

**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

January 14, 2025

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

19 January 14, 2025

Dear Supervisors:

Edward Yen
EDWARD YEN
EXECUTIVE OFFICER

**66-MONTH LEASE AMENDMENT AT
12801 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY
AND
68-MONTH LEASE AMENDMENT AT
12851 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY
DEPARTMENT OF PUBLIC SOCIAL SERVICES
(FIRST DISTRICT) (3 VOTES)**

SUBJECT

Approval of a proposed 66-month lease amendment at 12801 Crossroads Parkway South to renew an existing lease to provide the Department of Public Social Services (DPSS) continued use of 58,799 square feet of office space and 294 on-site parking spaces as part of DPSS' headquarters; and approval of a proposed 68-month lease amendment at 12851 Crossroads Parkway South to renew an existing lease to provide DPSS continued use of 77,250 square feet of office space and 386 on-site parking spaces as part of DPSS' headquarters.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease amendments are 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 RR&C Crossroads No. 2 LLC, a Delaware limited liability company (Landlord A), for approximately 58,799 square feet of office space and 294 on-site parking spaces located at 12801 Crossroads Parkway South, City of Industry (Premises A) to be occupied by DPSS. The estimated maximum first year base rental cost including operating expenses is \$2,174,000.

The estimated total proposed lease amendment cost, including operating expenses and taxes is \$13,750,000 over the 66-month term. The rental costs will be funded by State and Federal funds and net County cost (NCC) based on the then existing subvention rates that will be included in DPSS' budget. DPSS will not be requesting additional NCC for this action.

3. Authorize the Chief Executive Officer, or her designee, to execute the proposed lease amendment with RR&C Crossroads No. 3 LLC, a Delaware limited liability company (Landlord B), for approximately 77,250 square feet of office space and 386 on-site parking spaces located at 12851 Crossroads Parkway South, City of Industry (Premises B) to be occupied by DPSS. The estimated maximum first year base rental cost including operating expense is \$3,219,000. The estimated total proposed lease amendment cost, including operating expenses, electrical costs, and taxes is \$23,114,000 over the 68-month term. The rental costs will be funded by State and Federal funds and NCC based on the then existing subvention rates that will be included in DPSS' budget. DPSS will not be requesting additional NCC for this action.

4. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed lease amendments, and to take actions necessary and appropriate to implement the proposed lease amendments, including, without limitation, exercising any early termination rights and the options to extend at pre-negotiated rates as set forth in the proposed lease amendments.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

DPSS headquarters occupies five buildings within an office campus at 12820, 12860, 12900, 12801 and 12851 Crossroads Parkway South, City of Industry (Headquarters). Each of the buildings has their own lease and each lease has a different expiration date. To ensure operational efficiencies, DPSS intends to have all leases expire around the same time so that DPSS can retain flexibility for any future plans for consolidation and/or relocation of the DPSS Headquarters.

DPSS intends to modernize and refresh the buildings located at 12820, 12860, and 12900 Crossroads Parkway South. The tenant improvement (TI) work will be completed in several phases to minimize any impact to DPSS' operations. As TI work is performed in the other buildings on the Headquarters campus, DPSS will use any available workstations in one of the other buildings at Headquarters, including Premises A and B, to temporarily house the displaced staff as well as implement telework where possible. All proposed leases and lease amendments have been negotiated and are being presented to the Board for approval at the same Board meeting.

DPSS has occupied both Premises A and B since 2018 and the current leases will expire in 2033. By extending the term with the proposed lease amendments to be coterminous with the other Headquarters leases, DPSS will continue to streamline business functions and maintain operational efficiencies. In addition, the proposed lease amendments also provide DPSS with a TI allowance for refurbishment of the Premises or at one of the other buildings at Headquarters when DPSS deems necessary, at no cost to the County.

Programs at Premises A include the Fiscal Operations Division (FOD), In-Home Supportive Services (IHSS) Customer Service Center (IHSS CSC), and the Centralized Automated Timesheet Team (IHSS CATT). FOD is comprised of Accounts Payable, Accounts Receivable, Cost Accounting, and Revenue and Fund Management. FOD's main function is to maximize revenues from administrative costs and assistance expenditures. This includes tracking welfare related expenditures, payments to service contractors and suppliers, administering recovery of collections due to over-issuance and

refunds, and performing other fiscal responsibilities for DPSS. The IHSS program provides supportive services to aged, blind, or disabled individuals who are unable to perform personal household services independently and require in-home assistance. IHSS CSC acts as a centralized service call-center handling customer and provider calls, and ensuring consumers are matched with providers. The IHSS CATT operation accepts all IHSS applications and requests duplicate provider timesheets that are rejected by the Timesheet Processing Facility.

Programs at Premises B include the Human Resources Division (HRD) and the Financial Management Division (FMD). HRD provides support to all DPSS staff in the areas of recruitment, examination, classification, position management, health and safety, payroll, policy, performance evaluation, employee relations, employment litigation, civil service representation, and internal investigations. This support is provided by Human Resources Operations Section, Discipline, Policy and Litigation Section, Risk Management and Safety Section, Internal Affairs and Employee Relations Section, and Recruitment and Position Management Section. FMD provides financial and administrative support to DPSS. FMD administers DPSS aid programs such as Medi-Cal, CalFresh, CalWORKS, IHSS, and General Relief. FMD also manages and oversees workforce costs.

There are 281 staff assigned to Premises A with 336 workstations. There are 283 staff assigned to Premises B with 313 workstations. DPSS anticipates expanding programs and staff over the course of the proposed lease amendment terms and have budgeted for growth positions. However, in the interim, DPSS will use any excess workstations to backfill staff that must vacate 12820 Crossroads Parkway South, 12860 Crossroads Parkway South, or 12900 Crossroads Parkway South due to the anticipated phased TIs that will occur at each of those buildings.

DPSS has implemented telework where possible, including both full-time and hybrid telework models depending on the requirements of the position, however, a majority of staff are required to be onsite daily to access sensitive and confidential data that cannot be accessed remotely. DPSS management is onsite each day to supervise tasks and ensure the timely delivery of services to staff and constituents. Some staff are onsite daily to provide in-person services for DPSS, such as the Human Resources section at Premises B who conduct in-person examinations, interviews, and fingerprinting for County employees and candidates.

Both Premises A and B continue to meet DPSS' space and parking needs and are located in a geographically appropriate area. The Premises are located within a half mile of the 60 and 605 freeways and is adequately served by public transportation.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan North Star 1 – “Make Investments That Transform Lives” – provides that LA County is a highly responsive organization investing in solutions that address our most complex societal challenges (health, jobs, housing, food insecurity, and recidivism) affecting our most vulnerable communities – one person at a time.

The proposed lease amendments are also consistent with the Strategic Asset Management Goal – Maximize use of County space and achieve cost savings, and Key Objective No.4 – Guide Strategic Decision Making.

The proposed lease amendments support the above goals and objective by providing DPSS with adequate office space and sufficient parking in a centrally located facility within the DPSS Headquarters campus.

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

FISCAL IMPACT/FINANCING

At Premises A, the estimated maximum first year base rental cost, anticipated to be in 2033, is \$2,174,000, which includes parking at no additional cost. The aggregate cost associated with the proposed lease amendment over the proposed extended term, including operating expenses and taxes, is \$13,750,000. If the first five-year option to extend the term is exercised, the aggregate cost of the option term is \$14,885,000, for an estimated total lease cost of \$28,635,000 over the ten-year six-month term. If the second five-year option to extend the term is exercised, the aggregate cost of the option term is \$17,376,000, for an estimated total lease cost of \$46,011,000 over the 15-year six-month term, as shown in Enclosure B-1.

At Premises B, the estimated maximum first year base rental cost, anticipated to be in 2033, is \$3,219,000, which includes parking at no additional cost. The aggregate cost associated with the proposed lease amendment over the proposed extended term, including electrical costs and taxes, is \$23,114,000. If the first five-year option to extend the term is exercised, the aggregated cost of the option term is \$23,838,000, for an estimated total lease cost of \$46,952,000 over the ten-year eight-month term. If the second five-year option to extend the term is exercised, the aggregate cost of the option term is \$31,421,000, for an estimated total lease cost of \$78,373,000 over the 15-year eight-month term, as shown in Enclosure B-2.

DPSS will continue paying the current rent per the terms of the existing leases and upon expiration of the existing term in 2033, the new rent will commence at each premises. The rental costs associated with the proposed lease amendment will be funded by State and Federal funds and NCC based on the then existing subvention rates that will be included in DPSS' budget. DPSS will not be requesting additional NCC for this action. Future funding for the costs associated with the proposed lease amendments, including the anticipated costs during the proposed extended term, will be addressed through the annual budget process for DPSS.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

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

- The projected annual rental rate for Premises A at the time of the proposed lease amendment rent commencement in 2033, will be a total of \$36.97 per square foot, per year.
- The projected annual rental rate for Premises B at the time of the proposed lease amendment rent commencement will be a total of \$41.67 per square, foot per year.
- The Landlords will provide a total base TI allowance of \$18 per square foot for both Premises A and B, which is approximately \$1,059,000 for Premises A, and \$1,391,000 for Premises B. Any unused portion of the base TI allowance shall be credited back toward base rent due, not to exceed an amount equal to \$5 per square foot.
- The County will remain responsible for electric costs at Premises B.
- The County will remain responsible for real estate taxes at Premises A and B.

- Parking cost is included in the base rent at no additional cost at Premises A and B.
- A comparison of the existing leases and the proposed lease amendment terms is shown in Enclosure B-3.
- The initial term is 66 months at Premises A, with two options to extend the lease for an additional five years each with 180 days' notice, at Consumer Price Index (CPI) capped at 3 percent. If all options are exercised, the total term of the proposed lease amendment would be 15 years six months.
- The initial term is 68 months at Premises B, with two options to extend the lease for an additional five years each with 180 days' prior written notice, at CPI capped at 3 percent. If all options are exercised, the total term of the proposed lease amendment would be 15 years eight months.
- The County has the right to terminate the proposed lease amendments early at Premises A and B any time after October 31, 2035, with 180 days' prior written notice.
- Holdover at the proposed lease expiration is permitted on the same lease terms and conditions. The monthly base rent during the holdover period will remain the same and will be subject to the regular CPI increases.
- The proposed lease amendments will be effective upon approval by the Board and full execution of the proposed lease amendments, but the term and rent will commence upon expiration of the current leases.

The Chief Executive Office (CEO) issued a flyer soliciting proposals for available space from landlords, brokers, and other owner representatives, for a new Headquarters space, through the Executive Office posting website and Real Estate's County website. None of the responses received were suitable for DPSS' needs due to being located outside of DPSS' search area. 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 current annual rental range for a comparable lease in the area is between \$31.80 and \$42 per square foot, per year. Further, relocation to new buildings would disrupt services and would place the DPSS administrative staff currently operating at these two locations far from the DPSS Headquarters. We recommend the proposed Premises A and Premises B as the most suitable to meet the County's space requirements.

The CEO has communicated with co-working office space companies about office space for the applicable programs, and they have informed us that their co-working office space does not have available space for long-term occupancy to accommodate the required space needs.

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 these facilities and found them suitable for the County's occupancy. The required notification letters to the City of Industry have been sent in accordance with Government Code Section 25351.

County Counsel has reviewed the proposed lease amendments and approved them as to form. The proposed lease amendments are 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 amendments will continue to provide a suitable location for DPSS' programs, 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 amendments, which involve the leasing of existing office space with minor TIs within an existing building, with no expansion of the existing building, are 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 Exemptions 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 amendments will adequately provide the necessary office space and parking for this County requirement. DPSS concurs with the proposed lease amendments and recommendations.

The Honorable Board of Supervisors

1/14/2025

Page 7

Respectfully submitted,



FESIA A. DAVENPORT

Chief Executive Officer

FAD:JMN:JTC

JLC:HD:ANR:NH:gb

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Public Social Services

**DEPARTMENT OF PUBLIC SOCIAL SERVICES
12801 & 12851 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY**

Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions?	X		
	B	Does lease co-locate with other functions to better serve clients?	X		
	C	Does this lease centralize business support functions?	X		
	D	Does this lease meet the guideline of 200 sq. ft of space per person? Based on 281 employees at Premises A, it is 209 sq. ft. per person. Based on 283 employees at Premises B it is 272 sq. ft per person. This is due to interview rooms and exam rooms at both Premises.		X	
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? Based upon 294 parking spaces at Premises A and 386 parking spaces at Premises B, parking ratio is 5/1000 at both Premises.		X	
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ²	X		
2.	<u>Capital</u>				
	A.	Is it a substantial net County cost (NCC) program?		X	
	B	Is this a long-term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Enclosure C?			
	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. ____ 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? The County is responsible for operating expenses and taxes at both buildings. The County is also responsible for electricity costs at Premises B.		X	
	F	Has growth projection been considered in space request?	X		
	G	¹ Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As adopted by the Board of Supervisors 11/17/98					

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

12801 Crossroads Parkway South, City of Industry
DPSS

Basic Lease Assumptions

Leased Area (sq.ft.)	58,799	
	Per RSF	Per RSF
	Per Month (\$)	Per Year (\$)
Base Rent (per sq. ft.)	\$2.05	\$24.61
Operating Expense Rent (per sq. ft.)	\$1.03	\$12.36
Term (Months)	66 months	
Rent Adjustment (Initial Term & Extended Term)	3.00%	
Operating Expense Rent Adjustment (Initial Term & Extended Term)	3.75%	
Real Estate Taxes	\$0.22	\$2.65
Parking	# of Spaces	
	294	

Initial Term	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year (6 months)	Total 66 Months Rental Costs
Annual Base Rent Costs	\$1,447,000	\$1,491,000	\$1,536,000	\$1,583,000	\$1,631,000	\$840,000	\$8,528,000
Operating Expense Rent	\$727,000	\$755,000	\$784,000	\$814,000	\$845,000	\$438,500	\$4,364,000
Rent Paid to Landlord	\$2,174,000	\$2,246,000	\$2,320,000	\$2,397,000	\$2,476,000	\$1,278,500	\$12,892,000
Real Estate Taxes ⁽¹⁾	\$156,000	\$156,000	\$156,000	\$156,000	\$156,000	\$78,000	\$858,000
Total Annual Lease Costs	\$2,330,000	\$2,402,000	\$2,476,000	\$2,553,000	\$2,632,000	\$1,357,000	\$13,750,000

Option Rent	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total 60 Months Rental Costs
Annual Base Rent Costs	\$1,731,000	\$1,783,000	\$1,837,000	\$1,893,000	\$1,950,000	\$9,194,000
Operating Expense Rent	\$910,000	\$945,000	\$981,000	\$1,018,000	\$1,057,000	\$4,911,000
Total Paid to Landlord with Option Rent	\$2,641,000	\$2,728,000	\$2,818,000	\$2,911,000	\$3,007,000	\$14,105,000
Real Estate Taxes ⁽¹⁾	\$156,000	\$156,000	\$156,000	\$156,000	\$156,000	\$780,000
Total Annual Lease Costs	\$2,797,000	\$2,884,000	\$2,974,000	\$3,067,000	\$3,163,000	\$14,885,000

Est. Aggregate costs of 10 years and 6 months term: \$28,635,000

Option Rent	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total 60 Months Rental Costs
Annual Base Rent Costs	\$2,009,000	\$2,070,000	\$2,133,000	\$2,197,000	\$2,263,000	\$10,672,000
Operating Expense Rent	\$1,097,000	\$1,139,000	\$1,182,000	\$1,227,000	\$1,274,000	\$5,919,000
Total Paid to Landlord with Option Rent	\$3,106,000	\$3,209,000	\$3,315,000	\$3,424,000	\$3,537,000	\$16,591,000
Real Estate Taxes ⁽¹⁾	\$161,000	\$156,000	\$156,000	\$156,000	\$156,000	\$785,000
Total Annual Lease Costs	\$3,267,000	\$3,365,000	\$3,471,000	\$3,580,000	\$3,693,000	\$17,376,000

Footnotes

Est. Aggregate costs of 15 years and 6 months term: \$46,011,000

⁽¹⁾ County is responsible for real estate taxes. Assumption is based upon 2% increase from current tax amount. Cost is subject to change.

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

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

12851 Crossroads Parkway South, City of Industry
DPSS

Basic Lease Assumptions

Leased Area (sq.ft.)	77,250	
	Per RSF Per Month (\$)	Per RSF Per Year (\$)
Base Rent (per sq. ft.)	\$2.42	\$29.04
Operating Expense Rent (per sq. ft.)	\$1.05	\$12.63
Term (Months)	68 months	
Rent Adjustment (Initial Term & Extended Term)	3.00%	
Operating Expense Adjustment (Initial Term & Extended Term)	3.75%	
Electrical Costs	\$0.20	\$2.44
Real Estate Taxes	\$0.45	\$5.36
Parking	# of Spaces	
	386	

Initial Term	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year (8 months)	Total 68 Months Rental Costs
Annual Base Rent Costs	\$2,243,000	\$2,311,000	\$2,381,000	\$2,453,000	\$2,527,000	\$1,735,333	\$13,651,000
Operating Expense Rent	\$976,000	\$1,013,000	\$1,051,000	\$1,091,000	\$1,132,000	\$783,333	\$6,047,000
Rent Paid to Landlord	\$3,219,000	\$3,324,000	\$3,432,000	\$3,544,000	\$3,659,000	\$2,518,667	\$19,697,000
Electric Costs ⁽¹⁾	\$189,000	\$189,000	\$189,000	\$189,000	\$189,000	\$126,000	\$1,071,000
Real Estate Taxes ⁽²⁾	\$414,000	\$414,000	\$414,000	\$414,000	\$414,000	\$276,000	\$2,346,000
Total Annual Lease Costs	\$3,822,000	\$3,927,000	\$4,035,000	\$4,147,000	\$4,262,000	\$2,921,000	\$23,114,000

Option Rent	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total 60 Months Rental Costs
Annual Base Rent Costs	\$2,682,000	\$2,763,000	\$2,846,000	\$2,932,000	\$3,020,000	\$14,243,000
Operating Expense Rent	\$1,220,000	\$1,266,000	\$1,314,000	\$1,364,000	\$1,416,000	\$6,580,000
Total Paid to Landlord with Option Rent	\$3,902,000	\$4,029,000	\$4,160,000	\$4,296,000	\$4,436,000	\$20,823,000
Electric Costs ⁽¹⁾	\$189,000	\$189,000	\$189,000	\$189,000	\$189,000	\$945,000
Real Estate Taxes ⁽²⁾	\$414,000	\$414,000	\$414,000	\$414,000	\$414,000	\$2,070,000
Total Annual Lease Costs	\$4,505,000	\$4,632,000	\$4,763,000	\$4,899,000	\$5,039,000	\$23,838,000

Est. Aggregate costs of 10 years and 8 Months Term: \$46,952,000

Option Rent	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total 60 Months Rental Costs
Annual Base Rent Costs	\$3,111,000	\$3,205,000	\$3,302,000	\$3,402,000	\$3,505,000	\$16,525,000
Operating Expense Rent	\$2,204,000	\$2,287,000	\$2,373,000	\$2,462,000	\$2,555,000	\$11,881,000
Total Paid to Landlord with Option Rent	\$5,315,000	\$5,492,000	\$5,675,000	\$5,864,000	\$6,060,000	\$28,406,000
Electric Costs ⁽¹⁾	\$189,000	\$189,000	\$189,000	\$189,000	\$189,000	\$945,000
Real Estate Taxes ⁽²⁾	\$414,000	\$414,000	\$414,000	\$414,000	\$414,000	\$2,070,000
Total Annual Lease Costs	\$5,918,000	\$6,095,000	\$6,278,000	\$6,467,000	\$6,663,000	\$31,421,000

Footnotes

⁽¹⁾ County pays direct to the utility provider for its electrical use. Amount is based upon the past 12-month average. Costs are subject to change.
⁽²⁾ County is responsible for real estate taxes. Assumption is based upon 2% increase from current tax amount. Cost is subject to change.

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

Est. Aggregate costs of 15 years and 8 Months Term: \$78,373,000

**COMPARISON OF THE PROPOSED LEASE AMENDMENT TO EXISTING LEASE
12801 CROSSROADS PARKWAY S, CITY OF INDUSTRY**

	Existing Lease⁽¹⁾: 12801 Crossroads Pkwy S., City of Industry	Proposed Lease Amendment⁽²⁾ 12801 Crossroads Pkwy S., City of Industry	Change
Area (Square Feet)	58,799 sq.ft.	58,799 sq.ft.	No change
Term (years)	15 years	66 months plus two 5-year options to renew	66 months plus two 5-year options to renew
Annual Base Rent	\$1,447,000	\$1,447,000	No change
Annual Parking Cost	\$0	\$0	No change
Operating Expense Rent	\$727,000	\$727,000	No change
Total Annual Lease Costs payable to Landlord	\$2,174,000	\$2,174,000	No change
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

⁽¹⁾ Costs are projections based on existing lease terms that expire in 2033.

⁽²⁾ Costs are projections based on the commencement of the proposed lease amendment in 2033.

*Note: All numbers are rounded up.

**COMPARISON OF THE PROPOSED LEASE AMENDMENT TO EXISTING LEASE
12851 CROSSROADS PARKWAY S, CITY OF INDUSTRY**

	Existing Lease⁽¹⁾: 12851 Crossroads Pkwy S., City of Industry	Proposed Lease Amendment⁽²⁾ 12851 Crossroads Pkwy S., City of Industry	Change
Area (Square Feet)	77,250 sq.ft.	77,250 sq.ft.	No change
Term (years)	15 years	68 months plus two 5-year options to renew	68 months plus two 5-year options to renew
Annual Base Rent	\$2,243,000	\$2,243,000	No change
Annual Parking Cost	\$0	\$0	No change
Operating Expense Rent	\$976,000	\$976,000	No change
Total Annual Lease Costs payable to Landlord	\$3,219,000	\$3,219,000	No change
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

⁽¹⁾ Costs are projections based on existing lease terms that expire in 2033.

⁽²⁾ Costs are projections based on the commencement of the proposed lease amendment in 2033.

*Note: All numbers are rounded up.

DEPARTMENT OF PUBLIC SOCIAL SERVICES

SPACE SEARCH – 3 MILE RADIUS FROM 12801 & 12851 CROSSROADS PARKWAY
SOUTH, CITY OF INDUSTRY

PROP ID	PROPERTY NAME	ADDRESS	OWNER-SHIP	GROSS SQFT	NET SQFT	VACANT SQFT
10324	ASSESSOR - EAST DISTRICT	1198 DURFEE AVE, South El Monte, CA 91733	Owned	10548	10021	None
B002	DPSS - Administrative Headquarters E Annex	12900 Crossroads Pkwy S, City Of Industry, CA 91745	Leased	34245	31420	None
4533	East Services Agency - Office Building	265 Cloverleaf Dr, Baldwin Park, CA 91706	Owned	1440	1055	None
A130	DPSS - Administrative Headquarters	12860 Crossroads Pkwy S, City Of Industry, CA 91745	Leased	55000	41943	None
A130	DPSS - Administrative Headquarters	12860 Crossroads Pkwy S, City Of Industry, CA 91745	Leased	55000	41943	None
B119	Assessor - East District Office	1190 Durfee Ave, South El Monte, CA 91733	Owned	36861	35018	None
10430	RR/CC - Crossroads Parkway Office	13401 Crossroads Pkwy, City of Industry 91746	Leased	57905	55010	None
D930	San Gabriel Valley Service Center	1441 Santa Anita Ave, South El Monte, CA 91733	Owned	1230	1230	None
A507	DPSS - Administrative Headquarters W Annex	12820 Crossroads Pkwy, City Of Industry, CA 91745	Leased	33331	28331	None
D930	San Gabriel Valley Service Center	1441 Santa Anita Ave, South El Monte, CA 91733	Owned	8124	5547	None
A507	DPSS - Administrative Headquarters W Annex	12820 Crossroads Pkwy, City Of Industry, CA 91745	Leased	33331	28331	None
D930	San Gabriel Valley Service Center	1441 Santa Anita Ave, South El Monte, CA 91733	Owned	1250	840	None
D930	San Gabriel Valley Service Center	1441 Santa Anita Ave, South El Monte, CA 91733	Owned	5544	3785	None
D930	San Gabriel Valley Service Center	1441 Santa Anita Ave, South El Monte, CA 91733	Owned	2516	1718	None

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Lease for the Department of Public Social Services – 12801 & 12851 Crossroads Parkway South, City of Industry – First District.

A. Establish Service Function Category – Headquarters

B. Determination of the Service Area – The proposed lease amendments will provide DPSS with adequate office space for its Headquarters.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: Continued need for operation within Service Planning Area 3.

Need for proximity to existing County facilities: All within the same business campus so DPSS can use as its Headquarters

- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services.
- 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 DPSS' space needs.
- Compatibility with local land use plans: The City of Industry 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 amendments over the enter term is \$13,750,000 for Premises A and \$23,114,000 for Premises B.

D. Analyze results and identify location alternatives

Based upon a review of available industry data, it has been established that the current annual rental range for a comparable lease in the area is between \$31.80 and \$42 per square foot, per year. The projected base annual rental rates of \$36.97 for Premises A and \$41.67 per square foot, per year for Premises B represent a rate that is expected to remain within the market range for the area in 2033. Further, relocation to a new building would disrupt services and would place the DPSS administrative staff currently operating at these two locations too far from the Headquarters. We recommend the proposed Premises A and Premises B 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 amendments will provide adequate and efficient office space for a total of 564 employees consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.

AMENDMENT NO. 1 TO LEASE NO. 78525
DEPARTMENT OF PUBLIC SOCIAL SERVICES
12801 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY

This **AMENDMENT NO. 1 TO LEASE NO. 78525** ("Amendment No. 1") is made, entered and dated as of this _____ of _____, 2024, by and between **RR&C CROSSROADS NO. 2 LLC**, a Delaware limited liability company ("**Landlord**"), and the **COUNTY OF LOS ANGELES**, a body corporate and politic ("**Tenant**"), for those certain premises located at 12801 Crossroads Parkway South, City of Industry, County of Los Angeles, State of California (the "**Property**").

RECITALS:

A. WHEREAS, Landlord and Tenant have entered into that certain Lease No. 78525 ("**Lease**") dated September 13, 2016 for those certain Premises located at 12801 Crossroads Parkway South, City of Industry, California ("**Premises**").

B. WHEREAS, Landlord and Tenant desire to, among other matters, extend the term of the Lease as set forth below.

AGREEMENTS

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

1. Section 1.1 (e). **TERM**, of the Lease is hereby amended by adding the following paragraph to the end of Section 1.1.e. of the Lease:

"The Term of this Lease is hereby extended commencing May 16, 2033 and terminating at 11:59 p.m. October 31, 2038 (the "**Extended Term**"), with the Termination Date being amended to be the last day of the Extended Term, subject to earlier termination by Tenant as provided in the Lease. The phrase "Term of this Lease" or "the Term hereof" as used in the Lease, or words of similar import, shall refer to the initial Term of this Lease and the Extended Term, together with any additional Extension Term for which an option to renew has been validly exercised."

2. Section 5. **BASE RENT**, of the Lease during the Extended Term, defined in Section 1 of this Amendment No. 1, shall continue pursuant to the terms of Section 5 of the Lease and, in accordance therewith, Base Rent adjustments will continue to occur annually in accordance with Section 5.1 of the Lease.

3. Section 6. **OPERATING EXPENSES RENT**, of the Lease during the Extended Term, as defined in Section 1 of this Amendment No. 1 shall continue pursuant to the terms of Section 6 of the Lease.

4. Section 4.5, **EARLY TERMINATION**, of the Lease is hereby amended by deleting the paragraph found in Section 4.5 in its entirety and adding the following new paragraph as a new

"4.5. **EARLY TERMINATION:**

Tenant shall have the right to terminate this Lease effective at any time after October 31, 2035 by giving Landlord not less than one hundred eighty (180) days' prior written notice executed by the Chief Executive Officer of Tenant (the "**Tenant's Termination Notice**"), and such Tenant's Termination Notice shall set forth the effective date of termination selected by Tenant."

5. Section 22, **PARKING**, of the Lease is hereby amended by adding the following new paragraph to the end of Section 22:

" 22.3. **AFTER-HOURS PARKING**: From and after the date the Park Facilities (as defined below) is open to the public, Tenant shall have the right to use all of the parking at the Building parking area and/or the 12851 Parking Area for the use of Tenant, its visitors, and temporary parking for the public who would be visiting nearby Los Angeles County Parks & Recreation facilities ("Park Facilities"), only during the hours of 6pm – 7am Monday through Friday and 24 hours per day on Saturday and Sunday, subject to availability, at no additional cost to Tenant (the "**After-Hours Parking**"), pursuant to that temporary license agreement dated February 20, 2018. Additionally, Tenant at its sole cost and expense, shall have an active shuttle service between the Building's parking areas and the Park Facilities. Tenant's right to the After-Hours Parking shall be conditioned upon (i) Tenant not being in default under this Lease; (ii) Tenant needing to use the After-Hours Parking as over-flow parking due to the parking area for the Park Facilities being fully parked; and (iii) no tenant from the adjacent property advising Landlord or its affiliates that the After-Hours Parking violates such tenant's lease with Landlord or its affiliate. At any time Tenant is using the After-Hours Parking, Tenant shall maintain in full force and effect the commercial general liability insurance in the amounts and with the additional insured as set forth in Section 21.5 (b). Tenant's indemnification obligations set forth in Section 20.1 shall apply to Tenant's use of the After-Hours Parking for the Park Facilities. In the event (1) Tenant breaches the terms of this Section 22, and/or (2) any tenant with rights to use the Supplemental under the terms of their lease with Landlord alleges that Landlord or its affiliate is in breach of such tenant's lease as a result of the After-Hours Parking, Tenant's right to the After-Hours Parking shall terminate upon written notice from Landlord and Tenant shall have no further right to the After-Hours Parking."

6. Section 25, **TENANT IMPROVEMENTS**, of the Lease is hereby amended by deleting the paragraph found in Section 25 in its entirety and adding the following new paragraph as a new Section 25:

"Landlord, after receipt of a duly executed copy of Amendment No. 1 to Lease, shall begin work on Tenant Improvements within a commercially reasonable period of time per the forthcoming County plans and specifications and subject to the Landlord's Work Letter."

7. The original, LANDLORD'S WORK LETTER, attached to the original Lease is hereby amended by deleting in its entirety and replacing it with a new "Landlord's Work Letter" attached to this Amendment No. 1 as Exhibit "A" and incorporated herein by this reference.

8. The Lease shall be amended by inserting a new Section 35, SMOKING IN COUNTY FACILITIES, to the 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, Tenant shall be obligated to assure that the rights and comfort of all employees shall be respected. Reasonable effort shall be made by Tenant 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 by Tenant as "no smoking" areas. Smoking, including the use of electronic smoking devices, shall be prohibited in the following areas of County facilities: (i) 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; (ii) Within any County parking lot, parking structure, or parking garage, whether enclosed or open to the sky; or (iii) 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 Tenant's responsibility and 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.)"

9. Section 4.6, **OPTION EXTENSION TERMS**, notwithstanding the extension of the Term for the Extended Term, Landlord and Tenant agree that Tenant shall retain its options to renew the Lease, as set forth in Section 4.6 of the Lease.

10. **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 Amendment No. 1 other than Cushman & Wakefield U.S., Inc ("**Tenant's Broker**") and Majestic Realty Co. ("**Landlord's Broker**") 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, Landlord's Broker and Tenant's Broker.

11. **AUTHORITY**. Only the County's Board of Supervisors ("**Board of Supervisors**") has the authority, by formally approving and/or executing this Amendment No. 1, to bind Tenant to the terms included herein. Landlord understands that no material terms of this Amendment No. 1 may be altered or deleted, nor may any new material terms be added to this Amendment No. 1, without the express written approval of the Board of Supervisors, either through an amendment to the Amendment No. 1 or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Amendment No. 1, and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Amendment No. 1 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 Basic Rent or other financial obligations of Tenant under this Amendment No. 1, including without limitation, granting any approvals, terminating the Lease in the manner provided herein by an early termination notice or otherwise, signing estoppel certificates, signing the Memorandum of Extended Term Termination Date or subordinating the Lease. Each individual executing this Amendment No. 1 on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Amendment No. 1 on behalf of Landlord, and that this Amendment No. 1 is binding upon Landlord in accordance with its terms.

12. **LEASE IN FULL FORCE AND EFFECT**. Except as expressly amended as set forth in this Amendment No. 1, the terms and conditions of the Lease remain unmodified and in full force and effect. Except as expressly modified by this Amendment No. 1, all other terms and conditions of the Lease are hereby ratified and affirmed. In the event of any express conflict or inconsistency between the terms of this Amendment No. 1 and the terms of the Lease, the terms of this Amendment No. 1 shall control and govern. Any defined terms that are not defined in this Amendment No. 1 shall have the meanings ascribed thereto in the Lease unless the context clearly indicates otherwise.

13. **COUNTERPARTS; ELECTRONIC SIGNATURES**. This Amendment No. 1 and any other document necessary for the consummation of the transaction contemplated by this Amendment No. 1 may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Amendment No. 1 and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Amendment No. 1 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 Amendment No. 1 is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intend to be bound by the signatures (whether original, faxed or

electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Amendment No. 1 based on the foregoing forms of signature. If this Amendment No. 1 has been executed by electronic signature, all parties executing this document are expressly consenting under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act ("UETA")(Cal. Civ. Code § 1633.1, et seq.), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 as of the date first above set forth.

LANDLORD:

RR&C CROSSROADS NO. 2 LLC,
a Delaware limited liability company

By: RR&C Development Company,
a California general partnership,
its sole member



BY: [Signature]
Edward P. Roski, Jr., Trustee of the
Edward P. Roski, Jr. Living Trust
UID 11/1/1987, as amended

BY: [Signature]
Edward P. Roski, Jr., Trustee of the Roski
Marital Trust UID 11/1/1987, as amended

BY: Curci Investments, LLC,
a California limited liability company

BY: [Signature]
Thomas H. Purcell
Chairman & CEO

BY: [Signature]
ITS: Edward J. DiOrio
Chief Financial Officer, Secretary

DATE: 8/12/24

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
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
LANDLORD'S WORK LETTER

LANDLORD'S WORK LETTER

For

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

COUNTY OF LOS ANGELES, as Tenant

RR&C CROSSROADS NO. 2 LLC, as Landlord

12801 CROSSROADS PARKWAY SOUTH

CITY OF INDUSTRY, CALIFORNIA

LANDLORD'S WORK LETTER

This Work Letter supplements Amendment No. 1 to Lease No. 78525 (the "Amendment") dated _____, 20____, executed concurrently herewith, by and between RR&C CROSSROADS NO. 2 LLC, a Delaware Limited Liability Company, 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 ascribed 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> | \$1,058,382.00 (i.e., \$18.00 per rentable square foot of the Premises) |
| (i) <u>Landlord's TI Allowance</u> | \$1,058,382.00 (i.e., \$18.00 per rentable square foot of the Premises) |
| (ii) <u>Tenant's TI Contribution</u> | Not applicable |
| (b) <u>TI Amortization Rate and Change Authorization Amortization Rate:</u> | Not applicable |
| (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> | An assigned staff person of the Landlord |
| (e) <u>Landlord's Address for Work Letter Notices</u> | RR&C Crossroads No. 2 LLC
c/o Majestic Realty Co.
13191 Crossroads Parkway North
6th Floor
City of Industry, California 91746
Attention: Property Manager |
| (f) <u>Tenant's Address for Work Letter Notices</u> | 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 |

(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) fire sprinkler system installation or upgrade, (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere, (iv) utility costs incurred during construction, (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease, nor (v) supervision or overhead costs of Landlord.

2.3 **Base Building Plans.** Landlord has delivered to Tenant all "as-built" plans and specifications available to Landlord.

3. **Selection of Architect and Engineer.** Landlord shall not proceed with any bid solicitation for architectural or engineering services until final Space Plan (as defined below) is furnished to the Landlord. Once Landlord receives the final Space Plan, Landlord shall, subject to the last sentence of this Section 3, promptly solicit at least three (3) proposals from qualified licensed architects and engineers familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings (as defined below). Landlord shall, subject to the last sentence of this Section 3, select an architect and engineer, subject to Tenant's acceptance, which shall not be unreasonably withheld, and which acceptance (or rejection for reasonable reasons) shall be granted within three (3) business days after Landlord has submitted the name of the selected architect and engineer to Tenant, together with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until Tenant

HOA.103721907.1

LANDLORD'S WORK LETTER

Work Letter - Amendment No. 1 - 12801 Crossroads Pkwy v7\MH02597-005 12801 Crossroads Parkway S., City of Industry, CA
August 12, 2024 [COUNTY OF LOS ANGELES]

accepts an architect (the "Architect") and engineer (the "Engineer"), and Tenant's written acceptance has been delivered to and received by Landlord.

4. **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. Within five (5) business days following Landlord's receipt of the three (3) bids, Landlord and Tenant shall jointly open and review the bids. Landlord and Tenant, after adjustments for inconsistent assumptions, shall select the most qualified bidder offering the lowest price and who commits to Landlord's schedule for the construction of the Tenant Improvements, and such contractor ("Contractor") shall enter into a construction contract ("Construction Contract") with Landlord consistent with the terms of the bid to construct the Tenant Improvements.

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

5.1 **Preparation of Space Plan.** Prior to Landlord's execution of this Lease, Tenant has submitted to Landlord and Landlord has approved that certain preliminary space plan and specifications, and low voltage and furniture plans showing on a preliminary basis 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, as applicable (collectively, the "Preliminary Space Plan"). Concurrently with Tenant's execution and delivery of this Lease, Tenant shall submit to Landlord a final space plan and specifications for the Premises (the "Space Plan"), which Space Plan shall be a logical extension of and consistent with the Preliminary Space Plan. The Space Plan shall be subject to Landlord's reasonable approval within ten (10) business days following Tenant's submittal thereof, provided that it shall only be reasonable for Landlord to disapprove the Space Plan to the extent that it is not a logical extension of or is inconsistent with the Preliminary Space Plan. If Landlord reasonably disapproves the Space Plan for the foregoing reasons, then Tenant shall resubmit a revised Space Plan to Landlord for approval within ten (10) business days following Tenant's receipt of Landlord's disapproval. The foregoing process shall be repeated until such time as Landlord approves the Space Plan submitted by Tenant, and any delay caused by the necessity for Tenant to revise the Space Plan because of Landlord's initial disapproval thereof shall be a Tenant Delay.

5.2 **Preparation and Review of Working Drawings.** Within ten (10) days after the selection of the Architect (the "Selection of Architect 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. 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 are free from errors or omissions on the part of the Architect. Tenant shall in no event disapprove of the Working Drawings, or the applicable portion thereof, to the extent such disapproval would (i) cause such Working Drawings to not be compatible with the design, construction and equipment of the Building or in compliance with applicable laws, including, without limitation, building codes, (ii) create errors or omissions in such Working Drawings, or (iii) cause such Working Drawings to not be a logical extension of and/or consistent with the Space Plan, or the Working Drawings or Engineering Drawings previously approved by Tenant hereunder. Tenant shall approve the Working Drawings, or the applicable portion thereof, in its reasonable discretion (subject to the foregoing limitations), in writing within ten (10) business days following Landlord's submittal thereof to Tenant. Landlord shall use Building standard methods, materials and finishes in the construction of the Tenant Improvements unless expressly set forth to the contrary in the Space Plan and Tenant's Outline Specifications. In the event that Tenant timely and properly disapproves the Working Drawings, or the applicable portion thereof, then the parties shall promptly meet and diligently work in good faith to resolve Tenant's objections. The revised Working Drawings, or the applicable portion thereof, shall be resubmitted by Landlord to Tenant for Tenant's approval in accordance with the foregoing limitations, and Tenant shall approve such Working Drawings, or the applicable portion thereof, in its reasonable discretion, in writing within ten (10) business days following Landlord's resubmittal thereof to Tenant. The process set forth in the immediately preceding two sentences shall be repeated until the Working Drawings, or the applicable portion thereof, are approved by Tenant.

5.3 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, provided that Tenant shall in no event disapprove of the Engineering Drawings, or the applicable portion thereof, to the extent such disapproval would (i) cause such Engineering Drawings to not be compatible with the design, construction and equipment of the Building or in compliance with applicable laws, including, without limitation, building codes, (ii) create errors or omissions in such Engineering Drawings, or (iii) cause such Engineering Drawings to not be a logical extension of and/or consistent with the Space Plan, and Low Voltage Plans or the Working Drawings or Engineering Drawings previously approved by Tenant hereunder. Tenant shall approve the Engineering Drawings, or the applicable portion thereof, in its reasonable discretion (subject to the foregoing limitations), in writing within ten (10) business days following Landlord's submittal thereof to Tenant. In the event that Tenant timely and properly disapproves the Engineering Drawings, or the applicable portion thereof, then the parties shall promptly meet and diligently work in good faith to resolve Tenant's objections. The revised Engineering Drawings, or the applicable portion thereof, shall be resubmitted by Landlord to Tenant for Tenant's approval in accordance with the foregoing limitations, and Tenant shall approve such Engineering Drawings, or the applicable portion thereof, in its reasonable discretion, in writing within ten (10) business days following Landlord's resubmittal thereof to Tenant. The process set forth in the immediately preceding two sentences shall be repeated until the Engineering Drawings, or the applicable portion thereof, are approved by Tenant.

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has accepted the Engineering Drawings, Landlord shall cause the Architect to integrate

HOA.103721907.1

LANDLORD'S WORK LETTER

Work Letter - Amendment No. 1 - 12801 Crossroads Pkwy v7\MH102597-005
August 12, 2024

12801 Crossroads Parkway S., City of Industry, CA
[COUNTY OF LOS ANGELES]

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 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.

5.5 Tenant's Plan Review and Acceptance. 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.

5.6 Schedule. Within twenty-one (21) calendar days of the Selection of Architect Date, Landlord shall submit to Tenant a detailed construction schedule for Tenant's information setting forth the projected dates for completion 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, and the date of Substantial Completion. As the construction continues, Landlord shall amend the construction schedule from time to time to reflect any changes to the projected dates, and Landlord shall promptly submit the revised construction schedules to Tenant. Except as expressly set forth in the Lease or this Work Letter, Landlord shall have no liability or responsibility to Tenant for any failure to complete project benchmarks by the projected dates set forth in any construction schedule provided by Landlord.

5.7 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.

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

6.1 **Cost Summary.** Within seven (7) calendar days after the Space Plan has been approved by Landlord, 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 Landlord's TI Allowance. The Preliminary TI Cost Summary shall be revised into final form following Contractor's review including the Modular Furniture Costs within thirty (30) calendar days from the date that all permits for the construction of the Tenant Improvements have been issued by the applicable governmental authorities, and will be referred to herein as the "Final TI Cost Summary". The Preliminary Budget and the Final TI Costs Summary shall include the Modular Furniture Costs, and notwithstanding any contrary provision of this Work Letter, Tenant shall have five (5) business days from the date of receipt of the Final TI Cost Summary (the "Budget Approval Deadline") to approve or disapprove the Final TI Cost Summary in writing. Construction of the Tenant Improvements shall not begin until such time as Tenant indicates its approval of the Final TI Cost Summary. In the event that Tenant rejects the Final TI Cost Summary in writing due to matters related to cost and the Final TI Cost Summary is ten percent (10%) 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 Tenant's sole expense and any delay in excess of ten (10) business days caused by the necessity to rebid or redesign the Tenant Improvements shall be a Tenant Delay.

6.2 **Landlord's TI Allowance.**

(a) Tenant shall be entitled to a one-time Landlord's TI Allowance in the amount set forth in Section 1(a)(i) above for the costs relating to the design and construction of the Tenant Improvements, which such costs shall include Landlord's cost of security for the Premises during construction of the Tenant Improvements. Subject to the Landlord/Tenant Additional Responsibility Provision, as defined and set forth in Section 6.2(b) below, in no event shall Landlord be obligated to pay a total amount for the design, construction, purchase and installation of the Tenant Improvements which exceeds the Landlord's TI Allowance. Any unused portion of the Landlord TI Allowance following completion of the Tenant Improvements shall be credited toward the Base Rent up to a maximum of Five and 00/100 Dollars (\$5.00) per square foot of the Premises.

(b) 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 and Landlord's reasonable approval (collectively "Total TI Costs"), all of which must not exceed, in the aggregate, the sum of Landlord's TI Allowance, and the cost of any Change Authorizations (as defined below) that are approved in writing by both parties. Notwithstanding any contrary provision of this Work Letter (but subject to the Landlord/Tenant Additional Responsibility Provision), in no event shall Tenant Improvements be permitted to the extent they will cause the Tenant Improvement Costs to exceed the sum of the Landlord's TI Allowance, unless a Change Order has been approved therefor by Tenant in accordance with Section 8 below. Landlord shall be solely responsible for any Tenant Improvement Costs in excess of the total amount of the Final Construction Budget approved by Tenant, except for costs

arising from Change Orders requested by Tenant (which shall be a Tenant cost and payable to Landlord, as additional rent, within thirty (30) days of billing) (the "Landlord/Tenant Additional Responsibility Provision").

7. Construction of Tenant Improvements.

7.1 Tenant Improvements. Tenant Improvements to be constructed by Landlord are described more particularly on Addendum B hereto, provided that in the event of any conflict between the Working Drawings and Addendum B, the Working Drawings shall control. Notwithstanding any contrary provision of this Work Letter, any Tenant Improvements described in Addendum B which are not reflected on the Working Drawings shall not be constructed by Landlord hereunder. Landlord agrees that, in the event of an unforeseen condition is discovered during construction of the Tenant Improvements which are not reflected on Working Drawings, any cost to correct such unforeseen condition shall be at Landlord's cost unless waived by the PM in writing.

7.2 Bids. Unless waived by Tenant in writing, any major contractors, subcontractors and material suppliers providing labor and/or materials for the Tenant Improvements shall, subject to the last sentence of this Section 7.2, be selected only after a minimum of three (3) bids have been solicited from responsible and qualified persons. Landlord shall, subject to the last sentence of this Section 7.2, submit at least three (3) sealed fixed price bids for the construction of the Tenant Improvements to Tenant for its review prior to the award of the Construction Contract. The bids shall be jointly opened and reviewed by Landlord and Tenant within five (5) business days following Landlord's receipt of a sufficient number of bids. The bids shall include an itemized list of all materials and labor and shall include all additional costs, as applicable, 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.

7.3 Permits. Landlord shall obtain the approval of all applicable governmental authorities and all permits required by governmental authorities having jurisdiction over such approvals and permits 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.

7.4 Commencement of Construction. Landlord shall commence construction of the Tenant Improvements within five (5) business days following the later to occur of (i) Tenant's approval of the Final Construction Budget, (ii) Landlord's receipt of all required permits for the Tenant Improvements, and (iii) construction contract awarded to Contractor. Once commenced, Landlord shall thereafter 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 and Tenant Delays (as defined below).

7.5 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 in accordance with Tenant's Space Plan and Outline Specifications shall be provided by Landlord as part of the Tenant Improvement Costs to which the Landlord's TI Allowance shall be applied. 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), as may be extended for any warranty for a period in excess of two (2) years. 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.

(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. In the event that Tenant claims that there has been substandard Tenant Improvement work or clean-up (as reasonably determined according to the usual standards of work in the Building), then Tenant shall notify Landlord in writing thereof (with reasonable detail specifying the substandard work or clean-up claimed by Tenant) and to the extent that Landlord agrees that the work or clean-up was substandard, then Landlord shall perform additional work or clean-up as is required hereunder within ten (10) business days of Landlord's receipt of Tenant's notice (provided that if such work or clean-up cannot reasonably be completed within such ten (10) business day period, then Landlord shall commence such work or clean-up within such ten (10) business day period and shall diligently perform and complete such work or clean-up thereafter). If Landlord fails to timely perform such additional work or clean-up (or to respond that the work or clean-up requested by Tenant is not required to be performed by Landlord), then Landlord agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of the substandard work or clean-up performed by Landlord's contractor or contractors, within thirty (30) days following Landlord's receipt of Tenant's notice (which shall include a reasonably detailed itemization of the costs incurred by Tenant).

(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**

HOA.103721907.1

LANDLORD'S WORK LETTER

Work Letter - Amendment No. 1 - 12801 Crossroads Pkwy v7\MH02597-005 12801 Crossroads Parkway S., City of Industry, CA
August 12, 2024 [COUNTY OF LOS ANGELES]

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 4.4 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; provided, however, in the event of a conflict in completing any work, Landlord's right to complete the Tenant Improvements shall have priority over Tenant's early access rights.

7.6 Construction During Tenant's Occupancy. As Tenant will be occupying the Premises pursuant to the Lease while Landlord is completing the Tenant Improvements, Tenant agrees that it shall not interfere with Landlord's completion of the Tenant Improvements. Tenant hereby acknowledges that, notwithstanding Tenant's occupancy of the Premises during the construction of the Tenant Improvements, Landlord shall be permitted to complete the Tenant Improvements during normal business hours, and Tenant shall provide a clear working area for Landlord's construction of the Tenant Improvements (including, but not limited to, the moving of furniture, fixtures and Tenant's property away from the area Landlord is completing the Tenant Improvements). Tenant hereby agrees that the construction of the Tenant Improvements shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to, if any, abatement of rent. Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from construction of the Tenant Improvements, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of whole or any part of the Premises, for loss of or damage to Tenant's personal property, merchandise, fixtures or improvements, or for any inconvenience or annoyance resulting from the Tenant Improvements or for Landlord's actions in connection with the Tenant Improvements.

7.7 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 (provided that if such work or clean-up cannot reasonably be completed within such thirty (30) day period, then Landlord shall commence such punch-list

HOA.103721907.1

LANDLORD'S WORK LETTER

Work Letter - Amendment No. 1 - 12801 Crossroads Pkwy v7\MH\02597-005 12801 Crossroads Parkway S., City of Industry, CA
August 12, 2024 [COUNTY OF LOS ANGELES]

items within such thirty (30) day period and shall diligently perform and complete such punch-list items thereafter). If Landlord fails to complete any of the punch-list items within such 30-day period (as may be extended), then Tenant, 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, and Landlord agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of the completion of such punch-list items within thirty (30) days following Landlord's receipt of Tenant's notice (which shall include a reasonably detailed itemization of the costs incurred by Tenant).

7.8 **Conformed Plans.** Within sixty (60) days after Substantial Completion of the Tenant Improvements and Landlord's receipt from the Contractor of all field changes and as a TI Cost, 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 a web-based download link.

8. **Requests for Change.** Tenant and Landlord may make changes, additions, deletions or substitutions, alterations in the Final Plans (each a "Request for Change Order") provided that the requesting party must submit a written request to the other party and that Requests for Change (Change Order) will not be effective unless approved in writing by both Tenant and Landlord (a "Change Authorization"), which, if approved, shall be approved within thirty (30) days of notice from the requesting party. 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 pay for Change Orders by payment in a lump sum to Landlord, as additional rent, within thirty (30) days of billing. Landlord shall submit to the Chief Executive Officer or his/her designee with each requested Change Order (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Tenant requested Change Authorizations previously approved; and (iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved. Each Change Authorization must be signed and dated by Landlord and the Chief Executive Officer or his/her designee in order to be effective.

9. **Furniture System.**

9.1 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, either Tenant, Landlord and /or Landlord's Architect shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors which approval shall be granted or denied within thirty (30) days of notice from the requesting party. The bid package shall be broken down into separate line items for material, delivery, 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. Landlord shall order the modular furniture set forth in the Modular Specifications and HOA.103721907.1

LANDLORD'S WORK LETTER

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. Within thirty (30) days following Landlord's delivery thereof to Tenant, provided that any disapproval by Tenant shall be limited to items included in the bid package which are inconsistent with the Modular Specifications. Landlord shall select the furniture vendor that (i) commits to Landlord's schedule for the construction of the Tenant Improvements, (ii) is able to provide all of the Modular Furniture included in the bid package, and (iii) offers the lowest price (after adjustment of the bids for inconsistent assumptions). Notwithstanding any contrary provision of this Section 9.1, if the Modular Furniture Costs will exceed the remaining available Landlord's TI Allowance, as reasonably determined by Landlord and Tenant, then upon written notice from Landlord (the "Excess Furniture Notice") Tenant shall revise the Modular Specifications as necessary to reduce the Modular Furniture Costs to the extent specified by Landlord, in which event the foregoing bidding process shall be repeated and the period of time following Landlord's delivery of the Excess Furniture Notice to Tenant through the date that the Modular Furniture is ordered shall be a Tenant Delay.

The Modular Furniture shall not become part of the realty or real property but shall remain personal property. Upon Tenant's payment in full of the amounts owing to Landlord, the Modular Furniture shall constitute Tenant's personal property and shall be removable from the Premises by Tenant's creditors and their assigns during the Term of this Lease, provided that any damage occasioned by such removal shall be repaired by such creditors, and Landlord shall have no liability to Tenant in connection with any actions by Tenant's creditors in the Premises or with respect to any Modular Furniture removed by such creditors from the Premises. The foregoing provisions relating to Tenant's creditors' rights shall be binding upon the representatives, successors and assigns of the parties hereto, and shall inure to the benefit of the successors and assigns of the parties hereto.

Landlord shall provide the Modular Furniture set forth in the Modular Specifications as part of the Tenant Improvements and the design related, and purchase and installation costs therefor (the Modular Furniture Costs") shall be part of the Total TI Costs.

9.2 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 or telecommunications equipment (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 of Personal Property during the term of the Lease.

HOA.103721907.1

LANDLORD'S WORK LETTER

Work Letter - Amendment No. 1 - 12801 Crossroads Pkwy v7\MH\02597-005 12801 Crossroads Parkway S., City of Industry, CA
August 12, 2024 [COUNTY OF LOS ANGELES]

10. **Total TI Costs Adjustment and Right to Audit.** Within ninety (90) 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 (b) the amount of Total TI Costs that is in excess of Landlord's TI Allowance and payable hereunder by Tenant to Landlord. Payments by Tenant for Change Orders shall be calculated and adjusted as appropriate, based upon such statement. Tenant shall have the right to audit the Total TI Costs at any time during the Term. 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 for Landlord's review and reasonable approval which shall not be unreasonably conditioned or delayed. Until such time as Tenant's audit is approved by Landlord, Tenant shall continue to pay Landlord based upon the amounts originally billed to Tenant for Change Orders. If it is determined that Tenant has overpaid any amounts to Landlord, then Landlord shall, within thirty (30) calendar days following approval of the audit, refund to Tenant the amount of any overpayment made by Tenant and all future payments owing by Tenant to Landlord under this Work Letter shall be adjusted as appropriate based upon the agreed upon audit results.

11. **Intentionally Deleted.**

12. **Intentionally Deleted.**

13. **Tenant Remedies.** Any default by Landlord under the terms of this Work Letter shall constitute a Landlord Default under the Lease and shall entitle Tenant to exercise all remedies set forth in the Lease.

14. **Representatives.**

14.1 **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(f) above.

14.2 **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(e) above.

15. **Intentionally Deleted.**

16. **Construction Meetings.** During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week or biweekly, unless Landlord or Tenant directs otherwise, at a time and place that is mutually convenient. An initial construction meeting shall be held within five (5) business days after the date the Contractor is selected. Landlord, Architect or Contractor shall provide minutes of each construction meeting to Tenant

within a reasonable time thereafter, but not later than three (3) business days after the date of the construction meeting.

17. **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. Any electronic deliveries shall be delivered to Landlord at the following email addresses: dbui@majesticrealty.com and lgoldstein@majesticrealty.com (or to such other person as Landlord may designate from time to time), and to Tenant at the following email addresses: vhasanovic@ceo.lacounty.gov and daardema@ceo.lacounty.gov, provided that the delivering party shall also concurrently advise the receiving party by telephone of the forthcoming email at the applicable telephone number, as follows: For Landlord: David Bui at (562) 948-4388 and Louis Goldstein at (562) 576-1611. For Tenant: Vedad Hasanovic at (213) 246-9997 and Dean Aardema at (213) 893-2471.

18. **Miscellaneous.** This Landlord's Work Letter sets forth the entire understanding and agreement between the Parties with respect to the subject matter of this Landlord's Work Letter. This Landlord's Work Letter may be amended only in a writing signed by both Parties. Any notice to a party for a breach of this Landlord's Work Letter must be delivered in writing per the terms as set forth in Section 31.6 of the Lease. This Landlord's Work Letter will not be effective unless and until signed and delivered by both Parties. 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. 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.

19. **Counterparts; Electronic Signatures.** This Work Letter and any other documents necessary for the consummation of the transaction contemplated by this Work Letter 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 Work Letter 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 Work Letter had been delivered and 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 Work Letter 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 Work Letter based on the foregoing forms of signature. If this Work Letter 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.

[Signatures on following page]

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

LANDLORD:

RR&C CROSSROADS NO. 2 LLC,
a Delaware limited liability company



By: RR&C Development Company,
a California general partnership,
its sole member

By: [Signature]
Edward P. Roski, Jr., Trustee of the
Edward P. Roski, Jr. Living Trust
UID 11/1/1987, as amended

By: [Signature]
Edward P. Roski, Jr., Trustee of the
Roski Marital Trust UID 11/1/1987,
as amended

By: Curci Investments, LLC,
a California limited liability company

By: [Signature]
Its: [Signature] Thomas H. Purcell
Chairman & CEO
By: [Signature]
Its: [Signature] Edward J. DiOrio
Chief Financial Officer, Secretary

Date Signed: 8/12/24

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____
Name: _____
Title: _____
Date Signed: _____

HOA.103721907.1

LANDLORD'S WORK LETTER

Work Letter - Amendment No. 1 - 12801 Crossroads Pkwy v7/MH/02597-005 12801 Crossroads Parkway S., City of Industry, CA
August 9, 2024 [COUNTY OF LOS ANGELES]

ADDENDUM A To Landlord's Work Letter

BASE BUILDING IMPROVEMENTS

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

(a) the 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 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) toilet rooms per code, including necessary plumbing fixtures, ceramic tile floors, 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 floors one (1) and two (2), 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);

LANDLORD'S WORK LETTER

- (o) two (2) 208/120 and one (1) 480/277 Volt (VAC) panels connected to the Building power system;
- (p) mechanical equipment room with ducted mechanical exhaust system;
- (q) floors 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;
- (r) standard window coverings with the exception of any doors;
- (s) primary HVAC duct for cooling and primary HVAC duct for heating to loop from the mechanical equipment room around the building core;
- (t) hot and cold air loops located within the Premises;
- (u) primary fire sprinkler distribution, including secondary piping, and sprinkler heads as required for the unoccupied Premises;
- (v) primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution;
- (w) access at panels in the service core for distribution of Building requirements electrical power (initially 120/208 V for power and 277V for fluorescent lighting) up to the limits permitted under applicable law at the time the Building receives the initial temporary certificate of occupancy for the Building; and
- (x) Drywall on the service core walls, columns and sills in the Premises.

LANDLORD'S WORK LETTER

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 (except elevator lobbies and public corridors on multi-tenant floors and core area toilet rooms);
- (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 fixtures and equipment for the Modular Furniture per the Modular Specifications);
- (g) Distribution of electrical services, plumbing services, and sprinklers from the core to the Premises, and domestic hot water heater and associated hot water piping;
- (h) Any and all signs for Tenant and the power therefor;
- (i) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms, and extinguishers;
- (j) Additional and/or above standard electrical capacity;
- (k) Fiber optic access;
- (l) Rekeying of the Premises;
- (m) Any modifications or additions to the project scope that necessitate modifications or additions to the Landlord Base Building Improvements, resulting in additional costs to Landlord's Base Building Work, shall be considered a Tenant Improvement;
- (n) Supplemental air units required for tenant's equipment; and
- (o) 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.

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)	\$
Furniture	\$
Other (Specify)	\$
Total TI Costs	\$

AMENDMENT NO. 1 TO LEASE NO. 78526
DEPARTMENT OF PUBLIC SOCIAL SERVICES
12851 CROSSROADS PARKWAY SOUTH, CITY OF INDUSTRY

This **AMENDMENT NO. 1 TO LEASE NO. 78526** ("Amendment No. 1") is made, entered and dated as of this _____ of _____, 2024, by and between **RR&C CROSSROADS NO. 3 LLC**, a Delaware limited liability company ("**Landlord**"), and the **COUNTY OF LOS ANGELES**, a body corporate and politic ("**Tenant**"), for those certain premises located at 12851 Crossroads Parkway South, City of Industry, County of Los Angeles, State of California (the "Property").

RECITALS:

A. WHEREAS, RR&C Crossroads No. 2, LLC, a Delaware limited liability company ("**No. 2**") and Tenant have entered into that certain Lease No. 78526 ("**Lease**") dated September 13, 2016 for those certain Premises located at 12851 Crossroads Parkway South, City of Industry, California ("**Premises**").

B. WHEREAS, No. 2 assigned all rights and obligation in the Lease to Landlord and Landlord assumed all rights and obligations in the Lease from No. 2 on October 14, 2016.

C. WHEREAS, Landlord and Tenant desire to, among other matters, extend the term of the Lease as set forth below.

AGREEMENTS

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

1. Section 1.1 (e). **TERM**, of the Lease is hereby amended by adding the following paragraph to the end of Section 1.1.e. of the Lease:

"The Term of this Lease is hereby extended commencing March 1, 2033 and terminating at 11:59 p.m. October 31, 2038 (the "**Extended Term**"), with the Termination Date being amended to be the last day of the Extended Term, subject to earlier termination by Tenant as provided in the Lease. The phrase "Term of this Lease" or "the Term hereof" as used in the Lease, or words of similar import, shall refer to the initial Term of this Lease and the Extended Term, together with any additional Extension Term for which an option to renew has been validly exercised."

2. Section 5. **BASE RENT**, of the Lease during the Extended Term, as defined in Section 1 of this Amendment No. 1, shall continue pursuant to the terms of Section 5 of the Lease and, in accordance therewith, Base Rent adjustments will continue to occur annually in accordance with Section 5.1 of the Lease.

3. Section 6. **OPERATING EXPENSES RENT**, of the Lease during the Extended Term, as defined in Section 1 of this Amendment No. 1, shall continue pursuant to the terms of Section 6 of the Lease.

4. Section 4.5, **EARLY TERMINATION**, of the Lease is hereby amended by deleting the paragraph found in Section 4.5 in its entirety and adding the following new paragraph as a new

Section 4.5:

"4.5. **EARLY TERMINATION**:

Tenant shall have the right to terminate this Lease effective at any time after October 31, 2035 giving Landlord not less than one hundred eighty (180) days' prior written notice executed by the Chief Executive Officer of Tenant (the "**Tenant's Termination Notice**"), and such Tenant's Termination Notice shall set forth the effective date of termination selected by Tenant."

5. Section 22, **PARKING**, of the Lease is hereby amended by adding the following new paragraph to the end of Section 22:

" 22.3. **AFTER-HOURS PARKING**: From and after the date the Park Facilities (as defined below) is open to the public, Tenant shall have the right to use all of the parking at the Building parking area and/or the 12801 Parking Area for the use of Tenant, its visitors, and temporary parking for the public who would be visiting nearby Los Angeles County Parks & Recreation facilities ("Park Facilities"), only during the hours of 6pm – 7am Monday through Friday and 24 hours per day on Saturday and Sunday, subject to availability, at no additional cost to Tenant (the "**After-Hours Parking**"), pursuant to that temporary license agreement dated February 20, 2018. Additionally, Tenant at its sole cost and expense, shall have an active shuttle service between the Building's parking areas and the Park Facilities. Tenant's right to the After-Hours Parking shall be conditioned upon (i) Tenant not being in default under this Lease; (ii) Tenant needing to use the After-Hours Parking as over-flow parking due to the parking area for the Park Facilities being fully parked; and (iii) no tenant from the adjacent property advising Landlord or its affiliates that the After-Hours Parking violates such tenant's lease with Landlord or its affiliate. At any time Tenant is using the After-Hours Parking, Tenant shall maintain in full force and effect the commercial general liability insurance in the amounts and with the additional insured as set forth in Section 21.5 (b). Tenant's indemnification obligations set forth in Section 20.1 shall apply to Tenant's use of the After-Hours Parking for the Park Facilities. In the event (1) Tenant breaches the terms of this Section 22, and/or (2) any tenant with rights to use the Supplemental under the terms of their lease with Landlord alleges that Landlord or its affiliate is in breach of such tenant's lease as a result of the After-Hours Parking, Tenant's right to the After-Hours Parking shall terminate upon written notice from Landlord and Tenant shall have no further right to the After-Hours Parking."

6. Section 25, **TENANT IMPROVEMENTS**, of the Lease is hereby amended by deleting the paragraph found in Section 25 in its entirety and adding the following new paragraph as a new Section 25:

"Landlord, after receipt of a duly executed copy of Amendment No. 1 to Lease, shall begin work on Tenant Improvements within a commercially reasonable period of time per the forthcoming County plans and specifications and subject to the Landlord's Work Letter."

7. The original LANDLORD'S WORK LETTER, attached to the original Lease is hereby amended by deleting in its entirety and replacing it with a new "Landlord's Work Letter" attached to this Amendment No. 1 as Exhibit "A" and incorporated herein by this reference.

8. The Lease shall be amended by inserting a new Section 35, SMOKING IN COUNTY FACILITIES, to the 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, Tenant shall be obligated to assure that the rights and comfort of all employees shall be respected. Reasonable effort shall be made by Tenant 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 by Tenant 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 Tenant's responsibility and 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.)"

9. Section 4.6, **OPTION EXTENSION TERMS**, notwithstanding the extension of the Term for the Extended Term, Landlord and Tenant agree that Tenant shall retain its options to renew the Lease, as set forth in Section 4.6 of the Lease.

10. **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 Amendment No. 1 other than Cushman & Wakefield U.S., Inc ("**Tenant's Broker**") and Majestic Realty Co. ("**Landlord's Broker**") 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, Landlord's Broker and Tenant's Broker.

11. **AUTHORITY.** Only the County's Board of Supervisors ("**Board of Supervisors**") has the authority, by formally approving and/or executing this Amendment No. 1, to bind Tenant to the terms included herein. Landlord understands that no material terms of this Amendment No. 1 may be altered or deleted, nor may any new material terms be added to this Amendment No. 1, without the express written approval of the Board of Supervisors, either through an amendment to the Amendment No. 1 or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Amendment No. 1, and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Amendment No. 1 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 Basic Rent or other financial obligations of Tenant under this Amendment No. 1, including without limitation, granting any approvals, terminating the Lease in the manner provided herein by an early termination notice or otherwise, signing estoppel certificates, signing the Memorandum of Extended Term Termination Date or subordinating the Lease. Each individual executing this Amendment No. 1 on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Amendment No. 1 on behalf of Landlord, and that this Amendment No. 1 is binding upon Landlord in accordance with its terms.

12. **LEASE IN FULL FORCE AND EFFECT.** Except as expressly amended as set forth in this Amendment No. 1, the terms and conditions of the Lease remain unmodified and in full force and effect. Except as expressly modified by this Amendment No. 1, all other terms and conditions of the Lease are hereby ratified and affirmed. In the event of any express conflict or inconsistency between the terms of this Amendment No. 1 and the terms of the Lease, the terms of this Amendment No. 1 shall control and govern. Any defined terms that are not defined in this Amendment No. 1 shall have the meanings ascribed thereto in the Lease unless the context clearly indicates otherwise.

13. **COUNTERPARTS; ELECTRONIC SIGNATURES.** This Amendment No. 1 and any other document necessary for the consummation of the transaction contemplated by this Amendment No. 1 may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Amendment No. 1 and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Amendment No. 1 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 Amendment No. 1 is intended to authenticate this writing and to have the same force and effect

as a manual signature, (ii) intend to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Amendment No. 1 based on the foregoing forms of signature. If this Amendment No. 1 has been executed by electronic signature, all parties executing this document are expressly consenting under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act ("UETA")(Cal. Civ. Code § 1633.1, et seq.), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.


[SIGNATURE PAGE IMMEDIATELY FOLLOWS]


IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 as of the date first above set forth.

LANDLORD:

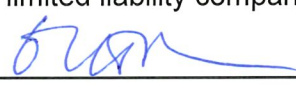
RR&C CROSSROADS NO. 3 LLC,
a Delaware limited liability company

By: RR&C Development Company,
a California general partnership,
its sole member

BY: 
Edward P. Roski, Jr., Trustee of the
Edward P. Roski, Jr. Living Trust
UID 11/1/1987, as amended

BY: 
Edward P. Roski, Jr., Trustee of the Roski
Marital Trust UID 11/1/1987, as amended

BY: Curci Investments, LLC,
a California limited liability company

BY: 
ITS: Thomas H. Purcell
Chairman & CEO

BY: 
ITS: Edward J. DiOrio
Chief Financial Officer, Secretary

DATE: 8-12-24



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
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
LANDLORD'S WORK LETTER

LANDLORD'S WORK LETTER

For

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

COUNTY OF LOS ANGELES, as Tenant

RR&C CROSSROADS NO. 3 LLC, as Landlord

12851 CROSSROADS PARKWAY SOUTH

CITY OF INDUSTRY, CALIFORNIA

LANDLORD'S WORK LETTER

This Work Letter supplements Amendment No. 1 to Lease No. 78526 (the "Amendment") dated _____, 20____, executed concurrently herewith, by and between RR&C CROSSROADS NO. 3 LLC, a Delaware Limited Liability Company, 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 ascribed 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> | \$1,390,500.00 (i.e., \$18.00 per rentable square foot of the Premises) |
| (i) <u>Landlord's TI Allowance</u> | \$1,390,500.00 (i.e., \$18.00 per rentable square foot of the Premises) |
| (ii) <u>Tenant's TI Contribution</u> | Not applicable |
| (b) <u>TI Amortization Rate and Change Authorization Amortization Rate:</u> | Not applicable |
| (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> | An assigned staff person of the Landlord |
| (e) <u>Landlord's Address for Work Letter Notices</u> | RR&C Crossroads No. 3 LLC
c/o Majestic Realty Co.
13191 Crossroads Parkway North
6th Floor
City of Industry, California 91746
Attention: Property Manager |
| (f) <u>Tenant's Address for Work Letter Notices</u> | 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 |

(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) fire sprinkler system installation or upgrade, (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere, (iv) utility costs incurred during construction, (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease, nor (v) supervision or overhead costs of Landlord.

2.3 **Base Building Plans.** Landlord has delivered to Tenant all "as-built" plans and specifications available to Landlord.

3. **Selection of Architect and Engineer.** Landlord shall not proceed with any bid solicitation for architectural or engineering services until final Space Plan (as defined below) is furnished to the Landlord. Once Landlord receives the final Space Plan, Landlord shall, subject to the last sentence of this Section 3, promptly solicit at least three (3) proposals from qualified licensed architects and engineers familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings (as defined below). Landlord shall, subject to the last sentence of this Section 3, select an architect and engineer, subject to Tenant's acceptance, which shall not be unreasonably withheld, and which acceptance (or rejection for reasonable reasons) shall be granted within three (3) business days after Landlord has submitted the name of the selected architect and engineer to Tenant, together with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until Tenant

HOA.103721907.1

LANDLORD'S WORK LETTER

Work Letter - Amendment No. 1 - 12851 Crossroads Pkwy v4\MH02605-002 12851 Crossroads Parkway S., City of Industry, CA
August 12, 2024 [COUNTY OF LOS ANGELES]

accepts an architect (the "Architect") and engineer (the "Engineer"), and Tenant's written acceptance has been delivered to and received by Landlord.

4. **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. Within five (5) business days following Landlord's receipt of the three (3) bids, Landlord and Tenant shall jointly open and review the bids. Landlord and Tenant, after adjustments for inconsistent assumptions, shall select the most qualified bidder offering the lowest price and who commits to Landlord's schedule for the construction of the Tenant Improvements, and such contractor ("Contractor") shall enter into a construction contract ("Construction Contract") with Landlord consistent with the terms of the bid to construct the Tenant Improvements.

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

5.1 **Preparation of Space Plan.** Prior to Landlord's execution of this Lease, Tenant has submitted to Landlord and Landlord has approved that certain preliminary space plan and specifications, and low voltage and furniture plans showing on a preliminary basis 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, as applicable (collectively, the "Preliminary Space Plan"). Concurrently with Tenant's execution and delivery of this Lease, Tenant shall submit to Landlord a final space plan and specifications for the Premises (the "Space Plan"), which Space Plan shall be a logical extension of and consistent with the Preliminary Space Plan. The Space Plan shall be subject to Landlord's reasonable approval within ten (10) business days following Tenant's submittal thereof, provided that it shall only be reasonable for Landlord to disapprove the Space Plan to the extent that it is not a logical extension of or is inconsistent with the Preliminary Space Plan. If Landlord reasonably disapproves the Space Plan for the foregoing reasons, then Tenant shall resubmit a revised Space Plan to Landlord for approval within ten (10) business days following Tenant's receipt of Landlord's disapproval. The foregoing process shall be repeated until such time as Landlord approves the Space Plan submitted by Tenant, and any delay caused by the necessity for Tenant to revise the Space Plan because of Landlord's initial disapproval thereof shall be a Tenant Delay.

5.2 **Preparation and Review of Working Drawings.** Within ten (10) days after the selection of the Architect (the "Selection of Architect 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. 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 are free from errors or omissions on the part of the Architect. Tenant shall in no event disapprove of the Working Drawings, or the applicable portion thereof, to the extent such disapproval would (i) cause such Working Drawings to not be compatible with the design, construction and equipment of the Building or in compliance with applicable laws, including, without limitation, building codes, (ii) create errors or omissions in such Working Drawings, or (iii) cause such Working Drawings to not be a logical extension of and/or consistent with the Space Plan, or the Working Drawings or Engineering Drawings previously approved by Tenant hereunder. Tenant shall approve the Working Drawings, or the applicable portion thereof, in its reasonable discretion (subject to the foregoing limitations), in writing within ten (10) business days following Landlord's submittal thereof to Tenant. Landlord shall use Building standard methods, materials and finishes in the construction of the Tenant Improvements unless expressly set forth to the contrary in the Space Plan and Tenant's Outline Specifications. In the event that Tenant timely and properly disapproves the Working Drawings, or the applicable portion thereof, then the parties shall promptly meet and diligently work in good faith to resolve Tenant's objections. The revised Working Drawings, or the applicable portion thereof, shall be resubmitted by Landlord to Tenant for Tenant's approval in accordance with the foregoing limitations, and Tenant shall approve such Working Drawings, or the applicable portion thereof, in its reasonable discretion, in writing within ten (10) business days following Landlord's resubmittal thereof to Tenant. The process set forth in the immediately preceding two sentences shall be repeated until the Working Drawings, or the applicable portion thereof, are approved by Tenant.

5.3 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, provided that Tenant shall in no event disapprove of the Engineering Drawings, or the applicable portion thereof, to the extent such disapproval would (i) cause such Engineering Drawings to not be compatible with the design, construction and equipment of the Building or in compliance with applicable laws, including, without limitation, building codes, (ii) create errors or omissions in such Engineering Drawings, or (iii) cause such Engineering Drawings to not be a logical extension of and/or consistent with the Space Plan, and Low Voltage Plans or the Working Drawings or Engineering Drawings previously approved by Tenant hereunder. Tenant shall approve the Engineering Drawings, or the applicable portion thereof, in its reasonable discretion (subject to the foregoing limitations), in writing within ten (10) business days following Landlord's submittal thereof to Tenant. In the event that Tenant timely and properly disapproves the Engineering Drawings, or the applicable portion thereof, then the parties shall promptly meet and diligently work in good faith to resolve Tenant's objections. The revised Engineering Drawings, or the applicable portion thereof, shall be resubmitted by Landlord to Tenant for Tenant's approval in accordance with the foregoing limitations, and Tenant shall approve such Engineering Drawings, or the applicable portion thereof, in its reasonable discretion, in writing within ten (10) business days following Landlord's resubmittal thereof to Tenant. The process set forth in the immediately preceding two sentences shall be repeated until the Engineering Drawings, or the applicable portion thereof, are approved by Tenant.

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has accepted the Engineering Drawings, Landlord shall cause the Architect to integrate

HOA.103721907.1

LANDLORD'S WORK LETTER

Work Letter - Amendment No. 1 - 12851 Crossroads Pkwy v4\MH102605-002 12851 Crossroads Parkway S., City of Industry, CA
August 12, 2024 [COUNTY OF LOS ANGELES]

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 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.

5.5 Tenant's Plan Review and Acceptance. 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.

5.6 Schedule. Within twenty-one (21) calendar days of the Selection of Architect Date, Landlord shall submit to Tenant a detailed construction schedule for Tenant's information setting forth the projected dates for completion 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, and the date of Substantial Completion. As the construction continues, Landlord shall amend the construction schedule from time to time to reflect any changes to the projected dates, and Landlord shall promptly submit the revised construction schedules to Tenant. Except as expressly set forth in the Lease or this Work Letter, Landlord shall have no liability or responsibility to Tenant for any failure to complete project benchmarks by the projected dates set forth in any construction schedule provided by Landlord.

5.7 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.

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

6.1 **Cost Summary.** Within seven (7) calendar days after the Space Plan has been approved by Landlord, 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 Landlord's TI Allowance. The Preliminary TI Cost Summary shall be revised into final form following Contractor's review including the Modular Furniture Costs within thirty (30) calendar days from the date that all permits for the construction of the Tenant Improvements have been issued by the applicable governmental authorities, and will be referred to herein as the "Final TI Cost Summary". The Preliminary Budget and the Final TI Costs Summary shall include the Modular Furniture Costs, and notwithstanding any contrary provision of this Work Letter, Tenant shall have five (5) business days from the date of receipt of the Final TI Cost Summary (the "Budget Approval Deadline") to approve or disapprove the Final TI Cost Summary in writing. Construction of the Tenant Improvements shall not begin until such time as Tenant indicates its approval of the Final TI Cost Summary. In the event that Tenant rejects the Final TI Cost Summary in writing due to matters related to cost and the Final TI Cost Summary is ten percent (10%) 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 Tenant's sole expense and any delay in excess of ten (10) business days caused by the necessity to rebid or redesign the Tenant Improvements shall be a Tenant Delay.

6.2 **Landlord's TI Allowance.**

(a) Tenant shall be entitled to a one-time Landlord's TI Allowance in the amount set forth in Section 1(a)(i) above for the costs relating to the design and construction of the Tenant Improvements, which such costs shall include Landlord's cost of security for the Premises during construction of the Tenant Improvements. Subject to the Landlord/Tenant Additional Responsibility Provision, as defined and set forth in Section 6.2(b) below, in no event shall Landlord be obligated to pay a total amount for the design, construction, purchase and installation of the Tenant Improvements which exceeds the Landlord's TI Allowance. Any unused portion of the Landlord TI Allowance following completion of the Tenant Improvements shall be credited toward the Base Rent up to a maximum of Five and 00/100 Dollars (\$5.00) per square foot of the Premises.

(b) 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 and Landlord's reasonable approval (collectively "Total TI Costs"), all of which must not exceed, in the aggregate, the sum of Landlord's TI Allowance, and the cost of any Change Authorizations (as defined below) that are approved in writing by both parties. Notwithstanding any contrary provision of this Work Letter (but subject to the Landlord/Tenant Additional Responsibility Provision), in no event shall Tenant Improvements be permitted to the extent they will cause the Tenant Improvement Costs to exceed the sum of the Landlord's TI Allowance, unless a Change Order has been approved therefor by Tenant in accordance with Section 8 below. Landlord shall be solely responsible for any Tenant Improvement Costs in excess of the total amount of the Final Construction Budget approved by Tenant, except for costs

arising from Change Orders requested by Tenant (which shall be a Tenant cost and payable to Landlord, as additional rent, within thirty (30) days of billing) (the "Landlord/Tenant Additional Responsibility Provision").

7. Construction of Tenant Improvements.

7.1 Tenant Improvements. Tenant Improvements to be constructed by Landlord are described more particularly on Addendum B hereto, provided that in the event of any conflict between the Working Drawings and Addendum B, the Working Drawings shall control. Notwithstanding any contrary provision of this Work Letter, any Tenant Improvements described in Addendum B which are not reflected on the Working Drawings shall not be constructed by Landlord hereunder. Landlord agrees that, in the event of an unforeseen condition is discovered during construction of the Tenant Improvements which are not reflected on Working Drawings, any cost to correct such unforeseen condition shall be at Landlord's cost unless waived by the PM in writing.

7.2 Bids. Unless waived by Tenant in writing, any major contractors, subcontractors and material suppliers providing labor and/or materials for the Tenant Improvements shall, subject to the last sentence of this Section 7.2, be selected only after a minimum of three (3) bids have been solicited from responsible and qualified persons. Landlord shall, subject to the last sentence of this Section 7.2, submit at least three (3) sealed fixed price bids for the construction of the Tenant Improvements to Tenant for its review prior to the award of the Construction Contract. The bids shall be jointly opened and reviewed by Landlord and Tenant within five (5) business days following Landlord's receipt of a sufficient number of bids. The bids shall include an itemized list of all materials and labor and shall include all additional costs, as applicable, 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.

7.3 Permits. Landlord shall obtain the approval of all applicable governmental authorities and all permits required by governmental authorities having jurisdiction over such approvals and permits 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.

7.4 Commencement of Construction. Landlord shall commence construction of the Tenant Improvements within five (5) business days following the later to occur of (i) Tenant's approval of the Final Construction Budget, (ii) Landlord's receipt of all required permits for the Tenant Improvements, and (iii) construction contract awarded to Contractor. Once commenced, Landlord shall thereafter 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 and Tenant Delays (as defined below).

7.5 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 in accordance with Tenant's Space Plan and Outline Specifications shall be provided by Landlord as part of the Tenant Improvement Costs to which the Landlord's TI Allowance shall be applied. 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), as may be extended for any warranty for a period in excess of two (2) years. 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.

(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. In the event that Tenant claims that there has been substandard Tenant Improvement work or clean-up (as reasonably determined according to the usual standards of work in the Building), then Tenant shall notify Landlord in writing thereof (with reasonable detail specifying the substandard work or clean-up claimed by Tenant) and to the extent that Landlord agrees that the work or clean-up was substandard, then Landlord shall perform additional work or clean-up as is required hereunder within ten (10) business days of Landlord's receipt of Tenant's notice (provided that if such work or clean-up cannot reasonably be completed within such ten (10) business day period, then Landlord shall commence such work or clean-up within such ten (10) business day period and shall diligently perform and complete such work or clean-up thereafter). If Landlord fails to timely perform such additional work or clean-up (or to respond that the work or clean-up requested by Tenant is not required to be performed by Landlord), then Landlord agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of the substandard work or clean-up performed by Landlord's contractor or contractors, within thirty (30) days following Landlord's receipt of Tenant's notice (which shall include a reasonably detailed itemization of the costs incurred by Tenant).

(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**

HOA.103721907.1

LANDLORD'S WORK LETTER

Work Letter - Amendment No. 1 - 12851 Crossroads Pkwy v4\MH02605-002 12851 Crossroads Parkway S., City of Industry, CA
August 12, 2024 [COUNTY OF LOS ANGELES]

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 4.4 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; provided, however, in the event of a conflict in completing any work, Landlord's right to complete the Tenant Improvements shall have priority over Tenant's early access rights.

7.6 Construction During Tenant's Occupancy. As Tenant will be occupying the Premises pursuant to the Lease while Landlord is completing the Tenant Improvements, Tenant agrees that it shall not interfere with Landlord's completion of the Tenant Improvements. Tenant hereby acknowledges that, notwithstanding Tenant's occupancy of the Premises during the construction of the Tenant Improvements, Landlord shall be permitted to complete the Tenant Improvements during normal business hours, and Tenant shall provide a clear working area for Landlord's construction of the Tenant Improvements (including, but not limited to, the moving of furniture, fixtures and Tenant's property away from the area Landlord is completing the Tenant Improvements). Tenant hereby agrees that the construction of the Tenant Improvements shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to, if any, abatement of rent. Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from construction of the Tenant Improvements, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of whole or any part of the Premises, for loss of or damage to Tenant's personal property, merchandise, fixtures or improvements, or for any inconvenience or annoyance resulting from the Tenant Improvements or for Landlord's actions in connection with the Tenant Improvements.

7.7 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 (provided that if such work or clean-up cannot reasonably be completed within such thirty (30) day period, then Landlord shall commence such punch-list

HOA.103721907.1

LANDLORD'S WORK LETTER

Work Letter - Amendment No. 1 - 12851 Crossroads Pkwy v4\MH\02605-002 12851 Crossroads Parkway S., City of Industry, CA
August 12, 2024 [COUNTY OF LOS ANGELES]

items within such thirty (30) day period and shall diligently perform and complete such punch-list items thereafter). If Landlord fails to complete any of the punch-list items within such 30-day period (as may be extended), then Tenant, 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, and Landlord agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of the completion of such punch-list items within thirty (30) days following Landlord's receipt of Tenant's notice (which shall include a reasonably detailed itemization of the costs incurred by Tenant).

7.8 **Conformed Plans.** Within sixty (60) days after Substantial Completion of the Tenant Improvements and Landlord's receipt from the Contractor of all field changes and as a TI Cost, 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 a web-based download link.

8. **Requests for Change.** Tenant and Landlord may make changes, additions, deletions or substitutions, alterations in the Final Plans (each a "Request for Change Order") provided that the requesting party must submit a written request to the other party and that Requests for Change (Change Order) will not be effective unless approved in writing by both Tenant and Landlord (a "Change Authorization"), which, if approved, shall be approved within thirty (30) days of notice from the requesting party. 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 pay for Change Orders by payment in a lump sum to Landlord, as additional rent, within thirty (30) days of billing. Landlord shall submit to the Chief Executive Officer or his/her designee with each requested Change Order (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Tenant requested Change Authorizations previously approved; and (iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved. Each Change Authorization must be signed and dated by Landlord and the Chief Executive Officer or his/her designee in order to be effective.

9. **Furniture System.**

9.1 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, either Tenant, Landlord and /or Landlord's Architect shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors which approval shall be granted or denied within thirty (30) days of notice from the requesting party. The bid package shall be broken down into separate line items for material, delivery, 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. Landlord shall order the modular furniture set forth in the Modular Specifications and HOA.103721907.1

LANDLORD'S WORK LETTER

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. Within thirty (30) days following Landlord's delivery thereof to Tenant, provided that any disapproval by Tenant shall be limited to items included in the bid package which are inconsistent with the Modular Specifications. Landlord shall select the furniture vendor that (i) commits to Landlord's schedule for the construction of the Tenant Improvements, (ii) is able to provide all of the Modular Furniture included in the bid package, and (iii) offers the lowest price (after adjustment of the bids for inconsistent assumptions). Notwithstanding any contrary provision of this Section 9.1, if the Modular Furniture Costs will exceed the remaining available Landlord's TI Allowance, as reasonably determined by Landlord and Tenant, then upon written notice from Landlord (the "Excess Furniture Notice") Tenant shall revise the Modular Specifications as necessary to reduce the Modular Furniture Costs to the extent specified by Landlord, in which event the foregoing bidding process shall be repeated and the period of time following Landlord's delivery of the Excess Furniture Notice to Tenant through the date that the Modular Furniture is ordered shall be a Tenant Delay.

The Modular Furniture shall not become part of the realty or real property but shall remain personal property. Upon Tenant's payment in full of the amounts owing to Landlord, the Modular Furniture shall constitute Tenant's personal property and shall be removable from the Premises by Tenant's creditors and their assigns during the Term of this Lease, provided that any damage occasioned by such removal shall be repaired by such creditors, and Landlord shall have no liability to Tenant in connection with any actions by Tenant's creditors in the Premises or with respect to any Modular Furniture removed by such creditors from the Premises. The foregoing provisions relating to Tenant's creditors' rights shall be binding upon the representatives, successors and assigns of the parties hereto, and shall inure to the benefit of the successors and assigns of the parties hereto.

Landlord shall provide the Modular Furniture set forth in the Modular Specifications as part of the Tenant Improvements and the design related, and purchase and installation costs therefor (the Modular Furniture Costs") shall be part of the Total TI Costs.

9.2 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 or telecommunications equipment (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 of Personal Property during the term of the Lease.

HOA.103721907.1

LANDLORD'S WORK LETTER

Work Letter - Amendment No. 1 - 12851 Crossroads Pkwy v4\MH102605-002 12851 Crossroads Parkway S., City of Industry, CA
August 12, 2024 [COUNTY OF LOS ANGELES]

10. **Total TI Costs Adjustment and Right to Audit.** Within ninety (90) 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 (b) the amount of Total TI Costs that is in excess of Landlord's TI Allowance and payable hereunder by Tenant to Landlord. Payments by Tenant for Change Orders shall be calculated and adjusted as appropriate, based upon such statement. Tenant shall have the right to audit the Total TI Costs at any time during the Term. 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 for Landlord's review and reasonable approval which shall not be unreasonably conditioned or delayed. Until such time as Tenant's audit is approved by Landlord, Tenant shall continue to pay Landlord based upon the amounts originally billed to Tenant for Change Orders. If it is determined that Tenant has overpaid any amounts to Landlord, then Landlord shall, within thirty (30) calendar days following approval of the audit, refund to Tenant the amount of any overpayment made by Tenant and all future payments owing by Tenant to Landlord under this Work Letter shall be adjusted as appropriate based upon the agreed upon audit results.

11. **Intentionally Deleted.**

12. **Intentionally Deleted.**

13. **Tenant Remedies.** Any default by Landlord under the terms of this Work Letter shall constitute a Landlord Default under the Lease and shall entitle Tenant to exercise all remedies set forth in the Lease.

14. **Representatives.**

14.1 **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(f) above.

14.2 **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(e) above.

15. **Intentionally Deleted.**

16. **Construction Meetings.** During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week or biweekly, unless Landlord or Tenant directs otherwise, at a time and place that is mutually convenient. An initial construction meeting shall be held within five (5) business days after the date the Contractor is selected. Landlord, Architect or Contractor shall provide minutes of each construction meeting to Tenant

within a reasonable time thereafter, but not later than three (3) business days after the date of the construction meeting.

17. **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. Any electronic deliveries shall be delivered to Landlord at the following email addresses: dbui@majesticrealty.com and lgoldstein@majesticrealty.com (or to such other person as Landlord may designate from time to time), and to Tenant at the following email addresses: vhasanovic@ceo.lacounty.gov and daardema@ceo.lacounty.gov, provided that the delivering party shall also concurrently advise the receiving party by telephone of the forthcoming email at the applicable telephone number, as follows: For Landlord: David Bui at (562) 948-4388 and Louis Goldstein at (562) 576-1611. For Tenant: Vedad Hasanovic at (213) 246-9997 and Dean Aardema at (213) 893-2471.

18. **Miscellaneous.** This Landlord's Work Letter sets forth the entire understanding and agreement between the Parties with respect to the subject matter of this Landlord's Work Letter. This Landlord's Work Letter may be amended only in a writing signed by both Parties. Any notice to a party for a breach of this Landlord's Work Letter must be delivered in writing per the terms as set forth in Section 31.6 of the Lease. This Landlord's Work Letter will not be effective unless and until signed and delivered by both Parties. 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. 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.

19. **Counterparts; Electronic Signatures.** This Work Letter and any other documents necessary for the consummation of the transaction contemplated by this Work Letter 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 Work Letter 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 Work Letter had been delivered and 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 Work Letter 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 Work Letter based on the foregoing forms of signature. If this Work Letter 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.

[Signatures on following page]

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

LANDLORD:

RR&C CROSSROADS NO. 3 LLC,
a Delaware limited liability company

By: RR&C Development Company,
a California general partnership,
its sole member



By: [Signature]
Edward P. Roski, Jr., Trustee of the
Edward P. Roski, Jr. Living Trust
UID 11/1/1987, as amended

By: [Signature]
Edward P. Roski, Jr., Trustee of the
Roski Marital Trust UID 11/1/1987,
as amended

By: Curci Investments, LLC,
a California limited liability company

By: [Signature]

Its: [Signature] Thomas H. Purcell
Chairman & CEO

By: [Signature]

Its: [Signature] Edward J. DiOrio
Chief Financial Officer, Secretary

Date Signed: 8-12-24

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) the 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 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) toilet rooms per code, including necessary plumbing fixtures, ceramic tile floors, 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 floors one (1) and two (2), 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);

LANDLORD'S WORK LETTER

- (o) two (2) 208/120 and one (1) 480/277 Volt (VAC) panels connected to the Building power system;
- (p) intentionally deleted;
- (q) floors 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;
- (r) standard window coverings with the exception of any doors;
- (s) primary HVAC duct for cooling and hot water loop for heating from the boiler on roof to the building core;
- (t) cold air and hot water loop located within the Premises;
- (u) primary fire sprinkler distribution, including secondary piping, and sprinkler heads as required for the unoccupied Premises;
- (v) primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution;
- (w) access at panels in the service core for distribution of Building requirements electrical power (initially 120/208 V for power and 277V for fluorescent lighting) up to the limits permitted under applicable law at the time the Building receives the initial temporary certificate of occupancy for the Building; and
- (x) Drywall on the service core walls, columns and sills in the Premises.

LANDLORD'S WORK LETTER

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 (except elevator lobbies and public corridors on multi-tenant floors and core area toilet rooms);
- (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 fixtures and equipment for the Modular Furniture per the Modular Specifications);
- (g) Distribution of electrical services, plumbing services, and sprinklers from the core to the Premises, and domestic hot water heater and associated hot water piping;
- (h) Any and all signs for Tenant and the power therefor;
- (i) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms, and extinguishers;
- (j) Additional and/or above standard electrical capacity;
- (k) Fiber optic access;
- (l) Rekeying of the Premises;
- (m) Any modifications or additions to the project scope that necessitate modifications or additions to the Landlord Base Building Improvements, resulting in additional costs to Landlord's Base Building Work, shall be considered a Tenant Improvement;
- (n) Supplemental air units required for tenant's equipment; and
- (o) 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.

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)	\$
Furniture	\$
Other (Specify)	\$
Total TI Costs	\$