant has served the Notice of Intent, but the time period for the Board of Supervisors to serve the Option Exercise Notice due to a dispute related to the Market Rental Value, then Tenant's continued occupancy shall be governed by the holdover provision under Section 7 of this Lease, and not under this Option provision, unless the Option is thereafter properly executed. If Tenant fails to serve the Notice of Intent by the deadline referenced in Section 35(a), Landlord will promptly provide written notice of the missed deadline under this Option ("Option Reminder"), and Tenant shall be granted an additional period of ten (10) business days after service of such written notice from Landlord, in which to give Landlord the Notice of Intent indicating its election to exercise such renewal option. Failure by Tenant to provide the Notice of Intent within ten (10) business days after service of the Option Reminder and/or the failure to timely serve the Option Exercise Notice, shall be a waiver by the Tenant to exercise the Option to extend the Term and without any further notice, act, or agreement, this Lease will terminate as of the then-applicable expiration date, and neither Landlord nor Tenant will have any further obligation or liability under this

Lease arising or continuing from and after such expiration date, subject, however, to the provisions that expressly survive termination of this Lease.

- (c) Terms and Conditions of the Extension Terms. The Extension Term shall be on all the terms and conditions of this Lease, except that the Base Rent during Extension Terms shall be equal to one hundred percent (100%) of Market Rental Value for the Premises as of the commencement of the applicable Extension Term, but the Base Rent shall not be less than three percent (3%) nor more than five percent (5%) increase from the expiring Base Rent at the expiration of the initial Term ("Agreed Market Rental Value") to be determined as set forth below.
- (d) Agreement on Extension Terms. Landlord and Tenant shall have ninety (90) days after Landlord receives the Notice of Intent in which to agree on the Base Rent, escalations, abatement, tenant improvements and any other tenant inducements then being offered to renewing tenants leasing space in the Carson/Suburban Long Beach sub-market during the Extension Term. Base Rent during the Extension Term(s) shall be the Agreed Market Rental Value of the Premises calculated as of the date Tenant gives its Notice of Intent with respect to its first and second options to extend, respectively.
- (e) Market Rental Value. The term "Market Rental Value" shall be the rental rate that comparable Premises in the Carson/Suburban Long Beach sub-market in which the Premises is located would command for the same term as the Extension Term on the open market at the time Tenant provides its Notice of Intent, as determined jointly by Landlord and Tenant. For purposes hereof, the term "comparable Premises" shall mean premises in a Building similar in size and location to the Building, including any improvements installed in the Premises. In determining the Market Rental Value, appropriate consideration shall be given to Tenant's creditworthiness, the annual amount per rentable square foot that Landlord has accepted in current transactions between non-affiliated parties from new, non-expansion, non-renewal and non-equity tenants of comparable creditworthiness for comparable premises for a comparable use for a comparable period of time, the annual rental rates per square foot, the standard of measurement by which the rentable square footage is measured, the ratio of rentable square feet to usable square feet, the type of expenses included in Base Rent of the Lease (since this Lease includes operating expense recoveries as part of Base Rent), the type of operating expenses and escalation clause are in comparable leases (e.g., whether increases in additional rent are included and/or determined on a net or gross basis, and if gross, whether such increases are determined according to a base year or a base dollar amount expense stop), the extent of Tenant's liability under the Lease, parking rights and obligations, signage rights, abatement provisions reflecting free rent and/or no rent during the period of construction or subsequent to the commencement date as to the space in question, brokerage commissions, if any, which would be payable by Landlord in similar transactions, length of the lease term, size and location of the Building being leased, and other general applicable conditions of tenancy for such comparable transactions.
- (f) Opinions. Landlord shall submit its opinion of Market Rental Value to Tenant within fifteen (15) business days after Landlord's receipt of the Notice of Intent, and Tenant shall respond thereto within ten (10) days thereafter by either (a) accepting Landlord's opinion of Market Rental Value (in which case, such Market Rental Value shall be used to determine Base Rent during the Extension Term) or (b)

submitting Tenant's opinion of Market Rental Value. If Landlord and Tenant cannot agree upon the Market Rental Value of the Premises within fifteen (15) business days thereafter, then Landlord and Tenant within ten (10) business days shall each submit to each other their final written statement of Market Rental Value ("Final Statement"). If the parties are still unable to agree, then within ten (10) business days thereafter Landlord and Tenant shall together appoint one real estate appraiser (who shall be a Member of the American Institute of Real Estate Appraisers) (or, if both Landlord and Tenant agree, a certified property manager and appraiser with ten (10) years' experience) who will determine whether Landlord's or Tenant's Final Statement of Market Rental Value is the closest to the actual (in such appraiser's opinion) Market Rental Value of the Premises. If Landlord and Tenant cannot mutually agree upon an appraiser within said ten (10) day period, Tenant may apply to the Presiding Judge of the Superior Court for Los Angeles County, requesting said Judge to appoint the M.A.I. qualified appraiser. The appraiser so appointed shall promptly determine whether Landlord's or Tenant's Final Statement of Market Rental Value is the closest to the actual (in such appraisers' opinion) Market Rental Value of the Premises, and such Final Statement of Market Rental Value shall be the Agreed Market Rental Value used in determining Base Rent during the Extension Term. The fees and expenses of the appraiser shall be borne equally by Landlord and Tenant. The appraiser appointed or selected pursuant to this Section shall have at least ten (10) years' experience appraising leases for commercial properties in Los Angeles County.

- (g) Amendment of Lease. Immediately after the Board of Supervisors approves the exercise of any option granted pursuant to this Section 34, and such option is exercised, Landlord and Tenant shall execute an amendment to this Lease setting forth the new Base Rent in effect.

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

LANDLORD:

TUNG'S INVESTMENT GROUP, INC., a  
California corporation

By: 

Name: Victor Tung

Its: Authorized Signatory

TENANT:

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:

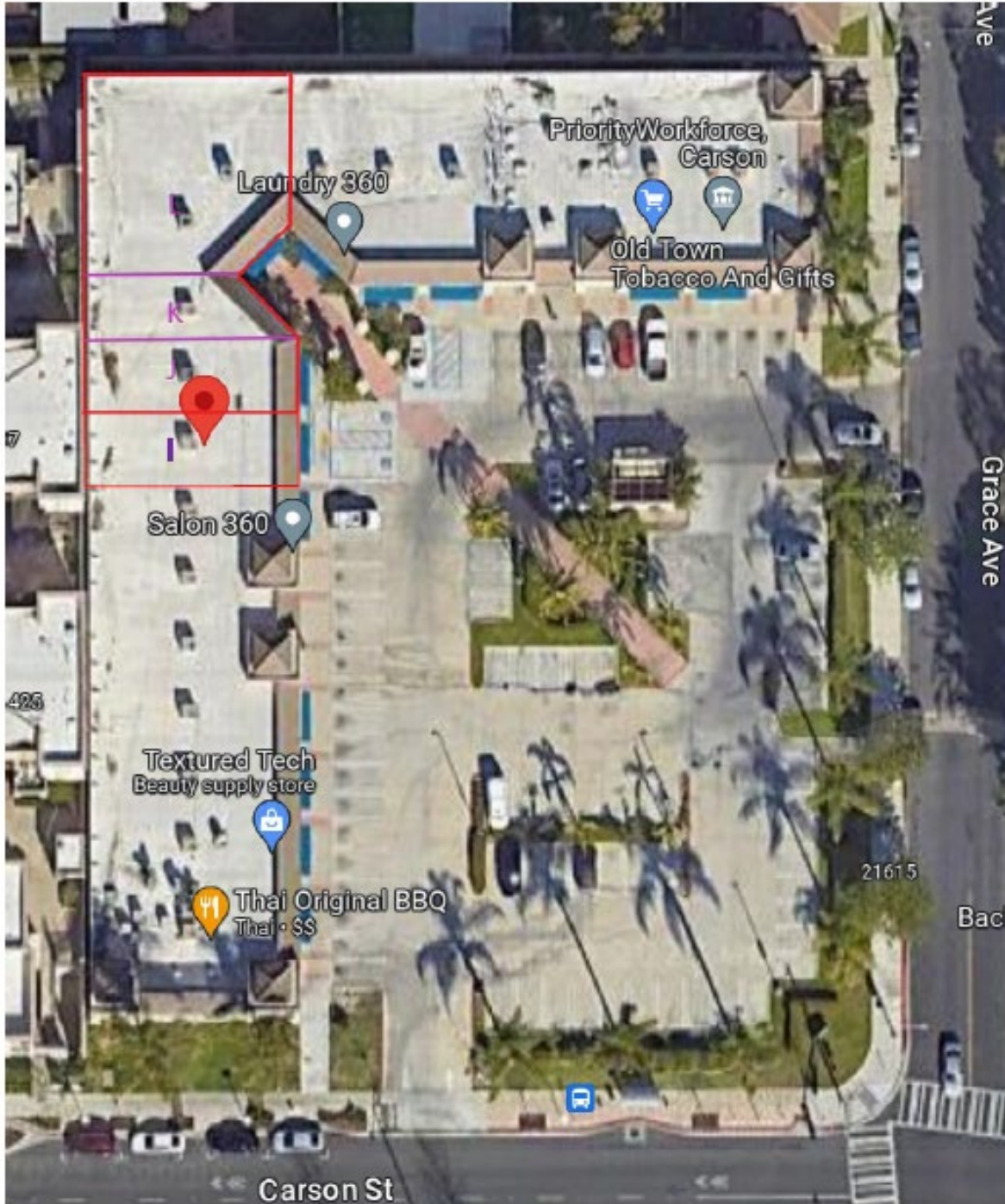
DAWYN R. HARRISON  
County Counsel

By:   
Senior Deputy



**EXHIBIT A**

**FLOOR PLAN OF PREMISES**





**EXHIBIT B**

**COMMENCEMENT DATE MEMORANDUM  
AND CONFIRMATION OF LEASE TERMS**

Reference is made to that certain Lease Agreement ("Lease") dated \_\_\_\_\_, 20\_\_, between County of Los Angeles, a body corporate and politic ("Tenant"), and TUNG'S INVESTMENT GROUP, INC., a California corporation ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 441 East Carson Street, Suite J, K, and L, Carson, California, 90745 ("Premises"),

Landlord and Tenant hereby acknowledge as follows:

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

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

- 5) Base Rent per month is \_\_\_\_\_.
- 6) The Base Index month is \_\_\_\_\_.
- 7) The Base Index is \_\_\_\_\_.
- 8) The first New Index month is \_\_\_\_\_.

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

Tenant:

Landlord:

COUNTY OF LOS ANGELES,  
a body corporate and politic

TUNG'S INVESTMENT GROUP, INC., a  
California corporation

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

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

## **EXHIBIT C**

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

Landlord shall supply cooling, ventilating and heating with the capacity to produce the following results effective during Tenant's Hours of Operation established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one zone for approximately each 1,000 square feet and one diffuser for each 200 square feet of usable/net square footage within the Premises. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications. All HVAC ducts cleaned as needed but no less than every five (5) years.

**EXHIBIT D**

INTENTIONALLY OMITTED

**EXHIBIT E**

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

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

**County of Los Angeles  
Chief Executive Office  
Real Estate Division  
320 W. Temple Street, 7th 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 corporate and politic ("Tenant"), [*Insert name of Landlord*], ("Borrower") and [*Insert name of Lender*], ("Lender").

Factual Background

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

Agreement

Therefore, the parties agree as follows:

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

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

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

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

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

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

(b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease, unless resulting from a default or breach by such prior landlord which continues after Lender or Purchaser succeeds to the interest of such prior landlord; and provided that any offsets deducted by Tenant prior to the date that Lender or Purchaser succeeds to the interest of such prior landlord shall not be subject to challenge; or

(c) be bound by any prepayment by Tenant of more than one (1) month's installment of rent, unless the Lease expressly requires such prepayment; or

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

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

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

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

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

To Tenant: County of Los Angeles  
Chief Executive Office  
Real Estate Division  
320 W. Temple Street, 7th Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

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

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

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

BORROWER: *[Insert name of Landlord]*

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

LENDER: *[Insert name of Lender],*

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



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

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

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

personally appeared \_\_\_\_\_,  
Name of Signer(s)

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

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

WITNESS my hand and official seal.

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

**EXHIBIT F**

**TENANT ESTOPPEL CERTIFICATE**

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

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

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

Re:   Date of Certificate:           \_\_\_\_\_

      Lease Dated:                    \_\_\_\_\_

      Current Landlord:            \_\_\_\_\_

      Located at:                     \_\_\_\_\_

      Premises:                      \_\_\_\_\_

      Commencement Date of Term: \_\_\_\_\_

      Expiration Date:               \_\_\_\_\_

      Current Rent:                  \_\_\_\_\_

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

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

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

      (b)    The current Rent is set forth above.

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

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

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

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

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

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

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

(e) No rental payments have been made more than one (1) 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, except: \_\_\_\_\_.

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

COUNTY OF LOS ANGELES,  
a body corporate and politic

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

## EXHIBIT 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 MBE/WBE participation. The information requested below is for statistical purposes only. The final analysis and consideration of the lease will be determined without regard to race, creed, color or gender. *(Categories listed below are based on those described in 49 CFR Section 23.5)*

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

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

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

**EXHIBIT H**

**MEMORANDUM OF LEASE**

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

County of Los Angeles  
Chief Executive Office  
Real Estate Division  
320 W. Temple Street, 7th Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

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

---

**MEMORANDUM OF LEASE**

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

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

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

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

LANDLORD:

TUNG'S INVESTMENT GROUP, INC., a  
California corporation

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

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

TENANT:

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

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

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

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

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

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

WITNESS my hand and official seal.

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

**EXHIBIT I**

**LANDLORD'S WORK LETTER**



**LANDLORD'S WORK LETTER**

**For**

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

**COUNTY OF LOS ANGELES - Tenant**

**TUNG'S INVESTMENT GROUP, INC. - Landlord**

**441 EAST CARSON STREET**

**SUITE J, K, and L**

**CARSON, CALIFORNIA, 90745**

## LANDLORD'S WORK LETTER

This Work Letter supplements the Lease Agreement (the "Lease") dated \_\_\_\_\_, 20\_\_\_\_, executed concurrently herewith, by and between TUNG'S INVESTMENT GROUP, INC., a California corporation, as Landlord, and COUNTY OF LOS ANGELES, a body corporate and politic, as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings as described to them in the Lease.

The parties hereby agree as follows:

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

- |   |  |
|---|--|
| (a) <u>Total TI Costs</u>   | \$1,050,800.00 (i.e., \$185.00 per rentable square foot of the Premises)   |
| (i) <u>Landlord's TI Allowance</u>  | \$284,000.00 (i.e., \$50.00 per rentable square foot of the Premises)  |
| (ii) <u>Tenant's TI Contribution</u>  | \$766,800.00 (i.e., \$135.00 per rentable square foot of the Premises)   |
| (b) <u>TI Amortization Rate and Change Authorization Amortization Rate:</u> | Fixed seven and one-half percent (7.5%) per annum to be paid over the first five (5) years of the Term.  |
| (c) <u>Tenant's Work Letter Representative</u>                              | An assigned staff person of the Chief Executive Office-Real Estate Division  |
| (d) <u>Landlord's Work Letter Representative</u>                            | Victor Tung or an assigned staff person of the Landlord  |
| (e) <u>Landlord's Address for Work Letter Notices</u>                       | Tung's Investment Group, Inc.<br>c/o Charles Dunn Real Estate Services, Inc.<br>800 W 6 <sup>th</sup> St, Suite 600<br>Los Angeles, CA 90017<br>Email: victor@tgroupre.com & hvanmoyland@charlesdunn.com |
| (f) <u>Tenant's Address for Work Letter Notices</u>                         | County of Los Angeles<br>Chief Executive Office - Real Estate Division<br>320 West Temple Street, 7th Floor<br>Los Angeles, CA 90012<br>Attention: Director of Real Estate                               |

(g) Addenda

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

## 2. Construction of the Building.

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

### 2.2 Additional Costs Not Total TI Costs.

(a) If the Building as initially constructed does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the Americans with Disabilities Act of 1990 (ADA), and/or earthquake safety codes, and Landlord incurs increased design or construction costs that it would not have incurred if the Building had been in compliance with such codes, then such costs shall not be included in the calculation of Total TI Costs (as defined below), and Tenant shall have no financial responsibility for such costs.

(b) Any work that Landlord must undertake to cause the Premises to comply with the access requirements of the ADA or to make existing building systems, including but not limited to electrical service and HVAC equipment, fully operational shall be at Landlord's sole cost and expense. Total TI Costs shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease, including all expenses associated with curing any "Sick Building Syndromes", (ii) code compliance work required for the fire sprinkler system including pump house, main lines or other portion of the fire sprinkler system located outside of the Premises, however, any modification or upgrade of the fire sprinkler system located within the Premises (as opposed to outside of the Premises) required to accommodate the Tenant Improvements shall be included as part of the Tenant Improvement Costs, (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere, (iv) utility costs incurred during construction, (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease, nor (v) supervision or overhead costs of Landlord.

(c) Landlord shall be solely responsible for all costs and expenses necessary to increase and / or maintain permitted structural floor loading in order to accommodate Tenant's libraries, file rooms, unusual live loads and other such uses, as indicated in the Final Plans.

(d) Intentionally Deleted. See Section 2.2 of the Lease.

2.3 Base Building Plans. Landlord has delivered to Tenant complete and accurate "as built" plans and specifications for the Building in an AutoCAD 2015 (or later version) and Adobe PDF electronic format via USB flash drive and set-up of a web-based download link. If Tenant incurs additional costs because such plans and specifications are incomplete or inaccurate, then any delay caused thereby shall not be a Tenant Delay (as defined below), but shall be deemed

to be a delay caused by Landlord, and Landlord shall pay for any increased costs caused by such delay.

**2.4 Survey.** Where 'as-built' plans are missing, Landlord must perform a survey of existing space, which shall include existing floor plans and mechanical, electrical, and plumbing systems. The survey shall be at Landlord's sole cost and expense. Landlord shall submit such survey to the Tenant such that the initial Space Plan (as defined in Section 5.1) can be modified to conform to the existing conditions. Selection of Architect Landlord shall not proceed with any bid solicitation for architectural services until final space plan is furnished to the Landlord. Once Landlord receives the Space Plan from Tenant, Landlord shall promptly solicit at least three (3) proposals from qualified licensed architects familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings (as defined below). Landlord shall select an architect, subject to Tenant's acceptance, which shall not be unreasonably conditioned, delayed, or withheld, and which acceptance (or rejection for reasonable reasons) shall be granted within five (5) calendar days after Landlord has submitted the name of the selected architect to Tenant, together with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until Tenant accepts an architect (the "Architect"), and Tenant's written acceptance has been delivered to and received by Landlord.

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

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

**4.1 Preparation of Space Plan.** Concurrently with the execution of this Lease, Tenant shall submit to Landlord specifications for the Premises, which shall include a space plan, and when available, low voltage and furniture plans and , shall depict, without limitation, all demising walls, corridors, entrances, exits, doors, and interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room (collectively, the "Space Plan").

**4.2 Preparation and Review of Working Drawings.** Within thirty (30) days after the date the Space Plan is submitted to Landlord or 2) Tenant has provided Landlord its written acceptance of the Architect (the "Plan Submission Date"), Landlord shall instruct the Architect to commence preparation of working drawings (the "Working Drawings"), which shall (a) be consistent with the Space Plan and the Preliminary TI Cost Summary (as defined below), (b) be compatible with the design, construction and equipment of the Building, (c) comply with all applicable laws, (d) be capable of physical measurement and construction, (e) contain all information required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and (f) include all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected

ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times provided that a schedule to submit the Working Drawings is provided to, and approved by, the Tenant. Landlord shall provide Tenant the Working Drawings, or such portion thereof as has been submitted, for Tenant's review and acceptance. Landlord shall be solely responsible for ensuring that the Working Drawings fully comply with all applicable building codes and cover any expenses that result from the errors, omissions or inconsistencies in the Architect's Instruments of Service.

4.3 Preparation and Review of Engineering Drawings. Landlord shall cause the Architect to coordinate with the Engineer and to integrate all engineering drawings prepared by the Engineer, including but not limited to complete mechanical, electrical, and plumbing plans ("Engineering Drawings"), into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review and acceptance.

4.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has accepted the Engineering Drawings, Landlord shall cause the Architect to integrate the accepted Working Drawings with the accepted Engineering Drawings (collectively "Final Plans") and deliver the Final Plans to Tenant for Tenant's review in an AutoCAD 2015 (or later version) and Adobe PDF electronic format via USB flash drive and set-up a web-based download link. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements), power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements. Landlord's review of the Space Plan, Working Drawings, Engineering Drawings, and Final Plans shall be at Landlord's sole cost and expense.

4.5 Tenant's Plan Review and Acceptance. Tenant shall accept or reject the Working Drawings, the Engineering Drawings and the Final Plans within twenty-one (21) calendar days after Tenant receives the applicable plans and drawings from Landlord. If Tenant rejects any such plans or drawings, then Tenant shall notify Landlord thereof, specifying in detail the reason for such rejection, in which case Landlord shall revise the applicable plans or drawings and deliver revised plans or drawings to Tenant within twenty-one (21) calendar days after receipt of Tenant's rejection notice. This procedure shall be repeated until the applicable plans are accepted by Tenant and such acceptance shall not be unreasonably withheld, conditioned or delayed. Tenant's acceptance of the Working Drawings, Engineering Drawings and/or the Final Plans shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements, which shall be Landlord's sole responsibility.

4.6 Schedule. Within twenty-one (21) calendar days of the Plan Submission Date, Landlord shall submit to Tenant an estimated construction schedule ("Preliminary Schedule"), subject to review by Tenant, which shall not be unreasonably conditioned, delayed, or withheld, setting forth the completion dates of certain project milestones, including but not limited to completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of the Construction Contract, construction commencement date, interim schedule milestone dates, and the estimated date of Substantial Completion. The schedule shall be

apportioned by construction activity and include time required for the completion of each portion of the work. As the construction continues, Landlord shall amend the construction schedule as needed to reflect any changes to the projected dates, and Landlord shall promptly submit the revised construction schedules to Tenant. If the amended construction schedule identifies delays to the project's critical path, the Landlord shall provide a revised schedule

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

## **5. Landlord's TI Cost Summary and Payment of Total TI Costs.**

5.1 Cost Summary. Within thirty (30) calendar days after the Plan Submission Date, Landlord shall submit to Tenant a preliminary cost summary for the Tenant Improvements in a format similar to Addendum C attached hereto (the "Preliminary TI Cost Summary"), which must not exceed the sum of Landlord's TI Allowance and Tenant's TI Contribution. The Preliminary TI Cost Summary shall be revised into final form within ten (10) days after the date that the Contractor is selected and will be referred to herein as the "Final TI Cost Summary". Tenant shall have fourteen (14) calendar days after the date of receipt of the Final TI Cost Summary to accept or reject the Final TI Cost Summary, including but not limited to any Contractor overhead, profit and/or general conditions costs included therein, provided, however, that any proposed increase to Tenant's TI Contribution shown on the Final TI Cost Summary shall not be effective unless approved in a separate written agreement executed by Landlord and Tenant. Tenant's failure to accept or reject the Final TI Cost Summary in writing within such period shall be deemed to be rejected. Construction of the Tenant Improvements shall not begin until Tenant accepts the Final TI Cost Summary in writing. If Tenant rejects the Final TI Cost Summary due to matters related to cost and the Final TI Cost Summary is fifteen percent (15%) or more higher in cost than projected in the Preliminary TI Cost Summary, then, at Tenant's request, Landlord shall cause the Architect and the Engineer to redesign the Tenant Improvements, at Landlord's sole expense, to comply with the Preliminary TI Cost Summary, and any delay caused by the necessity to rebid or redesign the Tenant Improvements shall not be considered a Tenant Delay. If Tenant rejects the Preliminary TI Cost Summary or the Final TI Cost Summary, the parties shall promptly confer to resolve all issues relating thereto. If after such consultation, the parties cannot agree on the Preliminary TI Cost Summary or the Final TI Cost Summary and it still exceeds the sum of the Landlord's TI Allowance and Tenant's TI Contribution, then Landlord may elect to pay for any shortfall or Tenant may elect to terminate the Lease and this Work Letter by delivering written termination notice to Landlord, whereupon all monies previously paid to Landlord shall be promptly refunded to Tenant, and the parties shall have no further obligations under the Lease or this Work Letter.

5.2 Landlord's TI Allowance and Tenant's TI Contribution. All improvements required by the Final Plans, as further described in Addendum B hereto, and any and all modular furniture described in the Modular Specifications (as defined below) shall be referred to herein, collectively, as "Tenant Improvements" or "TI." Costs of Tenant Improvements shall include costs for furniture, soft costs, and any other costs approved in writing by Tenant (collectively "Total TI Costs"), all of which must not exceed the sum of Landlord's TI Allowance, Tenant's TI Contribution, and the cost of any Change Authorizations (as defined below) that are approved in writing by both parties. Landlord shall be solely responsible for any delay or increased cost in completing the Tenant Improvements, unless caused by a Change Authorization from Tenant. Except as otherwise provided herein, all Total TI Costs shall be paid by Landlord and deducted from Landlord's TI Allowance. If the Total TI Costs exceed Landlord's TI Allowance, then Tenant may authorize Landlord to pay the overage in an amount not exceeding Tenant's TI Contribution. Thereafter, Tenant shall pay such overage to Landlord as provided in Section 6.3 below.

5.3 Method of Payment. Tenant shall be obligated to pay Landlord that portion of Tenant's TI Contribution used to pay for any Total TI Costs in excess of Landlord's TI Allowance thirty (30) calendar days after all of the following conditions have been met: (i) Tenant Improvements are Substantially Complete (as defined in the Lease); (ii) Landlord has provided Tenant with all documentation substantiating all Tenant Improvements' expenses, including without limitation, receipts, invoices, proof of payment, unconditional lien releases and approved changed orders; and (iii) Tenant has reconciled all Tenant Improvements' costs to determine and confirm the total Tenant Improvements amount spent and the amount of Tenant's TI Contribution owed to Landlord. At Tenant's election, such payment may be made (a) in a lump sum, or (b) in equal monthly payments, amortized over the initial five (5) years of the term of the Lease at the TI Amortization Rate. Tenant may, at any time during the Term, prepay all or any portion of the Total TI Costs in excess of the Landlord's TI Allowance and pay any remaining amount in equal monthly payments, amortized over the remaining term of the Lease at the TI Amortization Rate.

5.4 Base Rent Credit for Unused Portions of Landlord's TI Allowance. If the Total TI Costs are less than the Landlord's TI Allowance, then the amount of any unused portion of the Landlord's TI Allowance shall be applied as a credit against the next installment(s) of Base Rent due under the Lease.

## **6. Construction of Tenant Improvements.**

6.1 Tenant Improvements. Tenant Improvements to be constructed by Landlord are described more particularly on Addendum B hereto. If any work required by the Final Plans is not described on Addendum B hereto, such work shall be considered a Base Building Improvement and shall be performed by Landlord at its own cost and expense and not included in the cost of Tenant Improvements.

6.2 Bids. Unless waived by Tenant in writing, any major contractors, subcontractors and material suppliers providing labor and/or materials for the Tenant Improvements shall be selected only after a minimum of two (2) bids have been solicited from responsible and qualified persons. The bids shall include an itemized list of all materials and labor and shall include all additional costs, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Landlord shall also obtain a minimum of three (3) bids from responsible and qualified bidders for the purchase and installation of Tenant's office furniture system, if applicable, in accordance with Section 9.1 below.



6.3 Permits. Landlord shall obtain the approval of all applicable governmental authorities and all permits required for the Tenant Improvements, promptly after Tenant's acceptance of the Final Plans. Landlord shall obtain plan check approval prior to soliciting bids from contractors pursuant to Section 4 hereof.

6.4 Commencement of Construction. Landlord shall commence construction of the Tenant Improvements within twenty-one (21) calendar days after Tenant's acceptance of the Contractor pursuant to Section 4 and Tenant's acceptance of the Final Cost Summary pursuant to Section 6.1 hereof. Contractor shall obtain the building permit for the Tenant Improvements prior to the commencement of construction. Thereafter, Landlord shall diligently proceed to construct and complete all Tenant Improvements in a good and workmanlike manner, subject only to any cessation that may be caused by Force Majeure Delays (as defined below).

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

(a) Notice of Nonresponsibility. Landlord and the Contractor shall cooperate with Tenant in posting a notice or notices of nonresponsibility by Tenant in compliance with California Civil Code Section 8444.

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

(c) Warranties. Landlord warrants that the Tenant Improvements shall be free from any defects in workmanship and materials for a period of not less than two (2) years from the date of Substantial Completion (as defined in the Lease). Landlord shall require each contractor and subcontractor to provide warranties of like duration in all construction contracts relating to the Tenant Improvements and, upon Tenant's request, Landlord shall assign to Tenant any such warranties relating to the Tenant Improvements. Patent defects in the Tenant Improvements shall be brought to Landlord's attention promptly. Latent or hidden defects in the Tenant Improvements shall be brought to Landlord's attention promptly upon Tenant's becoming aware of such defects. Landlord, at Landlord's sole cost and expense, shall promptly cause such defects to be repaired following receipt of notice thereof, and Tenant shall have the same rights with respect thereto as set forth herein for all other punch-list items.

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

(e) Compliance with Laws. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including but not limited to all provisions of the California Labor Code. **Without limiting the generality of the foregoing, construction of the Tenant Improvements shall comply with all applicable laws and regulations, including but not limited to the provisions of the California Labor Code relating to the payment of prevailing wages on public works**



projects, unless the work is otherwise exempt therefrom pursuant to the California Labor Code. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly wage rate and details pertinent thereto for each craft, classification, or type of workman or mechanic needed for the construction of the Tenant Improvements. Particulars of the current prevailing wage scale, as approved by the Board of Supervisors, which are applicable to the work, are filed with the Clerk of the Board of Supervisors and must be posted at the site. Notwithstanding the foregoing or any language to the contrary contained herein, the payment of prevailing wages according to the current prevailing wage scale and compliance with applicable prevailing wage statutes shall be required where there is a Tenant's TI Contribution made towards the Total TI Costs of the Tenant Improvements to be performed.

(f) Access During Construction. Tenant shall have the right to conduct site visits to observe progress of the Tenant Improvements during the course of construction. Additionally, pursuant to Section 4.3 of the Lease, Tenant shall be entitled to enter the Premises at least thirty (30) calendar days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Landlord and Tenant shall use reasonable good faith efforts to coordinate the work of their respective contractors to achieve timely completion of the Tenant Improvements and Tenant's installation work.

6.6 Completion/Close Out. The Premises shall not be considered Substantially Complete until the Tenant Improvements have been completed in accordance with the Final Plans and Section 4.1 of the Lease, subject only to the completion of minor punch-list items that will not interfere with Tenant's use and occupancy of the Premises for Tenant's permitted and intended use under the Lease. Upon Substantial Completion of the Tenant Improvements, Landlord shall notify Tenant in writing and, within fourteen (14) calendar days of Tenant's receipt of such notice, Landlord and Tenant shall conduct a "walk-through" inspection of the Premises and prepare a punch-list of known or apparent deficiencies or incomplete work required to be corrected or completed by Landlord. Landlord, at Landlord's sole cost and expense, shall cause all punch-list items to be repaired or completed as soon as possible, but in no event later than thirty (30) days following the walk-through inspection. If Landlord fails to complete any of the punch-list items within such 30-day period, then Tenant, in addition to its other rights and remedies under the Lease, after giving ten (10) days written notice to Landlord, shall have the right, but not the obligation, to cause such punch-list items to be completed, with the cost thereof plus ten percent (10%) for Tenant's overhead and supervision to be deducted from the next installment(s) of rent or other amounts payable by Tenant under the Lease.

6.7 Conformed Plans. Within sixty (60) days after Substantial Completion of the Tenant Improvements and Landlord's receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans ("as-builts") incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such "as-built" or "record documents" shall be submitted in an AutoCAD 2015 (or later version) format, along with one complete set of plans and specifications Adobe PDF electronic format via USB flash drive and set up of a web-based download link.

7. Requests for Change. Tenant and Landlord may request changes, additions, deletions or substitutions in the Final Plans (each, a "Request for Change"), provided that the requesting party must submit a written request to the other party and that Requests for Change will not be effective unless approved in writing by both Tenant and Landlord (a "Change Authorization");. Only the County's Chief Executive Officer or his/her designee is authorized to execute Change

Authorizations on behalf of Tenant. If Tenant requests any changes or substitutions to the Tenant Improvements after the Final Plans and the Final TI Cost Summary have been accepted ("Tenant-Requested Changes"), then any additional costs related thereto in excess of Landlord's TI Allowance shall be paid by Tenant, provided that Tenant executes a written Change Authorization prior to the performance of the applicable work. Tenant shall be obligated to pay Landlord for the Tenant Request for Change as part of Tenant's portion of Tenant's TI Contribution used to pay for any Total TI Costs in excess of Landlord's TI Allowance as defined in Section 6.3. Landlord shall be solely responsible for the cost of any Change Authorizations or other Requests for Change that are not Tenant-Requested Changes or approved by the Chief Executive Officer or his/her designee. Landlord shall submit to the Chief Executive Officer or his/her designee with each Request for Change: (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Change Authorizations previously executed, and (iii) an estimate of the number of days by which the construction time will be increased or shortened if the Request for Change is approved. Each Change Authorization must be signed and dated by tenant department, Landlord and the Chief Executive Officer or his/her designee in order to be effective.

## **8. Furniture System.**

8.1 Tenant shall deliver to Landlord within fourteen (14) calendar days after the date of full execution of this Work Letter, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, Landlord and /or Landlord's architect shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors. The bid package shall be broken down into separate line items for material, delivery, installation, and sales tax, and each furniture item shall be broken down by unit price, quantities, description and specification. Prior to submission for bids, Landlord shall review the bid package with Tenant, and Tenant shall have the right to accept or reject the bid package. In the event the bid package was rejected then the Landlord & Tenant shall revise the scope of the bid package and resubmit. In the event the bid package was approved, then Landlord shall order and enter into a contract for the purchase and installation of the modular furniture set forth in the Modular Specifications and install the same within the Premises, all of which shall be a Total TI Cost, payable by Landlord and/or Tenant as provided in Section 6.2 and Section 6.3 hereof. Tenant's acceptance of any bid package shall not be deemed to be a representation by Tenant as to the adequacy or correctness of any specifications contained therein.

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

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

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

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

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

**9. Total TI Costs Adjustment and Right to Audit.** Within twenty-one (21) calendar days of the issuance of a Certificate of Occupancy for the Premises or a final sign-off by the County of Los Angeles, whichever occurs first, Landlord shall provide to Tenant a statement showing (a) all Total TI Costs in reasonable detail and sorted into the same line items as the Final TI Cost Summary, and (b) the amount of Total TI Costs that is in excess of Landlord's TI Allowance and payable hereunder by Tenant to Landlord. Upon approval of such statement by Tenant, payments by either party pursuant to the Lease and this Work Letter shall be adjusted as appropriate based upon such statement. Tenant shall have the right to audit the Total TI Costs for two years after the date of Tenant's Acceptance of the Premises. If the audit shows that Tenant is entitled to a reduction in payments made by Tenant to the Landlord pursuant to this Work Letter, then Tenant shall provide Landlord with a copy of the audit summary, and inform Landlord if Tenant wants Landlord to pay Tenant the amount of any over-payment made by Tenant within thirty (30) calendar days or if Tenant will apply such amount as a credit against the next installment(s) of Base Rent due under the Lease, and any future payments owed by Tenant shall be adjusted as appropriate based upon the audit results. Landlord shall require the Contractor to include audit provisions in all subcontracts which allow Tenant to audit the subcontractors' books and records with respect to the Tenant Improvements.

**10. Telephone/Computer Room and Equipment.** Landlord shall complete the telephone equipment room(s), including permanent power and HVAC, in compliance with the Space Plan, Low-Voltage Plan and specifications provided by Tenant, at least thirty (30) calendar days prior to the Estimated Commencement Date. During this thirty (30) day period, the Landlord shall not be responsible for the security and protection of any telephone/data equipment delivered to the site prior to the Estimated Commencement Date.

**11. Delay.**

11.1 Tenant Delays and Force Majeure Delays. Except as set forth in this Section 12, Tenant shall not be charged as a result of any delay in the construction of Tenant Improvements, Subject to the provisions of Section 12.2, the Estimated Commencement Date set forth in the Lease shall be extended one (1) day for each day that: (a) Tenant fails or refuses to give authorizations or approvals within the time periods required herein, but only to the extent such delays delay the commencement or completion of construction of the Tenant Improvements (referred to herein as "Tenant Delay(s)"); or (b) Substantial Completion of the Tenant Improvements is delayed by acts of god, lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)").

11.2 Limitations.

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

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

(c) Concurrent Delays. Tenant Delays and Force Majeure Delays shall be recognized hereunder only if they are not concurrent with any other Tenant Delay or Force Majeure Delay that is effective hereunder. For example, if fourteen (14) calendar days of Tenant Delays and six (6) calendar days of Force Majeure Delays occur during the same fourteen (14) calendar day period, then the Estimated Commencement Date would be extended by only fourteen (14) calendar days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, then the Estimated Commencement Date would be extended by twenty (20) calendar days.

(d) Change Authorizations. Landlord may not claim that a Tenant-Requested Change was the cause of a delay in the construction of the Tenant Improvements unless the anticipated delay is specified in writing in the executed Change Authorization and affects the Critical Path of the Construction Schedule.

(e) Work Scope Precedence. In case of conflicts or discrepancies between or among this Landlord Work Letter, plans, and specifications, plans shall supersede specifications for quantity, specifications shall supersede plans for quality, and this Landlord Work Letter shall supersede both plans and specifications.

**12. Tenant Remedies**. If Landlord fails to obtain the building permit to construct the Tenant Improvements within a reasonable time, taking all factors into consideration, or if the Tenant Improvements have not been completed within sixty (60) calendar days after the Estimated Commencement Date or any extensions thereof as provided for in the Lease (Section 4.2), then Tenant may, at its option:

12.1 Cancel the Lease upon thirty (30) calendar days' written notice to Landlord; or

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

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

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

Any default by Landlord under the terms of this Work Letter beyond the expiration of all applicable notice and cure periods shall constitute a Landlord Default under the Lease and shall entitle Tenant to exercise all remedies set forth in the Lease.

**13. Representatives.**

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

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

**14. INTENTIONALLY DELETED.**

**15. Construction Meetings.** During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, if needed, unless Tenant directs otherwise, at a time and place that is mutually convenient. An initial construction meeting shall be held within seven (7) calendar days after the date the Contractor is selected. If requested, Contractor shall provide minutes of each construction meeting to Tenant within a reasonable time thereafter, but not later than three (3) calendar days after the date of the construction meeting.


**16. Delivery.** Delivery of all plans and drawings referred to in this Work Letter shall be either by commercial messenger service, personal hand delivery or Landlord can set up a web-based download, unless otherwise agreed by Landlord and Tenant.

**17. Miscellaneous.** This Landlord Work Letter sets forth the entire understanding and agreement between the Parties with respect to the subject matter of this Landlord Work Letter. This Landlord Work Letter may be amended only in a writing signed by both Parties. Any notice to a party for a breach of this Landlord Work Letter must be delivered in writing per the terms as set forth in Section 30.6 of the Lease. This Landlord Work Letter shall be construed as if jointly drafted by the parties. This Landlord Work Letter will not be effective unless and until signed by both Parties. Neither party may assign this Landlord Work Letter or its rights or obligations hereunder without the other party's prior written consent. This Landlord Work Letter will be binding upon, enforceable by and inure to the benefit of the Parties and each of their successors and permitted assigns. Provisions contained in this Landlord Work Letter shall prevail in case of conflict over the terms of the Lease. This Landlord Work Letter is hereby incorporated into and made part of the Lease. All the terms and conditions of the Lease remain in full force and effect, except as expressly indicated otherwise in this Landlord Work Letter. This Landlord Work Letter will become effective as of the Effective Date and shall continue in effect, except to the extent it is amended or terminated in accordance with terms of the Lease.

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

LANDLORD:

TUNG'S INVESTMENT GROUP, INC., a California corporation

By:   
Name: Victor Tung  
Title: Authorized Signatory  
Date Signed: \_\_\_\_\_

TENANT:

COUNTY OF LOS ANGELES,  
a body corporate and politic

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

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

### **BASE BUILDING IMPROVEMENTS**

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

(a) Building shell and exterior, including perimeter window systems and mullions in good condition. If building has not been constructed or is still under construction, no tenant improvements work shall commence until building has been signed off by the City having jurisdiction and Certificate of Occupancy has been received.

(b) Must also include including mechanical, electrical, sprinkler, plumbing, Fire life safety, heating, air conditioning, ventilation and structural systems within the Building core, stubbed out to the face of the core wall at locations determined by Landlord;

(c) New toilet rooms per code, including necessary plumbing fixtures, new toilet partitions, lavatories, ceramic tile floors, sinks, "touchless" faucets, soap dispensers, hand dryers, accessories, ceilings and lighting, with running hot and cold water;

(d) Drywall or lath and plaster covering the exposed side of all exposed core walls, core and perimeter columns and the interior exposed side of all exterior building wall areas except at and under windows. Also included:

(e) public stairways;

(f) passenger and freight elevators;

(g) parking facilities;

(h) ground floor lobby;

(i) finished elevator lobbies (with carpet, lights, finished walls and ceiling);

(j) exterior plazas and landscaping;

(k) loading dock and/or area;

(l) water bottle filling stations/drinking fountains at the core;

(m) electrical/telephone closet with not less than seven (7) watts per square foot of rentable area of normal power in the floor electrical closet;

(n) conduit access sufficient for Tenant's electrical wiring (no additional improvement to increase conduit access will be furnished by Landlord unless there is not sufficient riser space as required for a 1.5" diameter signal cable from the Building main telecommunication vault to the telephone closets on the first (1<sup>st</sup>) floor, in which case Landlord, at no cost to Tenant and without deduction from Landlord's TI Allowance, shall cause such riser space to be made available to Tenant, and provided further that Tenant shall be responsible for the cost for removing the riser floor seal at each floor and the patching of each seal after installation of Tenant's cable);

(o) two (2) 200 AMP and one (1) 400 AMP 208/120 panels connected to the Building power system;

(p) concrete floors with troweled finish ready for tenants floor finish, level to specified tolerances and designed to support a minimum live load of fifty (50) pounds per square foot and a partition load of twenty (20) pounds per square foot;

(q) Rooftop HVAC Units (RTU's) necessary to meet Tenant's HVAC specifications as described in the Lease,

(r) primary fire sprinkler distribution, including secondary piping and sprinkler heads as required for the unoccupied Premises;

(s) primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution;

(t) Demolition and removal of any existing improvements or equipment situated within the Premises, unless the Final Plans show that such improvements and/or equipment will remain in the Premises.

(u) Prior to Tenant taking occupancy, Landlord at its sole cost and expense, shall have its 3rd party HVAC subcontractor certify the HVAC system is sufficient and air balanced to meet the County's performance specifications pursuant to the terms of the Lease;

(v) Landlord is to ensure that the roof and exterior windows are watertight.

(w) Landlord shall finish all parking areas for Tenant's parking in accordance with ADA code compliance, and ensure all lights in the parking area are in good working order.

(cc) Landlord shall install and maintain the planting along the perimeter of the building, and properly maintain the landscaping throughout the term of the lease, including any option periods.

(dd) The Building and Premises shall comply with Americans with Disabilities Act, as well as correct any deficiencies found in the accessibility report pursuant to Section 1.1 (p) of the Lease;

(ee) Landlord shall make available data (internet) and telecommunication fiber connectivity within the Building's main point of entry. Tenant shall pay for such internet services within the Premises.



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

### **TENANT IMPROVEMENTS**

Tenant improvements shall include:

- (a) Tenant ceilings and lighting;
- (b) Floor finish in the Premises (except elevator lobbies and public corridors on multi-tenant floors and toilet rooms);
- (c) Interior finishes of any kind within the Premises, including window coverings;
- (d) Interior partitions, doors and hardware within the Premises;
- (e) Terminal boxes and reheat coils or other HVAC or air distribution devices to or within the Premises;
- (f) Tenant's furniture (including the modular furniture purchase and installation), fixtures and equipment that are part of the Tenant Improvements, but Tenant is responsible for all work related to the installation of Tenant's personal property, and equipment, including telephones, computers and cabling therefor;
- (g) Distribution of HVAC ducting within the Premises, electrical services, plumbing services and sprinklers from the core to the Premises, and domestic hot water heater and associated hot water piping;
- (h) Any improvements and HVAC systems or equipment if Tenant elects to have a dedicated computer and service room installed as part of the Tenant Improvement;
- (i) Any and all signs for Tenant and the power therefor;
- (j) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms and extinguishers, and modification to fire sprinkler distribution within the Premises, based on the Final Plans;
- (k) Additional and/or above standard electrical capacity;
- (l) Fiber optic access points (but Tenant to handle telecommunications systems in the Premises on its own; and
- (m) Work that is not part of the Base Building Improvement that Tenant requests as part of the approval of the Final Plans.

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

**PRELIMINARY AND FINAL TI COST SUMMARY**

\_\_\_ Preliminary TI Cost Summary  
\_\_\_ Final TI Cost Summary

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

| Cost Category                         |    |
|---------------------------------------|----|
| Architecture and Engineering Contract | \$ |
| Plan Check Fees & Permits             | \$ |
| General Contractor                    | \$ |
| (Profit)                              | \$ |
| (Overhead)                            | \$ |
| (Contingency)                         | \$ |
| Furniture                             | \$ |
| Other (Specify)                       | \$ |
| Total TI Costs                        | \$ |