

**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"

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

September 10, 2024

37 September 10, 2024

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

*Edward Yen*  
EDWARD YEN  
EXECUTIVE OFFICER

Dear Supervisors:

**TEN-YEAR LEASE AMENDMENT  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
901 CORPORATE CENTER DRIVE, SUITE 100, MONTEREY PARK  
(FIRST DISTRICT) (3 VOTES)**

**SUBJECT**

Approval of a proposed ten-year lease amendment to renew an existing lease to provide the Department of Children and Family Services (DCFS) continued use of 13,281 square feet of office space and 59 on-site parking spaces for the Intake and Detention Control program (IDC).

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed lease amendment is exempt from the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed lease amendment with 901 Corporate Center, LP, a California limited partnership (Landlord), for approximately 13,281 square feet of office space and 59 on-site parking spaces located at 901 Corporate Center Drive, Monterey Park (Premises) to be occupied by DCFS. This proposes a lease amendment for a term of ten years. The estimated maximum first year base rental cost is \$383,000, but with a two-month rent abatement of about \$64,000, will equal \$319,000. The estimated total proposed lease amendment cost is \$4,322,000 over the ten-year term. The rental costs will be funded by 45 percent State and Federal funds and 55 percent by net County cost (NCC) that is already included in DCFS' existing budget. DCFS will not be requesting additional NCC for this action.

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

4. Authorize and direct the Chief Executive Officer, or her designee, to take actions necessary and appropriate to implement the terms of the proposed lease amendment, including, without limitation, exercising any options to extend at fair market value.

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

DCFS has occupied the Premises since 2018 for its IDC. IDC is a Countywide program designated to preparing petitions and processing warrants for juvenile court proceedings. The existing lease will expire on April 30, 2025.

IDC works directly with staff at Edmund D. Edelman Children’s Court (Children’s Court) to ensure the delivery systems for warrants and petitions are efficient, timely and effective. As such, DCFS would like to remain in its current location due to its proximity to the Children’s Court, located less than one mile away from the Premises.

There are 115 staff assigned to this site. While telework has been implemented where feasible, DCFS requires a secure site to access sensitive data and maintain physical files. Additionally, onsite staff are needed to process warrants in collaboration with the Children’s Court.

The subject property continues to meet DCFS’ space and parking needs and is in a geographically appropriate area. The site is adequately served by public transportation routes, including a Metrolink bus stop in front of the building.

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

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

The proposed lease amendment is also consistent with Strategic Asset Management Goal – Strengthen connection between service priorities and asset decisions and Key Objective 4 – Guide Strategic Decision-Making.

The proposed lease amendment supports the above goals and objective by providing sufficient office space and parking for DCFS staff to continue their program in collaboration with Children’s Court to support the well-being of children and families in Los Angeles County.

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

### **FISCAL IMPACT/FINANCING**

The estimated maximum first year base rental cost is \$383,000, but with a two-month rent abatement of about \$64,000, will equal \$319,000, which includes parking at no additional cost. The aggregate

cost associated with the proposed lease amendment over the entire term, including utilities, janitorial, and parking, is \$4,322,000 as shown on Enclosure B-1. The proposed lease costs will be funded by 45 percent State and Federal funds and 55 percent by NCC that is already included in DCFS' existing budget. DCFS will not be requesting additional NCC for this action.

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

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

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

- Upon commencement of the proposed lease amendment, the annual rental rate will decrease from \$29.74 per square foot, per year to \$28.80 per square foot, per year. Base rent is subject to annual increases based on the Consumer Price Index capped at 3 percent per annum.
- The Landlord has agreed to two months of rent abatement for months two and three of the lease term.
- The Landlord will provide \$265,620 (\$20 per square foot) base Tenant Improvements (TI) allowance for refurbishment of the Premises. Any unused portion of the TI allowance will be applied as a credit toward the monthly base rent next due.
- The Landlord is responsible for all operating and maintenance cost of the building and all utilities and janitorial costs. The County has no responsibility for any operating and maintenance costs.
- There are 59 parking spaces included in the base rent at no additional cost.
- A comparison of the existing lease and the option terms is shown in Enclosure B-2.
- A ten-year initial term with an option to extend the lease for an additional five years with nine months' written notice, at fair market rent. If all options are exercised, the total term of the proposed lease amendment would be 15 years.
- The County has the right to terminate the proposed lease amendment early any time after 84 months, with six months' prior written notice.
- Holdover at the proposed lease amendment 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 lease expiration.
- The proposed lease amendment will be effective upon approval by the Board and full execution of the proposed lease amendment, but the term and rent will commence on May 1, 2025, once the existing lease expires.
- The County will have the Right of First Offer to lease contiguous available space in the building.

The Chief Executive Office 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 \$30 and \$32.40 per square foot, per year. The base annual rental rate of \$28.80 per square foot, per year for the proposed lease amendment represents a rate that is below the market range for the area. Further, relocation to a new building would require costly new tenant improvements and disrupt services. We recommend the proposed Premises as the most suitable to meet the County's space requirements.

Co-working space is not suitable for this requirement due to the nature of the services provided by DCFS and due to the confidentiality of client information.

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

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

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

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

## **ENVIRONMENTAL DOCUMENTATION**

This project is exempt from CEQA, as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and section 15301 of the State CEQA Guidelines (Existing Facilities). The proposed lease amendment, which involves the leasing of existing office space with minor 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 amendment will adequately provide the necessary office space and parking for this County requirement. DCFS concurs with the proposed lease amendment and recommendations.

Respectfully submitted,



FESIA A. DAVENPORT

Chief Executive Officer

FAD:JMN:JTC:JLC

HD:ANR:OM:gb

Enclosures

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

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
901 CORPORATE CENTER DRIVE, SUITE 100, MONTEREY PARK**

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

1. <u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? <sup>2</sup>			X
B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>			X
C	Does this lease centralize business support functions? <sup>2</sup>	X		
D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>115 SF per employee based on 115 employees due to implementation of telework.</b>		X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? <sup>2</sup> Based on 59 spaces, this is a parking ratio of 4.44/1,000.		X	
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? <sup>2</sup>	X		
2. <u>Capital</u>				
A.	Is it a substantial net County cost (NCC) program?	X		
B	Is this a long-term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Enclosure C?			X
G	Was build-to-suit or capital project considered?			X
3. <u>Portfolio Management</u>				
A	Did department 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 with other County departments?			
	1. ____ The program clientele requires a "stand alone" facility.			
	2. <u>X</u> No suitable County occupied properties in project area.			
	3. <u>X</u> No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. ____ The Program is being co-located.			
E	Is lease a full-service lease? <sup>2</sup>	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 adopted by the Board of Supervisors 11/17/98				
<sup>2</sup> If not, why not?				

**OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS**

901 Corporate Center Drive, Monterey Park  
 Department of Children and Family Services

Leased Area (sq. ft.) 13,281  
 Term (Months) 120  
 Estimated Commencement Date 5/1/2025

Base Rent (Annual) \$28.80  
 Annual FSG Base Rent Adjustment 3.00%

	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year	6 <sup>th</sup> Year	7th Year	8th Year	9th year	10th Year	Total 10 Year Rental Costs
Base Rent <sup>1</sup>	\$382,493	\$393,968	\$405,787	\$417,960	\$430,499	\$443,414	\$456,716	\$470,418	\$484,530	\$499,066	\$4,385,000
Rent Abatement <sup>2</sup>	(\$63,749)										(\$64,000)
<b>Total Annual Lease Costs</b>	\$318,744	\$393,968	\$405,787	\$417,960	\$430,499	\$443,414	\$456,716	\$470,418	\$484,530	\$499,066	\$4,322,000

<sup>1</sup> Base Rent subject to CPI increases capped at 3%

<sup>2</sup> Months 2 and 3 of the initial term shall be abated.

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

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

	<b>Existing Lease:</b> <b>901 Corporate Center Dr., Suite 100, Monterey Park</b>	<b>Proposed Lease Amendment:</b> <b>901 Corporate Center Dr., Suite 100, Monterey Park</b>	<b>Change</b>
Area (Square Feet)	13,281 sq.ft.	13,281 sq.ft.	No change
Term (years)	7 years	10 years plus one 5-year option to renew	+3 years with one 5-year option to renew
Annual Base Rent (Base rent includes 59 parking spaces)	\$394,956	\$382,493	-\$12,463 annually
Total Annual Lease Costs payable to Landlord	\$394,956	\$382,493	-\$12,463 annually
Rental rate adjustment	Annual CPI adjustments capped at 3 percent with no minimum.	Annual CPI adjustments capped at 3 percent with no minimum.	No change



## DEPARTMENT OF CHILDREN AND FAMILY SERVICES

## SPACE SEARCH – 3 MILE RADIUS FROM 901 CORPORATE CENTER DRIVE, MONTEREY PARK

LACO	Name	Address	Ownership	Proprietor	Gross SQ FT	SQ Ft Available
A469	The Alhambra Complex - West Tower	1000 S Fremont Ave Alhambra 91803	Leased	Public Health	15206	None
Z367	HSG - Assisted Housing Division Offices	4800 Cesar E Chavez Ave East Los Angeles 90022	Housing Authority	Chief Executive Office (CEO)	20000	None
A327	Office of Managed Care	1100 Corporate Center Dr Monterey Park 91754	Leased	Health Services	15280	None
4526	Biscailuz - Administration Building	1060 N Eastern Ave Los Angeles 90063	Owned	Sheriff	16571	None
4364	Probation - East Los Angeles Area Office	144 S Fetterly Ave East Los Angeles 90022	Owned	Probation	15584	None
A328	Sheriff	901 Corporate Center Dr Monterey Park 91754	Leased	Sheriff	9926	None

## FACILITY LOCATION POLICY ANALYSIS

**Proposed lease:** Lease Amendment for the Department of Children and Family Services – 901 Corporate Center Drive, Suite 100 – First District.

- A. Establish Service Function Category –** Regional and local public service function.
- B. Determination of the Service Area –** The proposed lease amendment will provide DCFS with adequate office space within close proximity to Edmund D. Edelman Children’s Court.
- C. Apply Location Selection Criteria to Service Area Data**
- Need for proximity to service area and population: Continued need for operation within close proximity to Edelman Children’s Court
  - Need for proximity to existing County facilities: Within close proximity to Edelman Children’s Court.
  - 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., Metrolink and local bus routes, and Metro L Line rail.
  - Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
  - Use of historic buildings: N/A
  - Availability and compatibility of existing buildings: There are no alternative existing County buildings available that meet DCFS’ space needs.
  - Compatibility with local land use plans: The City of Monterey Park has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.
  - Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed lease amendment over the entire term is \$4,322,000.

**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 \$30 and \$32.40 per square foot, per year. The base annual rental rate of \$28.80 per square foot, per year for the proposed lease amendment represents a rate that is below the market range for the area. Further, relocation to a new building would require costly new tenant improvements and disrupt services. We recommend the proposed Premises as the most suitable to meet the County's space requirements.

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

The proposed lease amendment will provide adequate and efficient office space for 115 employees consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.

FIRST AMENDMENT TO LEASE NO. 78648  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
901 CORPORATE CENTER DRIVE, SUITE 100, MONTEREY PARK, CA

This FIRST AMENDMENT TO LEASE NO. 78648 ("First Amendment") is made, entered and dated as of this \_\_\_\_ of \_\_\_\_\_, 2024 ("Effective Date"), by and between 901 CORPORATE CENTER, LP, a California limited partnership (the "Landlord"), and the COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant"), for certain premises located in that certain building located at 901 Corporate Center Drive, City of Monterey Park, County of Los Angeles, State of California (the "Building").

RECITALS:

- A. WHEREAS, Landlord and Tenant entered into that certain lease agreement dated May 2, 2017 (the "Original Lease") for the 13,281 rentable square feet located in Suite 100 of the Building ("Premises"). The Original Lease and this First Amendment shall be collectively referred to herein as the "Lease".
- B. WHEREAS, Landlord and Tenant desire to, among other matters, extend the Term of the Lease and desire to amend the Lease as set forth below.
- C. Unless otherwise defined herein, capitalized terms used herein shall have the meanings as defined in the Original Lease.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, and mutual covenants, promises, and conditions hereinafter contained, the parties hereby agree, to amend the Lease as follows:

1. EXTENSION OF THE LEASE TERM. The Term of the Lease shall be extended by a period of ten (10) years commencing on May 1, 2025, subject to mutual execution of this First Amendment and approval by the Los Angeles County Board of Supervisors (the "Commencement Date"). The period commencing on the Commencement Date and terminating on the last day of the tenth (10th) year following the Commencement Date shall be referred to herein as the "First Amendment Extension Term."

2. RENT. Effective upon the First Amendment Extension Term Commencement Date, paragraph 5, RENT, of the Original Lease is hereby deleted in its entirety and following paragraph shall be added as a new paragraph 5, RENT, to the Original Lease:

"5. RENT. Tenant agrees to pay as Base Rent for the Premises during the First Amendment Extension Term, the sum of Thirty-One Thousand Eight Hundred Seventy-Four and 40/100 Dollars (\$31,874.40) per month (i.e., \$2.40 per rentable square foot per month), for approximately 13,281 square feet of office space, payable by the 15th day of each month per the terms of the Lease.

Commencing on the first anniversary of the First Amendment Extension Term Commencement Date, and on each subsequent anniversary of the First Amendment Extension Term Commencement Date (including any anniversary

occurring during a holdover period), the Base Rent shall be adjusted as follows:

(a) CPI. Commencing on the first anniversary of the First Amendment Extension Term Commencement Date (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 in which the First Amendment Extension Term Commencement Date occurs.

(b) CPI Formula. The "Index" means the Consumer Price Index ("CPI") for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Base Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Base Index. If the Index is changed so that the Index differs from that used as of the First Amendment Extension Term Commencement Date, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the First Amendment Extension Term, such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

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

New Index X \$31,874.40 (initial Base Rent) = CPI Adjusted Monthly Base Rent  
Base Index

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

3. RENT ABATEMENT. Provided Tenant is not in material default under any material term or provision of the Lease beyond any applicable notice and cure period, the Base Rent for the second (2nd) and third (3rd) months of the First Amendment Extension Term shall be abated. Tenant shall have the option to convert all or any portion of its rental abatement toward an increase in its "Tenant Improvement Allowance," as defined below.

4. EARLY TERMINATION. Effective upon the First Amendment Extension Term Commencement Date, paragraph 1.1.i., EARLY TERMINATION, of the Original Lease is hereby deleted in its entirety and the following paragraph shall be added as a new paragraph 1.1.i., EARLY TERMINATION:

"i. Early Termination Date: During the First Amendment Extension Term, Tenant shall have the right to terminate this Lease for any reason effective at any time after the eighty-fourth (84th) month of the First Amendment Extension Term. Such right may be exercised by Tenant on six (6) months' prior written notice to

Landlord executed by Tenant's Chief Executive Office, with no termination penalty, and otherwise subject to the terms and conditions set forth in paragraph 4.4 of this Lease."

5. EARLY TERMINATION. Effective upon the First Amendment Extension Term Commencement Date, paragraph 4.4, EARLY TERMINATION, of the Original Lease is hereby deleted in its entirety and the following paragraph shall be added as a new paragraph 4.4, EARLY TERMINATION:

"4.4. Early Termination: Provided Tenant is not in material default under any material term or provision contained in the Lease beyond any applicable notice and cure period, Tenant shall have a one-time right ("Termination Option") to terminate the Lease effective at any time after the eighty-fourth (84th) month of the First Amendment Extension Term ("Termination Date"), by giving no less than six (6) months' prior written notice to Landlord of such intent, such notice to be executed by Tenant's Chief Executive Office. If Tenant timely and properly exercises the Termination Option, the Lease shall expire on the Termination Date with the same force and effect as if such date were the stated expiration date of the Lease and Landlord and Tenant shall have no further obligations under the Lease after the Termination Date except for any obligations or liabilities that explicitly survive termination as set forth in the Lease. No termination fee or penalty shall be imposed on Tenant in connection with Tenant's exercise of the Termination Option hereunder. The rights contained in this paragraph 4.4 shall be personal to the originally named Tenant and may be exercised only by the originally named Tenant (and not any assignee, sublessee, or other transferee of Tenant's interest in the Lease) and only if the originally named Tenant occupies the entire Premises as of the date it exercises the Termination Option in accordance with the terms of this section."

6. PARKING SPACES: Effective upon the First Amendment Extension Term Commencement Date, paragraph 1.1.m., PARKING SPACES, of the Original Lease is hereby deleted in its entirety and following paragraph shall be added as a new paragraph 1.1.m., PARKING SPACES:

"m. Parking Spaces: Tenant shall have the right to fifty-nine (59) parking spaces (i.e., 4.5 parking spaces per 1,000 RSF of the Premises) at no additional cost to Tenant."

7. LANDLORD'S WORK LETTER. Effective upon the First Amendment Extension Term Commencement Date, the "Landlord's Work Letter" attached to the Original Lease, shall be deleted in its entirety.

8. LANDLORD WORK. Landlord, at its sole cost and expense, shall complete the following improvement work in the Premises ("Landlord Work"):

- a. Landlord shall replace carpet throughout the Premises, including lifting any furniture, fixtures, and or equipment on the floor.
- b. Replace lighting throughout the Premises with new LED lighting.

Landlord shall use commercially reasonable efforts to complete the Landlord Work within

one hundred and twenty (120) days after the mutual execution of this First Amendment; provided, however, that no delay in Landlord's completion of the Landlord Work shall delay the First Amendment Extension Term Commencement Date nor entitle Tenant to any abatement of rent nor any other concession.

9. TENANT IMPROVEMENTS. Effective upon the First Amendment Extension Term Commencement Date, Section 24 of the Original Lease, shall be deleted in its entirety and replaced with the following:

"24. TENANT IMPROVEMENTS Landlord, after receipt of a duly and mutually executed copy of this First Amendment to Lease and a space plan and/or scope of work provided to Landlord by Tenant's assigned Project Manager, shall begin work on tenant improvements within a commercially reasonable period of time per forthcoming County plans and specifications, up to a maximum cost of \$265,620.00, i.e., twenty dollars (\$20.00) per rentable square foot of the Premises (the "Tenant Improvement Allowance"). Said tenant improvements shall consist of certain improvements to the Premises related to paint, carpet and other deferred maintenance items as Tenant desires ("Improvements"), which may include new furniture, fixtures and equipment. The Improvements shall be performed by and under the authority of Landlord, or its authorized agent, and approved by a designated representative of the Chief Executive Office. Any unused portion of the Tenant Improvement Allowance may be used to offset Base Rent. Except as expressly modified here, the Improvements shall be in compliance with all applicable laws, codes and ordinances.

10. CONSTRUCTION OF PREMISES. Landlord shall construct and deliver the Premises in accordance with the terms of the Lease and mutually approved plans per County specification. Landlord and Landlord's contractors shall be required to comply with prevailing wage requirements under California Labor Code Section 1720 et. Seq., if applicable. Should Tenant be required under the Lease to contribute towards any tenant improvement work, Landlord shall be required to comply with prevailing wage requirements under California Labor Code Section 1720 et. Seq. In the event the Improvements are not completed within six (6) months after the later of (a) the First Amendment Extension Term Commencement Date, or (b) the date Tenant's Project Manager provides Landlord with a final space plan and scope of work for the Improvements, as such date is extended by one (1) day for each one (1) day of delay caused by Tenant Delay(s) or Force Majeure Delay(s) (such date, as extended, referred to herein as the "Outside Completion Date"), then for each day from the Outside Completion Date until the date the Improvements are completed by Landlord, Tenant shall receive a day-for-day abatement of Base Rent. As set forth above, the Outside Completion Date shall be extended by one (1) day for each day that: (a) Tenant fails or refuses to give authorizations or approvals related to construction of the Improvements within five (5) business days after request by Landlord, but only to the extent such delays delay the commencement or completion of construction of the Improvements (referred to herein as "Tenant Delay(s)"); or (b) completion of the Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage, pandemic, epidemic, contagion, viral outbreak or other public health emergency (including quarantines, shelter-in-place orders, travel restrictions, and supply chain disruptions resulting therefrom), or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)").

11. REPORTS. Landlord has agreed to provide Tenant with the following Required Reports ("Reports"), which are outlined below, for the Premises only, at Landlord's sole cost and expense. Tenant will not execute this First Amendment prior to Tenant's review and approval of the Reports, which approval shall not unreasonably withheld, conditioned, or delayed. Landlord, at its sole cost, will pay for any legally required corrections identified within such Reports.

a. Hazardous Materials Asbestos Containing Materials. Landlord shall provide Tenant an asbestos report for the Building. Further, Landlord shall represent, to the best of its actual knowledge and without any independent investigation, that there are no hazardous or asbestos containing materials ("ACM") located within the entire structure and provide all necessary certificates to indicate same.

b. Americans with Disabilities Act. Landlord shall provide Tenant an Americans with Disabilities Act ("ADA") report for the Building. Further, Landlord, at its cost, shall resolve any noncompliant conditions in common areas described within such report. Landlord shall use commercially reasonable efforts to resolve any such ADA issues as soon as reasonably possible but in no event longer than twelve (12) months from the execution of this First Amendment.

12. RIGHT OF FIRST OFFER. RIGHT OF FIRST OFFER TO LEASE ADDITIONAL PREMISES. Effective upon the First Amendment Extension Term Commencement Date, the Lease shall be amended by inserting a new paragraph 34 to the Original Lease which shall read as follows:

"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, Landlord intends to offer leasable space located contiguous to the Premises which becomes available during the Term (the "Additional Premises") for lease to third parties or to accept an offer of a third party to lease the Additional Premises, Landlord shall first give written notice to Tenant of the rental rate and other material terms upon which Landlord is willing to lease the Additional Premises ("Landlord's Lease Notice"). Any space that is vacant of the First Amendment Extension Term Commencement Date shall not be deemed to be a space that "becomes available" during the Term and therefore shall not be considered an Additional Premises. Landlord's Lease Notice shall constitute an offer to lease the Additional Premises to Tenant at the rental rate and upon the terms and conditions contained in Landlord's Lease Notice and shall state the anticipated date of availability of the Additional Premises. Tenant shall have thirty (30) days after receipt of Landlord's Lease Notice to accept such offer. 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").

(b) If Tenant delivers to Landlord the Expansion Commitment within such thirty (30) day period, all (but not part) of the Additional Premises 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 Landlord's Lease Notice, possession of the Additional Premises shall be delivered to 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 Additional 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 thirty (30) day period prescribed above, all rights of Tenant to lease the 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 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."

13. SMOKING PROHIBITION. Effective upon the First Amendment Extension Term Commencement Date, the Lease shall be amended by inserting a new paragraph 35 to the Original Lease which shall read as follows:

"35. 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.)"

14. OPTION TO EXTEND. Effective upon the First Amendment Extension Term Commencement Date, the Lease shall be amended by inserting a new paragraph 36 to the Original Lease which shall read as follows:

"36. OPTION TO EXTEND. Subject to the terms and conditions set forth herein. Tenant shall have one (1) option to extend the Term of this Lease ("Extension Option") for one (1) additional period of five (5) years (the "Extension Term") for all of the space then under the Lease under the same terms and conditions contained herein, except as otherwise provided in this Option to Extend provision. If Tenant wishes to exercise the Extension Option, Tenant shall deliver written notice to Landlord no less than nine (9) months prior to the expiration of the then existing Term ("Exercise Notice"). If Tenant fails to timely deliver the Exercise Notice, Tenant shall be considered to have elected not to exercise the Extension Option. Within thirty (30) days of receipt of Tenant's Exercise Notice, Landlord shall provide Tenant with its determination of "fair market" Base Rent, Tenant Improvements, Rental Abatement and any other tenant inducements then being offered to renewing Tenants.

The "Base Rent" for the Extension Term shall be determined based on the fair market rental rate for the Premises. For the purposes of this provision, "fair market" shall mean the prevailing rental rates for comparable office spaces in the Monterey Park sub-market, considering any tenant inducements being offered to other renewing tenants in comparable spaces within the past twelve (12) months from the date of receipt of the Exercise Notice. Such tenant inducements may include, but are not limited to, tenant improvement allowance, rent abatement, and any other concessions or incentives being offered to renewing tenants at that time. In addition to the Base Rent, provided that such inducements are being offered to other renewing tenants in comparable spaces in the Monterey Park sub-market, Landlord shall provide Tenant with (i) a market tenant improvement allowance per square foot of the Premises for the Extension Term, to be used for improvements and alterations to the Premises which shall be performed by Landlord in accordance with an approved space plan and/or scope of work provided by the County's assigned Project Manager in accordance with the Construction of Premises as described herein, and (ii) market rent abatement during which time Base Rent shall be waived, as mutually agreed upon by Tenant and Landlord. In the event of a dispute arising from the exercise of the Extension Option outlined in Section 36 of this lease agreement, both Landlord and Tenant agree to resolve such dispute through "baseball" arbitration. Except for Base Rent at the new rate

and any other new terms and conditions mutually agreed upon as set forth above, all of the terms and conditions of the Lease shall remain the same and shall remain in full force and effect throughout the Extension Term. The rights contained in this paragraph 36 shall be personal to the originally named Tenant and may be exercised only by the originally named Tenant (and not any assignee, sublessee, or other transferee of Tenant's interest in this Lease) and only if the originally named Tenant occupies the entire Premises as of the date it exercises the Extension Option in accordance with the terms of this section.

The Extension Option is subject to the following conditions precedent: (a) Tenant is not in Default (beyond any applicable notice and cure period) under this Lease at the time of exercising the option or at any time during the notice period preceding the commencement of the Extension Term; (b) Tenant shall not be in violation of any applicable laws, ordinances, or regulations governing the use of the Premises; and (c) Tenant shall be in possession of the Premises.

The terms and conditions of this Option to Extend provision shall be deemed incorporated into and made a part of the Lease Agreement, and any conflict between the terms of this provision and the Lease Agreement shall be resolved in favor of this provision."

15. 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 First Amendment other than Cushman & Wakefield, Inc ("Tenant's Agent") and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. The terms of any commissions due shall be pursuant to a separate commission agreement by and among Landlord and Tenant's Agent.

16. AUTHORITY. Only the County's Board of Supervisors ("Board of Supervisors") has the authority, by formally approving and/or executing this First Amendment, to bind Tenant to the terms included herein. Landlord understands that no material terms of this First Amendment may be altered or deleted, nor may any new material terms be added to this First Amendment, without the express written approval of the Board of Supervisors, either through an amendment to the First Amendment 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 First Amendment, and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the First Amendment 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 First Amendment. Each individual executing this First Amendment on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this First Amendment on behalf of Landlord, and that this First Amendment is binding upon Landlord in accordance with its terms.

17. LEASE IN FULL FORCE AND EFFECT. Except as expressly amended as set forth in

this First Amendment, the terms and conditions of the Lease remain unmodified and in full force and effect. Except as expressly modified by this First Amendment, all other terms and conditions of the Lease are hereby ratified and affirmed. In the event of any express conflict or inconsistency between the terms of this First Amendment and the terms of the Lease, the terms of this First Amendment shall control and govern. Any defined terms that are not defined in this First Amendment shall have the meanings ascribed thereto in the Lease unless the context clearly indicates otherwise.


18. COUNTERPARTS; ELECTRONIC SIGNATURES. This First Amendment and any other document necessary for the consummation of the transaction contemplated by this First Amendment 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 First Amendment 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 First Amendment 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 First Amendment is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intend to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this First Amendment based on the foregoing forms of signature. If this First Amendment has been executed by electronic signature, all parties executing this document are expressly consenting under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act ("UETA") (Cal. Civ. Code § 1633.1, et seq.), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

*[SIGNATURE PAGE IMMEDIATELY FOLLOWS]*

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the Effective Date.

LANDLORD:

901 CORPORATE CENTER, LP,  
a California limited partnership

By:   
Name: Phillip Lee  
Title: \_\_\_\_\_

TENANT:

COUNTY OF LOS ANGELES,  
a body politic and corporate

FESIA A. DAVENPORT  
Chief Executive Officer

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


ATTEST:

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

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

APPROVED AS TO FORM:

DAWYN R. HARRISON  
County Counsel

By:   
Senior Deputy