

BOARD OF SUPERVISORS

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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

February 18, 2025

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

13 February 18, 2025

EDWARD YEN
EXECUTIVE OFFICER

Dear Supervisors:

**THREE-YEAR LEASE AMENDMENT
EXECUTIVE OFFICE OF THE BOARD OF SUPERVISORS
312 SOUTH HILL STREET, LOS ANGELES
(FIRST DISTRICT) (3 VOTES)**

SUBJECT

Approval of a proposed three-year lease amendment to renew an existing lease to provide the Executive Office of the Board of Supervisors (EO-BOS) continued use of 9,782 square feet of office space and 41 on-site parking spaces for the Office of the Inspector General (OIG).

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease amendment is exempt from the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed lease amendment with GCS Emerald, LLC, a Delaware limited liability company; GCS Palms LLC, a Delaware limited liability company; and GCS Equity LLC, a Delaware limited liability company (Landlord), for approximately 9,782 square feet of office space and 41 on-site parking spaces located at 312 South Hill Street, Los Angeles (Premises) to be occupied by the EO-BOS. This proposes a lease amendment for a term of three years. The estimated maximum first year base rental cost is \$300,000, but with a one-month rent abatement of approximately \$13,000, will equal \$287,000. The estimated total proposed lease amendment cost is \$861,000 over the three-year term. The rental costs will be funded by 100 percent net County cost (NCC) that is already included in the EO-BOS' existing budget. The EO-BOS will not be requesting additional NCC for this action.

3. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed lease amendment, and to take actions necessary and appropriate to implement the proposed lease amendment, including, without limitation, exercising any early termination rights and up to two options to extend at six months each at \$25,750 per month.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The EO-BOS has occupied the Premises since January 2014 for OIG. The OIG supervises the official conduct of County officers, promotes constitutional policing and the fair and impartial administration of justice. It provides independent and comprehensive oversight, monitoring, and reporting of the Sheriff's and Probation Departments. The Inspector General serves as special counsel to the Board, the Civilian Oversight Commission, and the Probation Oversight Commission.

The current lease expired on December 19, 2023, and has been in holdover with no additional fee. There are 38 staff and 44 workstations at the Premises. The EO-BOS has implemented telework. All staff are on a hybrid work schedule with a requirement of being in the office once per week, however, many staff are in the office multiple days per week. On-site coverage is needed for services such as constituent interviews, meetings, and providing information and assistance on County services. Additionally, the EO-BOS requires secured space to access and maintain confidential files, which may not be removed from the office.

The proposed lease amendment is for 9,782 square feet of office space at the Premises. The Chief Executive Office has negotiated a short-term, three-year lease amendment, with an early termination right any time after March 1, 2027. During the proposed renewal term, the County will be able to complete an analysis to determine which departments should relocate to County-owned facilities and once completed, EO-BOS will be able to prepare for and exercise its early termination, if needed. In addition, the proposed lease amendment has two six months option to extend the lease amendment, if needed, if there are any unforeseen delays while preparing the space at the County owned facility. The Premises is adequately served by public transportation.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan North Star 3 – “Realize Tomorrow’s Government Today” – ensures we provide an increasingly dynamic and complex environment, challenges collective abilities to respond to public needs and expectations. LA County is an innovative, flexible, effective, and transparent partner focused on advancing the common good & being fiscally responsible.

The proposed lease amendment is also consistent with the Strategic Asset Management Goal – Strengthen connection between service priorities and asset decisions and Key Objective No. 5 – Fund Highest Priority Needs.

The proposed lease amendment supports the above goals and objective by providing the EO-BOS with an office to continue its supervision of County officers, promotes constitutional policing and the fair administration of justice.

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

FISCAL IMPACT/FINANCING

The estimated maximum first year base rental cost is \$300,000, but with one month rent abatement of about \$13,000, will equal approximately \$287,000, which includes parking at no additional cost. The aggregate cost associated with the proposed lease amendment over the entire term, including three months of rent abatement is \$861,000 as shown in Enclosure B-1. The proposed lease amendment costs will be fully funded 100 percent by NCC that is already included in the EO-BOS' existing budget. The EO-BOS will not be requesting additional NCC for this action. If the first six-month option to extend is exercised, the total cost of the proposed lease amendment would be approximately \$1,016,000 and if the second six-month option to extend is exercised, the total cost of the proposed lease amendment would be approximately \$1,171,000.

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

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

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

- Upon commencement of the proposed lease amendment, the annual rental rate will increase from \$30.14 per square foot, per year to \$30.67 per square foot, per year. Base rent is not subject to any annual increases.
- The Landlord has agreed to three months of rent abatement of 50 percent of the base rent for months 1, 13, and 25 of the lease amendment term.
- The Landlord is responsible for all operating and maintenance cost of the building and all utilities and janitorial costs. The County has no responsibility for any operating and maintenance costs.
- There are 41 on-site parking spaces included in the base rent at no additional cost.
- A comparison of the existing lease and the proposed lease amendment is shown in Enclosure B-2.
- The proposed lease amendment includes a three-year initial term with two options to extend the lease amendment for an additional six months each with three months' prior notice at \$25,750 per month. If all options are exercised, the total term of the proposed lease amendment would be four years.
- The County has the right to terminate the proposed lease amendment early any time after the second year, with 90 days' prior written notice.
- Holdover at the proposed lease amendment expiration is permitted on the same lease terms and conditions. The monthly base rent during the holdover period will remain the same.

- The proposed lease amendment will be effective the first day of the month following approval by the Board and full execution of the proposed lease amendment.

- The County shall have the Right of First Offer to lease any available space in the building.

The EO-BOS desires to remain at its current location. However, there are other County owned opportunities to relocate this space request in downtown Los Angeles, so the desire is to renew the existing lease for a short time until new space is selected and ready for occupancy. The Chief Executive Office conducted a market search of available office space for lease, but was unable to identify any sites that could accommodate this requirement more economically. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$36.48 and \$48 per square foot, per year. The base annual rental rate of \$30.67 per square foot, per year for the proposed lease amendment represents a rate that is below the market range for the area. We recommend the Premises as the most suitable to meet the County's space requirements.

Co-working office space is not suitable for this requirement due to the confidential nature of services provided by the EO-BOS at this location.

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

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

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

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

ENVIRONMENTAL DOCUMENTATION

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

The Honorable Board of Supervisors

2/18/2025

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

IMPACT ON CURRENT SERVICES (OR PROJECTS)

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

Respectfully submitted,

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

FESIA A. DAVENPORT

Chief Executive Officer

FAD:JMN:JTC

JLC:HD:ANR:MT:gb

Enclosures

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

**EXECUTIVE OFFICE OF THE BOARD OF SUPERVISORS
312 SOUTH HILL STREET, LOS ANGELES**

Asset Management Principles Compliance Form¹

1. <u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? ² Program requires confidentiality and privacy and needs to be stand alone.		X	
B	Does lease co-locate with other functions to better serve clients? ² Program requires confidentiality and privacy and needs to be stand alone.		X	
C	Does this lease centralize business support functions? ²	X		
D	Does this lease meet the guideline of 200 sq. ft of space per person? ² Based on 38 staff there is 257 SF per person due to high number of private offices.		X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ² 4.2/1000 parking ratio.		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? County will renew and relocate to County owned space once it is ready for occupancy.			X
F	Is Building Description Report attached as Enclosure C?	X		
G	Was build-to-suit or capital project considered? ²			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. <u> X </u> The program clientele requires a "stand alone" facility.			
	2. <u> </u> No suitable County occupied properties in project area.			
	3. <u> </u> No County-owned facilities available for the project.			
	4. <u> </u> Could not get City clearance or approval.			
	5. <u> </u> The Program is being co-located.			
E	Is lease a full-service lease? ²	X		
F	Has growth projection been considered in space request?	X		
G	¹ Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As adopted by the Board of Supervisors 11/17/98				
² If not, why not?				

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

312 South Hill Street, Suite 300, Los Angeles
Executive Office of the Board of Supervisors

Basic Lease Assumptions

Leased Area (sq.ft.)	9,782	
Parking Spaces	41	
	Monthly	Annual
Rent (per sq. ft.)	\$2.56	\$30.67
Term (Months)	36	
Rent Abatement	3	
Annual Rent Adjustment (Initial Term)	0%	
Annual Rent Adjustment (Extended Term)	0%	

	1 st Year	2 nd Year	3 rd Year	Total 3 Year Rental Costs
Annual Base Rent Costs	\$300,000	\$300,000	\$300,000	\$900,000
Rent Abatement ⁽¹⁾	(\$13,000)	(\$13,000)	(\$13,000)	(\$39,000)
Total Annual Lease Costs	\$287,000	\$287,000	\$287,000	\$861,000

First Option Rent	6 Months	Total 6 Month Rental Costs
Annual Base Rent	\$155,000	\$155,000
Total Annual Lease Costs for Option Rent	\$155,000	\$155,000

Est. Aggregate costs of 3 year 6 month Term: **\$1,016,000**

Second Option Rent	6 Months	Total 6 Month Rental Costs
Annual Base Rent	\$155,000	\$155,000
Total Annual Lease Costs for Option Rent	\$155,000	\$155,000

Est. Aggregate costs of 4 year Term: **\$1,171,000**

Footnotes

(1) Rent is abated by 50% for months 1, 13, and 25

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

COMPARISON OF THE PROPOSED LEASE AMENDMENT TO EXISTING LEASE

	Existing Lease: 312 South Hill Street, Los Angeles	Proposed Lease Amendment: 312 South Hill Street, Los Angeles	Change
Area (Square Feet)	9,782 sq. ft.	9,782 sq. ft.	None
Term (years)	Seven years	Three years plus two- six months options to renew	Three years plus two- six month options to renew
Annual Base Rent * (Base rent includes 41 parking spaces)	\$295,000	\$300,000	+\$5,000 annually
Total Annual Lease Costs payable to Landlord*	\$295,000	\$287,000	-\$8,000 annually
Rental rate adjustment	Annual CPI adjustments capped at three percent.	No rental adjustments.	No rental adjustments.

*All numbers are rounded up.

**EXECUTIVE OFFICE OF THE BOARD OF SUPERVISORS
SPACE SEARCH – 3 MILE RADIUS FROM
312 SOUTH HILL STREET, LOS ANGELES**

LACO	Name	Address	Ownership Type	Gross SQFT	Vacant
A675	DA - Metro Court/DCFS Metro North/ERCP/Call Center	1933 S Broadway Los Angeles 90007	Leased	148483	No
5353	DPSS - Metro Special District Office	2707 S Grand Ave Los Angeles 90007	Owned	115242	No
6518	The Adams & Grand Building	2615 S Grand Ave Los Angeles 90007	Owned	215439	No
10450	DHS-Interim Housing	1426 Paloma St Los Angeles 90021	Leased	17917	No
A205	DMH - Skid Row Management Team	420 E 3rd St. Los Angeles 90013	Leased	8526	No
A600	Central Civil West Courthouse	600 S Commonwealth Ave Los Angeles 90005	Leased	281988	No
A336	Sheriff - Wilshire Centre Building	3055 Wilshire Blvd Los Angeles 90010	Leased	7755	No
A360	DPSS - Metro North AP/Calworks District Office	2601 Wilshire Blvd Los Angeles 90057	Leased	62000	No
A632	Office of Inspector	312 S Hill St. Grand Central Market Los Angeles 90012	Leased	9782	No
A429	HS - Office of Diversion and Reentry	222 S Hill St. Los Angeles 90012	Leased	35397	No
5456	Health Services Administration Building	313 N Figueroa St. Los Angeles 90012	Owned	221359	No
B922	DPSS - Wilshire Special District Office	2415 W 6th St. Los Angeles 90057	Leased	46228	No
3155	Performing Arts Center - De Lisa Building/The Annex	301 N Grand Ave Los Angeles 90012, 601 W Temple St. Los Angeles 90012	Owned	27582	No
0808	Coroner - Public Services/Skeleton Store	1104 N Mission Rd Los Angeles 90033	Owned	18651	No
11527	Medical Center - Patients Financial Services T - 1&3	1200 N State St. Los Angeles 90033	Owned	7300	No
5550	The Gas Company Tower	555 W 5 th St. Los Angeles 90013	Owned	1373583	Yes
10438	LAC+USC -Recuperative Care Village RTP (D)	1774 Zonal Ave Unit D Los Angeles 90033	Owned	9900	No
10436	LAC+USC -Recuperative Care Village RTP (B)	1774 Zonal Ave Unit B Los Angeles 90033	Owned	9900	No
10432	LAC+USC - Recuperative Care Center	1774 Zonal Ave Unit E Los Angeles 90033	Owned	32440	No
10437	LAC+USC -Recuperative Care Village RTP (C)	1774 Zonal Ave Unit C Los Angeles 90033	Owned	9900	No
T546	Med Center - Patient Financial Services Office	1240 N Mission Rd Los Angeles 90033	Owned	5190	No
10435	LAC+USC -Recuperative Care Village RTP (A)	1774 Zonal Ave Unit A Los Angeles 90033	Owned	9900	No
T542	Med Center - Patient Financial Services T - 5	1200 N State St. Los Angeles 90033	Owned	10512	No
5260	Coroner - Administration/Investigations Build	1102 N Mission Rd Los Angeles 90033	Owned	22479	No
A627	County Admin Offices - LA World Trade Center	350 S Figueroa St. Los Angeles 90071	Leased	68314	No
0156	Hall of Records	227 N Broadway Los Angeles 90012, 320 W Temple St. Los Angeles 90012	LA County & CA State	438095	No
10451	DHS- Housing for Health	655 S Maple Ave Los Angeles 90014	Leased	18200	No
12761	JCOD – 955 Vignes St	955 Vignes St Los Angeles 90012	Owned	5000	No
Y013	DPSS - Civic Center District/Grow Center Office	813 E 4th Pl Los Angeles 90013	Owned	39956	No
X263	Twin Towers - Tower 1 Maximum Security	450 Bauchet St. Los Angeles 90012	Owned	436688	No

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Lease amendment for the Executive Office of the Board of Supervisors – 312 South Hill Street, Los Angeles – First District.

A. Establish Service Function Category – Administrative and direct service relevant to the oversight, monitoring and reporting of the Sheriff and Probation departments as part of the OIG duty to supervise the official conduct of County officers.

B. Determination of the Service Area – The proposed lease amendment will allow OIG to continue services located within Los Angeles County.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: The office provides convenient accessibility of services to constituents in the Los Angeles County.
- Need for proximity to existing County facilities: N/A
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services, i.e., Metro bus lines, LADOT DASH lines, and Metro Rail Lines.
- 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 alternative existing County buildings available that meet EO-BOS needs. Renewing the existing lease with a short term lease amendment will provide the time needed to evaluate the available County owned space and decide where this space requirement will be relocated to.
- Compatibility with local land use plans: The City of Los Angeles has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.
- Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed lease amendment over the entire term is \$861,000 and if both six month options to extend are exercised, the total cost will be \$1,171,000.

D. Analyze results and identify location alternatives

EO-BOS desires to remain at its current location. However, there are other County owned opportunities to relocate this space request in Downtown Los Angeles, so the desire is to renew the existing lease for a short time until new space is selected and ready for occupancy. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$36.48 and \$48 per square foot, per year. The base annual rental rate of \$30.67 per square foot, per year for the proposed lease amendment represents a rate that is below the market range for the area. We recommend the proposed Premises as the most suitable to meet the County's space requirements.

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

The proposed lease amendment will provide adequate and efficient office space for 38 employees consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.

AMENDMENT NO. 2 TO LEASE NO. 75432
BOARD OF SUPERVISORS/EXECUTIVE OFFICE
312 SOUTH HILL STREET, SUITE 300, LOS ANGELES

(Grand Central Market)

THIS AMENDMENT NO. 2 TO LEASE NO. 75432 (this "Amendment No. 2") is made and entered into as of _____, 2025 (the "Effective Date"), by and between GCS EQUITY LLC, a Delaware limited liability company, GCS PALMS LLC, a Delaware limited liability company, and GCS EMERALD LLC, a Delaware limited liability company (collectively "Landlord") and COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant").

R E C I T A L S :

A. Landlord's predecessor-in-interest Grand Central Square Limited Partnership, a California limited partnership ("Prior Landlord") and Tenant entered into that certain lease agreement, dated on or about November 15, 2005 ("Original Lease"), as amended by that certain Amendment No. 1 to Lease No. 75432 by and between Prior Landlord and Tenant dated as of December 20, 2016 (the "Amendment No. 1", and collectively, together with the Original Lease, the "Lease") whereby Tenant leases approximately 9,782 square feet of office space identified as Suite 300 in the building located at 312 South Hill Street, Los Angeles, California (as more particularly described in the Lease, the "Premises").

B. Landlord and Tenant desire to extend the Term of the Lease and to otherwise modify the Lease as provided herein.

C. NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

A G R E E M E N T :

1. Definitions. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Lease. The Lease, as amended by this Amendment No. 2, shall be referred to as the "Amended Lease." From and after the date hereof, all references in the Original Lease and Amendment No. 1 to "Lease" shall be deemed to refer to the Amended Lease.

2. Lease Term. Landlord and Tenant acknowledge and agree that the current term of the Lease entered into a month-to-month tenancy as of December 19, 2023, pursuant to the Holdover provision of Paragraph 7 of the Lease. Notwithstanding anything to the contrary contained in the Lease, the parties hereby agree to extend the Lease Term for a period of three (3) years (the "Second Extended Term") commencing the first day of the month following approval by the Board of Supervisors and mutual execution of the Amended Lease (the "Second Extended Term Commencement Date"). Effective as of the date hereof, (i) any references in the Lease to "Lease Term" "Extended Term" or "term of the Lease" shall be deemed to include the Second Extended Term.

3. Rent During Extended Term.

(i) Effective upon the Second Extended Term Commencement Date and for the remainder of the Second Extended Term (but not retroactively), Tenant shall pay as rent for the Premises during the Second Extended Term the sum of Twenty-Five Thousand Dollars (\$25,000) per month Basic Rent during each year of the Second Extended Term. The Basic Rent shall be payable in accordance with the terms of the Amended Lease and in addition to all other amounts due under the Amended Lease.

(ii) Provided that there exists no monetary default or material non-monetary default (beyond applicable notice and cure periods) under this Amended Lease, the monthly rent for months 1, 13, 25 of the Initial Term shall be abated by fifty percent (50%) (the "Rent Abatement") which is \$12,500 per month.

4. Early Termination Right. Notwithstanding anything to the contrary contained in the Amended Lease, Tenant shall have the right, exercisable in its sole discretion, to terminate the Second Extended Term at any time following the second (2nd) anniversary of the Second Extended Term Commencement Date (the "Early Termination Right"), by providing at least ninety (90) days prior written notice of its election to exercise the Early Termination Right (the "Early Termination Notice"). If Tenant exercises the Early Termination Right then this Lease shall expire and be deemed terminated and of no further force and effect effective as of the date set forth in the Early Termination Notice, and neither party will have any further rights or obligations with respect thereto except for those which expressly survive the termination of the Amended Lease.

5. Improvements to the Premises. Tenant hereby agrees to continue to lease the Premises in its "as-is" condition, subject to Landlord's obligations to Tenant as provided in the Lease. Tenant also acknowledges that Landlord has made no representation or warranty regarding the condition of the Premises.

6. Renewal Options.

(i) Option Right. Notwithstanding anything to the contrary contained in the Lease, Landlord hereby grants the Tenant two (2) options to extend the Second Extended Term (each, a "Second Amendment Renewal Option") for the entire Premises each by a period of six (6) months (each, a "Second Amendment Option Term"). Such Second Amendment Renewal Option shall be exercisable only by Notice delivered by Tenant to Landlord as provided below, provided that, as of the date of delivery of such Notice, Tenant is not then in monetary default under the Amended Lease or non-monetary default (beyond any applicable notice and cure periods) under the Amended Lease. Upon the proper exercise of such option to extend (and provided that, at Landlord's election, as of the end of the then applicable Lease Term, Tenant is not in monetary default under the Amended Lease or non-monetary default (beyond any applicable notice and cure periods) under the Amended Lease,) then the Second Extended Term, as it applies to the entire Premises, shall be extended for the then applicable Second Amendment Option Term.

(ii) Second Amendment Option Rent. The Rent payable by Tenant during each Second Amendment Option Term (the "Second Amendment Option Rent") shall be equal to Twenty-Five Thousand Seven Hundred Fifty Dollars (\$25,750) per month.

(iii) Exercise of Second Amendment Option. The option contained in this Section 6 shall be exercised by Tenant, if at all, only in the manner set forth in this Section 6 (iii). Tenant shall deliver notice (the "Exercise Notice") to Landlord not less than three (3) months prior to the

expiration of the then Lease Term, stating that Tenant is exercising its option, TIME BEING OF THE ESSENCE, with respect thereto.

7. Parking. Notwithstanding anything to the contrary contained in the Amended Lease, Tenant shall have the right to Forty-One (41) parking spaces at no additional cost to tenant in the adjacent Project parking structure located at 308 South Hill Street, Los Angeles.

8. Brokers. Each party represents and warrants to the other that no broker, agent or finder negotiated or was instrumental in negotiating or consummating this Amendment No. 2. Landlord and Tenant each agrees to indemnify, defend and hold harmless the other party from any liability which may occur as a result of a breach of this representation and warranty.

9. Defaults. Tenant hereby represents and warrants to Landlord that, to its actual knowledge, as of the date of this Amendment No. 2, (i) Landlord is in full compliance with all terms, covenants and conditions of the Lease and that there are no breaches or defaults under the Lease by Landlord, and that Tenant knows of no events or circumstances which, given the passage of time, would constitute a default under the Lease by Landlord, and (ii) Tenant does not have any defenses or offsets to payment of rent and performance of its obligations under the Lease as and when the same becomes due.

10. California Certified Access Specialist Inspection. Pursuant to California Civil Code §1938, Landlord hereby states that the Premises have not undergone inspection by a Certified Access Specialist (CASp) (defined in California Civil Code §55.52(a)(3)). Pursuant to Section 1938 of the California Civil Code, Landlord hereby provides the following notification to Tenant: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction related accessibility standards within the premises." If Tenant requests to perform a CASp inspection of the Premises, Tenant shall, at its cost, retain a CASp approved by Landlord (provided that Landlord may designate the CASp, at Landlord's option) to perform the inspection of the Premises at a time agreed upon by the parties. Tenant shall provide Landlord with a copy of any report or certificate issued by the CASp (the "CASp Report") and Tenant shall, at its cost, promptly complete any modifications necessary to correct violations of construction related accessibility standards identified in the CASp Report, which modifications will be completed as an Alteration, notwithstanding anything to the contrary in the Lease. Tenant agrees to keep the information in the CASp Report confidential except as necessary for the Tenant to complete such modifications.

11. Representations. Each person signing this Amendment No. 2 on behalf of Tenant represents and warrants that he or she has full authority to do so and that this Amendment No. 2 binds Tenant. Each person signing this Amendment No. 2 on behalf of Landlord represents and warrants that he or she has full authority to do so and that this Amendment No. 2 binds Landlord.

12. Facsimile/PDF; Counterparts. Each party hereto, and their respective successors and assigns shall be authorized to rely upon the signatures of all of the parties hereto on this Amendment No. 2 which are delivered by facsimile or PDF as constituting a duly authorized, irrevocable, actual, current delivery of this Amendment No. 2 with original ink signatures of each

person and entity. This Amendment No. 2 may be executed in counterparts, each of which shall be deemed an original part and all of which together shall constitute a single agreement.

13. Notices. (i) Landlord's address for notices in the Lease is hereby deleted and replaced with the following:

GCS Equity LLC
c/o Langdon Street Capital
PO Box 1936
Beverly Hills, CA 90213

(ii) Tenant's address for notices in the Lease is hereby deleted and replaced with the following:

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

With a copy to:

County of Los Angeles
Office of the County Counsel
648 Kenneth Hahn Hall of Administration
500 West Temple Street, Suite 648
Los Angeles, CA 90012-2713
Attention: Property Division

14. Severability. Any provision of this Amendment No. 2 which shall prove to be invalid, void, or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

15. Further Assurances. Each of the parties hereto agrees to execute and deliver all such further documents and to take all such further actions as may be reasonably requested by the other party hereto to effectuate fully the terms and provisions of this Amendment No. 2, provided such documents or actions do not limit, reduce or impair the rights of the party upon whom such request is made.

16. Binding Effect. This Amendment No. 2 shall be binding upon and inure to the benefit of Landlord, its successors and assigns and Tenant and its permitted successors and assigns.

17. No Further Modification. Except for those provisions which are inconsistent with this Amendment No. 2 and those terms, covenants and conditions for which performance has heretofore been completed, all other terms, covenants and conditions of the Lease shall remain unmodified and in full force and effect. Landlord and Tenant ratify the Lease, as amended hereby.

18. Right of First Offer. Tenant shall have the right of first offer for any available office space in the Building. Tenant may assign this right of first offer as a part of any assignment of this Lease in accordance with the terms of the Amended Lease.

[signature page to follow]

IN WITNESS WHEREOF, this Amendment No. 2 has been executed as of the Effective Date first above written.

LANDLORD:


GCS EQUITY LLC,
a Delaware limited liability company

By: 
Adam Daneshgar
Its authorized signatory

GCS EMERALD LLC,
a Delaware limited liability company

By: 
Adam Daneshgar
Its authorized signatory

GCS PALMS LLC,
a Delaware limited liability company

By: 
Adam Daneshgar
Its authorized signatory

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John T. Cooke
Assistant Chief Executive Officer


ATTEST:

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

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By: 
Senior Deputy