



FESIA A. DAVENPORT
Acting Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE OPERATIONS CLUSTER

DATE: December 2, 2020
TIME: 2:00 p.m. – 4:00 p.m.
LOCATION: **TELECONFERENCE CALL-IN NUMBER: (415)655-0001**
TELECONFERENCE ID: 927075833

To join via phone, dial 1(415) 655-0001, then press 927075833#, then press # when prompted for attendee number ****IF DIALING IN PLEASE CALL IN AT 1:45 P.M. TO FACILITATE PARTICIPANT CHECK-IN**.**

YOU CAN ALSO JOIN THIS MEETING BY CLICKING ON THE FOLLOWING LINK:

[Join meeting](#)

DUE TO THE CLOSURE OF ALL COUNTY BUILDINGS, MEMBERS OF THE PUBLIC WILL NEED TO CALL IN TO PARTICIPATE IN THE MEETING.

AGENDA

Members of the Public may address the Operations Cluster on any agenda item by submitting a written request prior to the meeting.
Two (2) minutes are allowed for each item.

1. **Call to order – Rick Velasquez/Anthony Baker**

2. **INFORMATIONAL ITEM(S):**
(5 minutes)

A) Board Letter:

APPROVE SOLE SOURCE AMENDMENT NUMBER SIX TO EXTEND CONTRACT NUMBER 55301 WITH CONDUENT STATE & LOCAL SOLUTIONS, INC. FOR PARKING CITATION PROCESSING SERVICES

LASD – Irma Santana, Administrative Services Manager and Captain Christopher Nee

CONTINUED ON PAGE 2

- B) Board Memo:
ADVANCE NOTIFICATION FOR SOLE SOURCE AMENDMENT TO
EXISTING CONTRACT WITH INCONTACT, INC. FOR DIGITAL VOICE
LOGGING RECORDER SYSTEM
LASD – Angelo Faiella, Contracts Manager and Lt. Scott Ponder
- C) Board Letter:
APPROVE THE PROPOSED NINE-YEAR LEASE OF DCFS WITH RBL
PALMDALE CENTER, LLC FOR USE OF OFFICE AND ON-SITE
PARKING SPACE
CEO/RE/DCFS – Michael Navarro, Chief Program Specialist
- D) Board Letter:
APPROVE EIGHT-YEAR LEASE OF PROBATION AT 1200 CORPORATE
CENTER DR. MONTEREY PARK
CEO/RE/Probation – Michael Navarro, Chief Program Specialist
- E) Board Letter:
APPROVE FIVE-YEAR LEASE OF ALTERNATE PUBLIC DEFENDER
FOR CONTINUED USE OF OFFICE AT 221 WALNUT ST., PASADENA
CEO/RE/APD – Michael Navarro, Chief Program Specialist

3. **PRESENTATION/DISCUSSION ITEMS:**

None available.

4. **Public Comment**
(2 minutes each speaker)

5. **Adjournment**

FUTURE AGENDA TOPICS

CALENDAR LOOKAHEAD:

CEO/RE/DMH – APPROVE NEW EIGHT-YEAR LEASE OF DMH FOR OFFICE
AND PARKING SPACE AT 1045 W. REDONDO BEACH BLVD., GARDENA

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	12/2/2020	
BOARD MEETING	01/05/2021	
DELEGATED AUTHORITY BOARD LETTER	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SUPERVISORIAL DISTRICT AFFECTED	All	
DEPARTMENT	Sheriff's Department	
SUBJECT	Board letter and sole source Amendment (Amendment) to extend Contract Number 55301 (Contract) with Conduent State & Local Solutions, Inc. (Conduent) for parking citation processing services (Services).	
PROGRAM	Parking Citation Processing System	
SOLE SOURCE CONTRACT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain why: This is a sole source Amendment to the existing Contract. This extension will prevent the disruption of Services while the Department completes its solicitation for a successor contract.	
DEADLINES/ TIME CONSTRAINTS	The current contract expires January 18, 2021.	
COST & FUNDING	Total cost: Revenue generating	Funding source: The Contract generates approximately \$12 million per year that are distributed as follows: \$25,000, ISD: \$700,000, Beaches and Harbors; and \$11.275 million to pay DMV fees and recover operating costs of the Parking Enforcement Detail Unit.
	TERMS (if applicable): One year plus an option for up to twelve months, in any increment, if needed. An additional period of six months was added to the original request noted in the advance notification Board letter to allow sufficient time for testing and implementation of successor system.	
	Explanation: One year plus an option for up to twelve months, in any increment, if needed. An additional period of six months was added to the original request noted in the advance notification Board letter to allow sufficient time for testing and implementation of successor system.	
PURPOSE OF REQUEST	This extension will prevent the disruption of Services while the Department completes its solicitation for a successor contract. The Board letter for the Amendment includes a request to delegate authority to the Sheriff to terminate the Contract with a 30 day notice once the Sheriff's Department completes the solicitation process.	
BACKGROUND (include internal/external issues that may exist)	The Sheriff's Department released a Request for Proposals for the Services on February 26, 2015. Conduent was the only proposer and met all the mandatory qualifications and business requirements. On July 14, 2015, the Board approved and delegated authority to the Sheriff to execute the Contract with Conduent. Conduent will continue to be responsible for processing citations, maintaining citation records, sending notices to violators, and its data sharing relationship with the Department of Motor Vehicles to obtain vehicle ownership information. No issues or concerns.	
DEPARTMENTAL AND OTHER CONTACTS	Name, Title, Phone # & Email: <ul style="list-style-type: none"> Irma Santana, Administrative Services Manager, (213)229-3264, isantan@lasd.org Captain Christopher Nee, (213) 972-3901, cpnee@lasd.org 	

January 5, 2021

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

Dear Supervisors:

**APPROVE SOLE SOURCE AMENDMENT NUMBER SIX
TO EXTEND CONTRACT NUMBER 55301
WITH CONDUENT STATE & LOCAL SOLUTIONS, INC.
FOR PARKING CITATION PROCESSING SERVICES
(ALL DISTRICTS) (3 VOTES)**

**CIO RECOMMENDATION: APPROVE () APPROVE WITH MODIFICATION ()
DISAPPROVE ()**

SUBJECT

The Los Angeles County (County) Sheriff's Department (Department) is seeking Board Approval of Sole Source Amendment Number Six (Amendment) to Contract Number 55301 (Contract) with Conduent State & Local Solutions, Inc. (Conduent) to extend the term of the Contract for one year, from January 19, 2021, through January 18, 2022, with an option to extend up to twelve additional months in any increment. The Amendment will enable the Department to continue parking citation collection and processing services (Services) in the unincorporated areas of the County while the Department continues the solicitation for a replacement contract. The Contract is revenue-generating and there is no Net County Cost.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Sheriff, or his designee, to execute an Amendment, substantially similar to the attached Amendment, to extend the term of the Contract for one additional year, from January 19, 2021, through January 18, 2022, plus an option to extend for up to twelve additional months, in any increment.

2. Delegate authority to the Sheriff, or his designee, to execute the additional option period in any increment, provided it is in the best interest of the County.
3. Delegate authority to the Sheriff, or his designee, to terminate the Contract for convenience, either in whole or in part, if necessary, with 30 calendar days advance written notice, once the Department has completed the solicitation process for a replacement contract.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Contract will expire on January 18, 2021. On September 3, 2020, in accordance with Board Policy 5.100, the Department provided the Board with advance notification of its intent to enter into a Sole-Source Amendment to extend the Contract for a period of one year, plus a six-month option period, to ensure continuity of Services while the replacement system is solicited, tested and implemented. The Amendment will now extend the Contract for a period of one year, plus a twelve-month option period, exercisable in any increment, as necessary to prevent the disruption of Services while the Department completes its solicitation and implementation of a replacement contract.

Background:

Conduent will continue to be responsible for processing citations, maintaining citation records, sending notices to violators, and its data sharing relationship with the Department of Motor Vehicles to obtain vehicle ownership information. Conduent will also continue to be responsible for collecting all cash and check payments, and depositing those payments with the County.

The Services provided by Conduent include enhanced citation payment options that enable violators to make citation penalty payments with credit cards through a website, by using an interactive voice-response telephone system. Conduent will not collect electronic payments or electronic payment data, but will only facilitate the electronic transaction by providing a portal to the County's electronic payment service provider, Fidelity Information Services (FIS).

Implementation of Strategic Plan Goals

The recommended action is consistent with the principles of the County's Strategic Plan, Strategy III.3 – Pursue Operational Effectiveness, Fiscal Responsibility and Accountability. Specifically, the Amendment will allow the Department to operate effectively and efficiently by providing the continued collection and processing of parking citations in the unincorporated areas of the County and thereby ensuring continued revenue to the Department.

FISCAL IMPACT/FINANCING

The County will not incur any Net County Cost during the term of this Contract. The fees paid to Conduent for its Services will be offset by monies generated from parking citation fines and penalties that Conduent will process for the Department, Internal Services Department (ISD), and Department of Beaches and Harbors (Beaches and Harbors). Parking citations generate approximately \$15 million per year in gross revenue. After the mandated distributions of approximately \$3 million in accordance with Assembly Bill 408 and the California Vehicle Code (CVC) (i.e., Collection Fees, Court Fees, Justice Fees, Special Fees, Handicapped Surcharge, and other surcharges) are made, the net proceeds of approximately \$12 million are further distributed as follows: \$25,000, ISD; \$700,000, Beaches and Harbors, and \$11.275 million to the Department to pay DMV fees and recover operating costs of the Parking Enforcement Detail Unit.

The current moratorium on enforcing certain parking violations in response to the COVID-19 pandemic will have an unforeseeable impact on revenue.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 26, 2015, the Department released a Request for Proposals (RFP) and sent notification to four vendors via United States Mail and/or e-mail. On April 7, 2015, the solicitation closed. The Department received one proposal from Xerox State and Local Solutions (Xerox). A five-member evaluation team consisting of technical and subject matter experts from the Department and from the Internal Services Department (ISD) reviewed the proposal. The evaluation team determined that Xerox's proposal met all mandatory qualifications and fully satisfied the County's business requirements as identified in the RFP.

On July 14, 2015, the Board approved and authorized the Sheriff to execute Contract Number 55301 with Xerox to provide Services for a term of three years, with two additional one-year extension options, and one six-month extension option. The Contract was amended on July 16, 2018, to effect the Contractor's name change to Conduent. The Contract was amended on four additional occasions to exercise the option terms and add new County-mandated provisions.

Conduent is in compliance with all Board and Chief Executive Office requirements, including Jury Service Program, Safely Surrendered Baby Law, and Defaulted Property Tax Reduction Program.

The County's E-Commerce Readiness Group (ERG) has approved the interface with FIS for all electronic payment processing, per the FIS Agreement.

The Honorable Board of Supervisors
January 5, 2021
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The Chief Information Officer (CIO) recommends approval of the Amendment. The CIO has further determined that a CIO Analysis is not required for the recommended action as it represents a continuation of the original Contract, and contains no new Information Technology matters requiring review.

The Amendment will be approved as to form by County Counsel prior to execution by the Sheriff, of his designee.

IMPACT ON CURRENT SERVICES

There will be no negative impact on current Department operations and services.

CONCLUSION

Upon Board approval, please return two adopted copies of the Board letter to the Department's Contracts Unit.

Sincerely,

Reviewed by:

ALEX VILLANUEVA, SHERIFF

TIMOTHY K. MURAKAMI
UNDERSHERIFF

WILLIAM S. KEHOE
CHIEF INFORMATION OFFICER

TKM:AM:am

(Fiscal Administration Bureau - Contracts Unit)

c: Board of Supervisors, Justice Deputies
Celia Zavala, Executive Officer, Board of Supervisors
Fesia Davenport, Acting Chief Executive Officer
Sheila Williams, Senior Manager, Chief Executive Office (CEO)
Rene Phillips, Manager, CEO
Jocelyn Ventilacion, Principal Analyst, CEO
Anna Petrosyan, Analyst, CEO
Mary C. Wickham, County Counsel
Cammy C. DuPont, Principal Deputy County Counsel
Michele Jackson, Principal Deputy County Counsel
Elizabeth D. Miller, Chief Legal Advisor, Legal Advisory Unit
Timothy K. Murakami, Undersheriff
Jorge A. Valdez, A/Chief of Staff
Conrad Meredith, Division Director, Administrative Services Division (ASD)
Glen C. Joe, Assistant Division Director, ASD
LaJuana J. Haselrig, Division Chief, Court Services Division (CSD)
Daniel J. Dyer, Commander, CSD
Rick Cavataio, Director, Fiscal Administration Bureau (FAB)
Christopher Nee, Captain, Civil Management Bureau (CMB)
Dave Culver, Assistant Director, FAB, Contracts Unit
Irma Santana, Manager, Contracts Unit
Vanessa C. Chow, Sergeant, ASD
Sheila Evans, Asst. Staff Analyst, H.S., Parking Enforcement Detail (PED)
Erica M. Saavedra, Deputy, ASD
Aloett Martin, Contract Analyst, Contracts Unit

**AMENDMENT NUMBER SIX
TO CONTRACT NO. 55301 FOR
PARKING CITATION PROCESSING SERVICES**

This Amendment Number Six (Amendment) to Contract Number 55301 (Contract) is entered into by and between County of Los Angeles (County) and Conduent State & Local Solutions, Inc. (Contractor), effective upon execution by all parties.

- A. WHEREAS, on July 19, 2015, County and Xerox State & Local Solutions, Inc. entered into the Contract for Parking Citation Processing Services; and
- B. WHEREAS, on January 29, 2016, Xerox Corporation, the parent company of Xerox State & Local Solutions, Inc., announced its plan to separate into two companies, Xerox Corporation and Conduent Inc.; and
- C. WHEREAS, following the separation, and effective January 1, 2017, Xerox Corporation commenced operating under the name Conduent, Inc.; and
- D. WHEREAS, on October 2, 2017, County and Contractor entered into Amendment Number One to (1) document the Xerox Corporation separation into two companies, whereby Xerox State & Local Solutions, Inc. became a wholly owned subsidiary of Conduent, Inc.; (2) document the Contractor's corporate name change from Xerox State & Local Solutions, Inc. to Conduent State & Local Solution, Inc.; and (3) update and add the County-mandated provisions and exhibits; and
- E. WHEREAS, on July 16, 2018, County and Contractor entered into Amendment Number Two to (1) exercise the first one-year option period and extend the Term of the Contract from July 19, 2018, through and including July 18, 2019; and (2) update the County-mandated provisions regarding Assignment and Delegation/Mergers or Acquisitions and Consideration of Hiring GAIN-GROW Participants; and
- F. WHEREAS, on June 18, 2019, County and Contractor entered into Amendment Number Three to (1) exercise the second one-year option period and extend the Term of the Contract from July 19, 2019, through and including July 18, 2020; and (2) add the County-mandated provisions regarding Compliance with Fair Chance Employment Hiring Practices and Compliance with the County Policy of Equity; and
- G. WHEREAS, on June 18, 2020, County and Contractor entered into Amendment Number Four to exercise the six-month option period and extend the Term of the Contract from July 19, 2020, through and including January 18, 2021; and
- H. WHEREAS, on June 9, 2020, the Board of Supervisors adopted a motion to pursue voluntary price reductions from County contractors for products and services

**AMENDMENT NUMBER SIX
TO CONTRACT NO. 55301 FOR
PARKING CITATION PROCESSING SERVICES**

rendered during the County's 2021 fiscal year, beginning July 1, 2020, through June 30, 2021, or for the designated period as negotiated by the parties. Additionally, the motion delegates authority to departments to execute contract amendments for cost reductions negotiated under this initiative; and

- I. WHEREAS, on October 14, 2020, County and Contractor entered into Amendment Number Five to (1) effectuate a 5% price reduction in the invoiced amount for Services rendered beginning July 1, 2020, through June 30, 2021, and (2) add the County-mandated provision regarding Prohibition from Participation in Future Solicitation(s); and
- J. WHEREAS, the Contract currently expires on January 18, 2021; and
- K. WHEREAS, the County and Contractor agree to extend the Term of the Contract for one year from January 19, 2021, through and including January 18, 2022, with an option to extend for up to an additional period of twelve months, in any increment.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Contractor hereby agree to amend the Contract as follows:

- 1. Paragraph 4.0 (Term of Contract) of the Contract is deleted in its entirety and replaced as follows to extend the term of the Contract for one year, from January 19, 2021 through and including January 18, 2022, with an option to extend for up to an additional period of twelve months, in any increment:

4.0 TERM OF CONTRACT

- 4.1 The term of this Contract shall commence on July 19, 2015, and shall continue until and through January 18, 2022, unless sooner extended or terminated as provided herein.
- 4.2 The County may, at its sole option, extend the term of this Contract for up to a period of twelve months in any increment for a maximum total Contract term not to exceed seven years and six months. Such extension option may be exercised at the sole discretion of the Sheriff, as authorized by the County's Board of Supervisors in accordance with Subparagraph 8.1 (Change Orders and Amendments) of this Contract.

**AMENDMENT NUMBER SIX
TO CONTRACT NO. 55301 FOR
PARKING CITATION PROCESSING SERVICES**

- 4.3 The County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a Contract term extension option.
 - 4.4 Contractor shall notify the Department when this Contract is within six (6) months from the expiration of the term of this Contract as provided for hereinabove. Upon occurrence of this event, Contractor shall send written notification to County Project Director at the address herein provided in Exhibit E (County's Administration).
- 2. Except as expressly provided in this Amendment, all terms, covenants, and conditions of the Contract will remain the same and in full force and effect.
- 3. Contractor represents and warrants that the person executing this Amendment for Contractor is an authorized agent who has actual authority to bind Contractor to each and every item, condition, and obligation of the Amendment and that all requirements of Contractor have been fulfilled to provide such actual authority.

**AMENDMENT NUMBER SIX
TO CONTRACT NO. 55301 FOR
PARKING CITATION PROCESSING SERVICES**

IN WITNESS WHEREOF, the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment Number Six to be executed on its behalf by the Sheriff of the County of Los Angeles, and Contractor has caused this Amendment Number Six to be duly executed on its behalf by its duly authorized officer.

COUNTY OF LOS ANGELES

By: _____
ALEX VILLANUEVA, SHERIFF

Date: _____

CONDUENT STATE & LOCAL SOLUTIONS, INC.

By: _____

Print Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:
MARY C. WICKHAM
County Counsel

By: Approval on File _____
Michele Jackson
Principal Deputy County Counsel

SOLE SOURCE CHECKLIST

Department Name: _____

- ☐ New Sole Source Contract
- ☐ Sole Source Amendment to Existing Contract

Date Existing Contract First Approved: _____

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>“Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.”</i>
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
	➤ Services are needed to address an emergent or related time-sensitive need.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/ system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

Chief Executive Office

Date

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	12/2/2020	
BOARD MEETING		
DELEGATED AUTHORITY BOARD LETTER	<input type="checkbox"/> Yes <input type="checkbox"/> No	
SUPERVISORIAL DISTRICT AFFECTED	All	
DEPARTMENT	Sheriff's Department	
SUBJECT	Advanced notification letter to the Board of intent to extend Agreement Number 77675 with inContact, Inc.	
PROGRAM	Digital Voice Logging Recorder (DVLR) System	
SOLE SOURCE CONTRACT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain why: inContact, Inc. is the sole provider of maintenance and support for the hardware and software of the Department's DVLR system.	
DEADLINES/ TIME CONSTRAINTS	The current contract expires May 1, 2021.	
COST & FUNDING	Total cost: \$400,000 annually	Funding source: General Fund
	TERMS (if applicable): Two years, plus up to 12 additional months	
	Explanation: Cost will be funded through the General Fund (A01) by Communications & Fleet Management Bureau (15757).	
PURPOSE OF REQUEST	The continuation of the support and maintenance for the Department's DVLR system which is still in use while the solicitation and implementation process for a successor system is completed.	
BACKGROUND (include internal/external issues that may exist)	No issues or concerns	
DEPARTMENTAL AND OTHER CONTACTS	Name, Title, Phone # & Email: • Angelo Faiella, (213) 229-3259, afaiell@lasd.org • Lt. Scott Ponder, (323) 881-8262, saponder@lasd.org	

December 2, 2020

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

Dear Supervisors:

**ADVANCE NOTIFICATION OF INTENT TO ENTER INTO NEGOTIATIONS
FOR A SOLE SOURCE AMENDMENT TO EXTEND AGREEMENT NUMBER 77675
WITH INCONTACT, INC. TO PROVIDE CONTINUED DIGITAL VOICE LOGGING
RECORDER SYSTEM MAINTENANCE AND SUPPORT SERVICES**

SUBJECT

This letter provides advance notification to the Board, in accordance with Board Policy 5.100, that the Los Angeles County (County) Sheriff's Department (Department) intends to enter into negotiations for a Sole Source Amendment (Amendment) to Agreement Number 77675 (Agreement) with inContact, Inc. for continued maintenance and support services (Services) for the Department's digital voice logging recorder (DVLr) system. The annual cost of the proposed Amendment is estimated to be \$400,000.

PURPOSE

The current Agreement expires on May 1, 2021. This Amendment will extend the term of the Agreement for two years, plus 12 additional months in any increment, at the County's discretion. The continuation of support and maintenance is critical for maintaining the County's DVLr system while the Department completes the solicitation process for a successor system.

BACKGROUND

The Department has 47 DVLrs located at facilities throughout Los Angeles County. These machines capture both radio and telephone conversations, including 9-1-1 emergency calls. Recordings are frequently required for criminal and civil court proceedings, and for the Department's internal investigations.

On October 18, 2011, the Board approved Agreement Number 77675 with Voice Print International (VPI) for a term of three years, with two one-year option periods, plus one additional six-month option period in any increment, for DVLIR system maintenance and support services.

On September 24, 2014, the Sheriff executed Amendment Number One to the Agreement to exercise the first one-year option term, from November 2, 2014, through November 1, 2015.

On April 24, 2015, the Sheriff executed Amendment Number Two to the Agreement to exercise the second one-year option term, from November 2, 2015, through November 1, 2016.

On August 22, 2016, the Sheriff executed Amendment Number Three to the Agreement to memorialize the conversion of VPI into a limited liability company (VPI, LLC), County's consent to the acquisition of VPI, LLC by NICE Systems Inc., and to exercise the final six-month option term, from November 2, 2016, through May 1, 2017.

On April 18, 2017, the Board approved Amendment Number Four to the Agreement to extend the Agreement for an additional two-year period with two one-year option terms, to provide continued DVLIR system maintenance and support services.

On August 28, 2018, the Sheriff executed Amendment Number Five to the Agreement to memorialize the merger of VPI, LLC into Contractor.

On April 1, 2019, the Sheriff executed Amendment Number Six to the Agreement to exercise the first one-year option term, from May 2, 2019, through May 1, 2020.

On March 12, 2020, the Sheriff executed Amendment Number Seven to the Agreement to exercise the final one-year option term, from May 2, 2020, through May 1, 2021.

In July 2019, the Department published a Request for Information (RFI) to investigate commercial off-the-shelf DVLIR systems. Five vendors responded to the RFI and conducted on-site demonstrations. After reviewing the information presented, the Department initiated the solicitation process for a successor system. The Department anticipates releasing a Request for Proposals solicitation during the second half of 2021.

FISCAL IMPACT/FINANCING

Funding for the proposed Amendment will be allocated in the Department's operating budget.

SOLE SOURCE JUSTIFICATION

The Department owns and operates 47 DVLRs that can only be serviced by inContact due to the exclusive nature of their technology. The Agreement provides for hardware and software maintenance and support services, allowing the equipment to remain fully functional and up-to-date. The Amendment is necessary to ensure the DVLRs continue to operate effectively.

inContact is the sole manufacturer of the Department's DVLR system. The Department has utilized the present DVLR system for over fourteen years. There are currently millions of archived recordings that require the exclusive use of inContact's software and hardware. inContact does not train, certify, license or otherwise endorse any third party to provide support, maintenance, and/or upgrade services to their DVLR technology.

The proposed Amendment will allow the Department to complete a solicitation and execute a contract for a replacement system.

The Chief Information Office has reviewed and concurs with the Department's approach to extend the current Agreement.

CONCLUSION

Pursuant to Board policy, the Department will proceed with Sole Source negotiations in four weeks, unless otherwise instructed by the Board.

Should you have any questions, please contact Assistant Director David Culver, Fiscal Administration Bureau, at (213) 229-3260.

Sincerely,

ALEX VILLANUEVA, SHERIFF

TIMOTHY K. MURAKAMI
UNDERSHERIFF

AV:TKM:JK:jk
(Fiscal Administration Bureau - Contracts Unit)

- c: Board of Supervisors, Justice Deputies
Celia Zavala, Executive Officer, Board of Supervisors
Fesia Davenport, Acting Chief Executive Officer
Sheila Williams, Senior Manager, Chief Executive Office (CEO)
Rene Phillips, Manager, CEO
Jocelyn Ventilacion, Principal Analyst, CEO
Anna Petrosyan, Analyst, CEO
Rodrigo Castro-Silva, Acting County Counsel
Elizabeth D. Miller, Chief Legal Advisor, Legal Advisory Unit
Cammy C. DuPont, Principal Deputy County Counsel, Legal Advisory Unit
Timothy K. Murakami, Undersheriff
Jorge A. Valdez, Chief of Staff
Mark Glatt, Chief, Technology and Support Division (TSD)
Conrad Meredith, Division Director, Administrative Services Division (ASD)
Glen C. Joe, Assistant Division Director, ASD
Bill Song, Commander, TSD
Judy Anderson, Captain, Communications & Fleet Management Bureau (CFMB)
Rick Cavataio, Director, Fiscal Administration Bureau (FAB)
Dave Culver, Assistant Director, FAB, Contracts Unit
Scott Ponder, Lieutenant, CFMB
Angelo Faiella, Manager, Contracts Unit
Vanessa C. Chow, Sergeant, ASD
Erica M. Saavedra, Deputy, ASD
Joanna Kim, Contract Analyst, Contracts Unit

SOLE SOURCE CHECKLIST

Department Name: _____

- ☐ New Sole Source Contract
- ☐ Sole Source Amendment to Existing Contract

Date Existing Contract First Approved: _____

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>“Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.”</i>
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
	➤ Services are needed to address an emergent or related time-sensitive need.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/ system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

Chief Executive Office

Date

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	12/2/2020	
BOARD MEETING	1/5/2021	
DELEGATED AUTHORITY BOARD LETTER	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
SUPERVISORIAL DISTRICT AFFECTED	5 th	
DEPARTMENT	Children and Family Services	
SUBJECT	Approve the proposed nine-year lease with RBL Palmdale Center, LLC for approximately 41,674 square feet of office space and 208 on-site parking spaces at 39115 Trade Center Drive, Palmdale.	
PROGRAM	The proposed lease is intended to house multiple units of DCFS including Revenue Enhancement and Adoptions and related programs.	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
DEADLINES/ TIME CONSTRAINTS	The proposed lease at 39115 Trade Center Drive, Palmdale, is intended to house multiple units of DCFS for necessary office space for the growing needs of this department's programs in the greater Antelope Valley region.	
COST & FUNDING	Total cost: \$25,274,000 over 9-year term. Base rent \$16,671,000, TI costs not to exceed \$4,168,000, Low Voltage costs not to exceed \$3,309,000, and electricity cost of \$1,126,000.	Funding source: The costs will be funded 45 percent with State and Federal funds and 55 percent net County costs.
	TERMS (if applicable): The proposed base rent is subject to annual rent increases based on the Consumer Price Index (CPI) with a minimum of 2 percent and maximum of 4 percent annually. On-site parking for 208 spaces is included in the lease. Electricity separately metered.	
	Explanation: Sufficient funding for the proposed Lease, and County TI reimbursement costs for the first year of the proposed lease term is included in the Fiscal Year (FY) 2020-21 Rent Expense Budget and will be billed back to DCFS. DCFS has sufficient funding in its FY 2020-21 operating budget to cover the proposed rent, County TI costs and Low Voltage Items for the first year. Beginning in FY 2021-22, ongoing funding for costs associated with the proposed lease will be part of the budget for DCFS. The costs will be funded 45 percent with State and Federal funds and 55 percent net County costs.	
PURPOSE OF REQUEST	Approval of the recommended action will authorize and adequately provide necessary office space for multiple DCFS programs and closure of one existing lease.	
BACKGROUND (include internal/external issues that may exist)	<p>The proposed lease will allow DCFS the ability to co-house multiple units of its operations in this centrally located leasehold within the Antelope Valley region. It is in proximity to the ongoing constituencies served and close to other County operations in Service Planning Area 1. Parking is adjacent to the facility and included in the lease.</p> <p>The lease will have \$50 per square foot as a Base Tenant Improvement (TI) allowance, i.e., \$2,083,700 and up to \$100 per square foot Additional TI allowance, i.e., \$4,168,000.</p>	
DEPARTMENTAL AND OTHER CONTACTS	Michael Navarro CEO- Real Estate Division 213-974-4364 Mnavarro@ceo.lacounty.gov	



County of Los Angeles **CHIEF EXECUTIVE OFFICE**

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

FESIA A. DAVENPORT
Acting Chief Executive Officer

Board of Supervisors
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

January 5, 2021

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

Dear Supervisors:

**NINE-YEAR LEASE
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
39115 TRADE CENTER DRIVE, PALMDALE
(FIFTH DISTRICT)
(3 VOTES)**

SUBJECT

Approval of a proposed new nine-year lease for 41,674 square feet of office space, and 208 on-site parking spaces for the Department of Children and Family Services (DCFS).

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease is exempt from the California Environmental Quality Act (CEQA), for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Acting Chief Executive Officer, or her designee, to execute the proposed lease with RBL Palmdale Center, LLC (Landlord), for approximately 41,674 square feet of office space covering the entire first floor, Suites 202, 214, 215, and 220 on the second floor, and 208 on-site parking spaces located at 39115 Trade Center Drive, Palmdale, CA 93551. The estimated maximum first year base rental cost is \$1,575,278. The estimated total lease cost is \$25,274,000 over the nine-year term. The costs will be funded 45 percent with State and Federal funds, and 55 percent with net County cost.

3. Authorize the Acting Chief Executive Officer, or her designee, to reimburse the Landlord up to \$4,168,000 for County's Tenant Improvement (TI) contribution, to be paid in a lump sum.
4. Authorize the Director of DCFS to contract with and direct the Internal Services Department (ISD), in coordination with the Acting Chief Executive Officer, or her designee, for the acquisition and installation of telephone, data, and low-voltage systems (Low Voltage Items) at a total cost not to exceed \$2,883,590 if paid in a lump sum, or \$3,309,000 if amortized over five years at 6 percent interest per annum. The cost for the Low Voltage Items is in addition to the rental costs and the County's TI contribution payable to the Landlord.
5. Authorize the Acting Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the terms of the proposed lease and to take actions necessary and appropriate to implement the terms of the proposed lease, including, without limitation, exercising the right of first offer to lease additional space.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed lease at 39115 Trade Center Drive, Palmdale, CA 93551, is intended to house multiple DCFS units for the growing needs of departmental programs in the greater Antelope Valley region.

DCFS provides services to families in crisis. The primary goal of the Department is to, wherever possible, maintain the family unit. However, when this is not possible, the secondary goal is to reunify the family as quickly as possible. To this end, DCFS operates 21 regional offices to provide support to children and their families.

The Palmdale office is one of the regional offices in the Antelope Valley that provides a comprehensive, full service, direct child protection system dedicated to the safety of children in our care. Positive child welfare outcomes are achieved largely through the work of the DCFS Emergency Response Team, Continuing Services (Family Maintenance and Reunification), and Permanent Placement Children's Social Workers, in collaboration with the support staff and personnel from other County departments that are co-located in the Palmdale area. As a result of the Board's directive to improve the delivery of services to the Antelope Valley, additional staffing resources have been directed by DCFS to Palmdale so that additional staff is located within the service area.

Palmdale's Emergency Response, Dependency Investigation, and Continued Services units include Supervising Children's Social Workers, Children's Social Workers (CSW), and support staff for these functions. These programs have increased their sizes to accommodate the goal of decreased caseloads per worker. These workers provide direct client services. Adoption units provide direct services and are responsible for assessing a child's adoptability, case management and supervision, and providing the services involved in finalizing a child's adoption. Revenue Enhancement Eligibility Workers provide support to the CSWs, including Permanent Placement CSWs and Supervising CSWs by determining the financial eligibility of the children served by DCFS.

Many of the staff to be stationed at this location will be coming from existing offices where they were housed temporarily, at 176 Holston Drive in Lancaster, with other personnel coming from 39959 Sierra Highway in Palmdale. The lease at 176 Holston Drive in Lancaster will not be terminated since the Holston office will still be needed to accommodate overflow staff from the Lancaster Regional office located at 300 East Avenue K-6 in Lancaster.

The proposed lease will provide DCFS with sufficient and conveniently located office space, as well as Board-mandated training rooms to accommodate approximately 210 employees for these ongoing, existing operations, to adequately meet the space needs of the Department. The facility is accessible to public transportation routes.

Approval of the recommended actions will find that the proposed lease is exempt from CEQA, and will allow DCFS to operate at the subject facility.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal 1 - Make Investments That Transform Lives - provides that we will aggressively address society's most complicated social, health, and public safety challenges. We want to be a highly responsive organization capable of responding to complex societal challenges – one person at a time. The proposed lease supports this goal with a facility that provides proper accommodations for office space in a conveniently located facility, with adequate space for employees, collaborators, and clients.

The proposed lease is consistent with the Strategic Asset Management Plan Goal 2 – Strengthen Connection between Service Priorities and Asset Decisions and Key Objective 4 – Guide Strategic Decision-Making. The proposed lease will advance the Board's directive to DCFS to improve the delivery of services to the Antelope Valley communities.

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

FISCAL IMPACT/FINANCING

Sufficient funding for the proposed lease, and County TI reimbursement costs for the first year of the proposed lease term, is included in the Fiscal Year (FY) 2020-21 Rent Expense Budget, and will be billed back to DCFS. DCFS has sufficient funding in its FY 2020-21 operating budget to cover the proposed rent, County TI costs, electricity cost, and Low Voltage Items for the first year. Beginning in FY 2021-22, ongoing funding for costs associated with the proposed lease will be part of the budget for DCFS. The costs will be funded 45 percent with State and Federal funds, and 55 percent with net County cost. The costs for the Low Voltage Items will be paid by DCFS directly to ISD, and are not part of the proposed lease.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

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

- Base rent includes parking and is subject to annual increases based on the Consumer Price Index (CPI), with a minimum of 2 percent and a maximum of 4 percent per annum.
- Total TI costs are expected to be \$6,251,700. The Landlord will provide \$2,083,700 (\$50 per square foot) base TI allowance.
- The County will reimburse the Landlord up to \$4,168,000 (\$100 per square foot) as the County's lump sum TI contribution.
- The County may pay \$2,883,590 for the lump sum cost of the Low Voltage Items, or make payments amortized over five years at 6 percent interest for a fully amortized amount not to exceed \$3,309,000.
- The Landlord is responsible for the operating and maintenance costs of the building and janitorial costs, and the County is responsible for electricity. The County is not subject to the building's operating expense increases.
- Parking for 208 on-site spaces is included in the lease.
- The estimated \$125,022 annual cost for electricity is subject to utility rate increases.
- The aggregate cost associated with the proposed lease over the entire term is \$25,274,000, as shown on Enclosure B.

- The County does not have the right to terminate the proposed lease early.
- Holdover at the proposed lease expiration is permitted on the same terms and conditions, except the monthly base rent during the holdover period will increase by 25 percent of the monthly base rent in effect at the time of the lease expiration.
- The proposed lease will be effective upon approval by the Board and full execution of the proposed lease, but the term and base rent will commence upon completion of the tenant improvements by the Landlord and acceptance of the premises by the County.
- The County has a right of first offer to lease additional premises prior to the final year of the lease term.

The Chief Executive Office (CEO) issued a flyer soliciting proposals for available space from landlords, brokers, and other owner representatives, for this space need, through the Board's Executive Office website, and the CEO-Real Estate's County website. The recommended facility was identified through this process. 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 average annual rental range for a comparable lease in the area is between \$35.16 and \$42.00 dollars per square foot, per year. The base rental rate of \$ \$37.80 per square foot, per year, for the proposed lease represents a rate that is within market range for the area. We recommend the proposed facility as the most suitable to meet the County's space requirements.

CEO has communicated with co-working office space companies regarding office space for the applicable programs and they have informed CEO that their co-working office space does not have available space for long-term occupancy to accommodate the required space needs. In addition, co-working office space is not financially viable in comparison to rental costs of traditional long-term office space.

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

The Department of Public Works has inspected the facility and found it to be seismically suitable for County occupancy. Construction of TIs will be completed in compliance with relevant building and construction laws and regulations, including the Americans with Disabilities Act.

The required notification letter to the city of Palmdale has been sent in accordance with Government Code Section 25351. County Counsel has reviewed the enclosed proposed lease and has approved it as to form.

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

ENVIRONMENTAL DOCUMENTATION

This project is exempt from CEQA, as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities). The proposed lease, which involves the leasing of existing office space with minor 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.

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

IMPACT ON CURRENT SERVICES (OR PROJECTS)

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

CONCLUSION

It is requested that the Executive Office of the Board return one certified copy of the Minute Order and an adopted-stamped copy of this letter to the CEO, Real Estate Division at 320 West Temple Street, 7th Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

FESIA A. DAVENPORT
Acting Chief Executive Officer

FAD:JMN:DPH:DL
JLC:MAN:NH:gw

Enclosures

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

DEPARTMENT OF CHILDREN AND FAMILY SERVICES
39115 TRADE CENTER DRIVE, PALMDALE
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? The ratio is slightly less at 199 sq. ft per person.			X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? No, it exceeds the requirement at 5/1000.			X	
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?		X		
2.	<u>Capital</u>				
A	Is it a substantial net County cost (NCC) program? The rental costs are funded by a combination of grant and net County cost.		X		
B	Is this a long-term County program?		X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?			X	
D	If no, are there any suitable County-owned facilities available?			X	
E	If yes, why is lease being recommended over occupancy in County-owned space?				X
F	Is Building Description Report attached as Enclosure C?		X		
G	Was build-to-suit or capital project considered?			X	
3.	<u>Portfolio Management</u>				
A	Did department utilize CEO Space Request Evaluation (SRE)?		X		
B	Was the space need justified?		X		
C	If a renewal lease, was co-location with other County departments considered?				X
D	Why was this program not co-located?				X
	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? County pays for electricity.			X	
F	Has growth projection been considered in space request?		X		
G	Has the Dept. of Public Works completed seismic review/approval? ¹		X		
¹ As approved by the Board of Supervisors 11/17/98					

OVERVIEW OF PROPOSED LEASE COSTS

39115 Trade Center Drive, Palmdale	Proposed Lease
Area (Square Feet)	41,674
Term	9 years
First Year Annual Base Rent ⁽¹⁾	\$1,575,278 (\$37.80 per sq. ft. annually)
Base TI Allowance (non-reimbursable)	\$2,083,700 (\$50 per sq. ft.)
County TI contribution ⁽²⁾	\$4,168,000 (\$100 per sq. ft.)
Maximum Low-Voltage costs	\$3,309,000
First Year Lease Costs ⁽³⁾	\$6,712,487
Rental Adjustment	CPI – 2 percent minimum; 4 percent maximum
Parking (included in Rent)	208 parking spaces

(1) The proposed lease has the landlord responsible for paying all costs associated with building maintenance, operations and utilities, except electricity as noted below.

(2) The proposed lease requires that the County repay all additional reimbursable TIs via lump sum.

(3) The first year costs include base rent of \$1,575,278, TI reimbursement of \$4,167,400 (rounded above), Low Voltage at \$844,787, and electricity costs payable by the County and estimated at \$125,022. The electricity will be separately metered.

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

39115 Trade Center Drive
Department of Children and Family Services

Leased Area 41,674
Term 108 months/9 years
Annual Adjustment 4%

Description	Base Rent Per RSF Per Month (\$)	Base Rent Per RSF Per Year (\$)
	\$3.15	\$37.80
Tenant Improvements	Lump Sum \$4,167,400	
Low Voltage (Labor Cost + TESMA Cost)	Labor Cost Lump Sum Payment \$228,921.07	TESMA Costs \$2,654,669 TESMA Amortized Costs \$3,079,331

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	Total 9 Year Rental Costs
Annual Base Rent Costs ¹	1,575,278	1,638,289	1,703,820	1,771,973	1,842,852	1,916,566	1,993,229	2,072,958	2,155,876	16,671,000
Tenant Improvement Costs ²	4,167,400									4,168,000
Estimated Utilities Costs ³	125,022	125,022	125,022	125,022	125,022	125,022	125,022	125,022	125,022	1,126,000
Low Voltage Costs ⁴	844,787	615,866	615,866	615,866	615,866					3,309,000
Total Estimated Annual Lease Costs ⁵	6,712,487	1,638,289	1,703,820	1,771,973	1,842,852	1,916,566	1,993,229	2,072,958	2,280,898	25,274,000

¹ The base rent includes annual CPI increases capped at 4 percent.

² The tenant improvement costs will be paid via a lump sum payment.

³ This amount for electricity is based on an estimated \$0.25 per square foot, however, the actual amount may be higher or lower depending on utility rates.

⁴ The low voltage costs will be paid as follows: The ISD labor costs (228,921.07) will be paid via a lump sum payment. The TESMA labor and materials costs (2,654,668.71) will be financed over 5 years at 6% interest rate per annum paid by the department. The department may also pay \$2,883,589.78 in a lump sum.

⁵ The total estimated annual lease cost includes base rent, tenant improvement, utility, and low voltage costs.

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

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SPACE SEARCH – ANTELOPE VALLEY REGION
39115 TRADE CENTER DRIVE, PALMDALE**

Property ID	Name	Address	Ownership Type	Gross SqFt	Vacant
T623	High Desert - Doctors' Offices/Library Trailer	44900 N 60th St. W Lancaster 93536	Owned	4,023	NONE
Y373	PW WWD#04 - North Administration Building	419 W Ave J Lancaster 93534	Owned	4,128	NONE
L672	RR/CC - Cty Counsel Lancaster Office	44509 16th St. Lancaster 93534	Leased	4,367	NONE
Y770	Mira Loma - Office Building	45100 N 60th St. W Lancaster 93536	Owned	4,389	NONE
T585	High Desert - Gibbons Support Annex	44900 N 60th St. W Lancaster 93536	Owned	4,818	NONE
4549	Fox Airfield - Administration Building – 1	4555 W Ave G Lancaster 93536	Owned	6,785	NONE
X232	PW Road - Palmdale Maintenance District #5 Building	38126 N Sierra Hwy Palmdale 93550	Owned	7,040	NONE
A297	Sheriff - Lancaster Administrative Office	501 W Lancaster Blvd Lancaster 93534	Permit	7,557	NONE
Y832	Mira Loma - Complex Administration Building 1	45100 N 60th St. W Lancaster 93536	Financed	8,430	NONE
A149	DMH - Adult Protective Services	2323 A E Palmdale Blvd Palmdale 93550	Leased	9,255	NONE
A459	DCFS - Administrative Lancaster	300 E Ave K-6 Lancaster 93535	Leased	11,000	NONE
A623	F.I.L.P.	1420 W Ave I Lancaster 93534	Leased	11,600	NONE
X542	PW - Waterworks North Maint Area Office	260 E Ave K-8 Between Ave K-8 and K-10 Lancaster 93535	Owned	12,883	NONE
X495	PW - Waterworks North Maintenance Area HQ Building	260 E Ave K-8 Lancaster 93535	Owned	13,200	NONE
4683	Probation - (AB - 109)Antelope Valley Reg Off	43423 N Division St. Lancaster 93535	Leased	13,800	NONE
A255	Child Support Services - Div VI Reg Office	42281 10th St. W Lancaster 93534	Leased	14,600	NONE
A079	Assessor - Lancaster Regional Offices	251 E Ave K-6 Lancaster 93535	Owned	15,338	NONE
10209	Antelope Valley Juvenile Program	43917 Division St. Lancaster 93535	Leased	15,500	NONE
4586	Lancaster Courthouse - Services Building	1110 W Ave J Lancaster 93534	Owned	18,488	NONE
A380	DPSS - Antelope Valley Gain Reg II Sub – Office	1050 E Palmdale Blvd Palmdale 93550	Leased	18,795	NONE
A642	DPSS - Lancaster Gr/Grow Office	335 E Ave K-10 Lancaster 93535	Leased	25,166	NONE
10214	DCFS REGIONAL OFFICE LANCASTER /HS	176 HOLSTON DR Lancaster 93535	Leased	49,000	NONE
A576	DCFS - Palmdale (SPA 1) & Palmdale Adoptions	39959 Sierra Hwy Palmdale 93550	Leased	49,500	NONE
X537	Sheriff - Palmdale Station	750 E Ave Q Palmdale 93550	Owned	50,186	NONE
A433	Antelope Valley Service Center - Building A	349 E Ave K-6 Lancaster 93535	Owned	51,000	NONE
L622	Parking Lot (Antelope Valley Court Public Parking)	42011 4th St. W Lancaster 93534, 421 W Ave M Lancaster 93534	CA - Superior Courts	355,450	NONE

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Nine-year Lease agreement for the Department of Children and Family Services – 39115 Trade Center Drive, Palmdale – Fifth Supervisorial District.

A. Establish Service Function Category – Regional and local public service function.

B. Determination of the Service Area – The proposed lease will provide a nine-year lease for multiple programs of DCFS within Service Planning Area 1.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: Continuing need for existing operation in the greater SPA 1 region for continuing need of DCFS programs.
- Need for proximity to existing County facilities: Close to several other County departments including DPSS, Sheriff, Fire, and Mental Health.
- 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 including the Antelope Valley Bus Lines and is in proximity to the Interstate 14 freeway.
- 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 to meet the Department's needs.
- Compatibility with local land use plans: The city of Palmdale 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 first-year annual base rent of \$1,575,278, i.e., \$3.15 per square foot per month, including parking, plus the maximum lump sum cost of the County's tenant improvement contribution of \$4,167,400, and Low Voltage costs of \$ \$844,787, and electricity costs of \$125,022, total approximately \$6,712,487 over the first year of the lease. The rental costs will be funded 45 percent with State and Federal funds and 55 percent net County cost.

D. Analyze results and identify location alternatives

Based upon the space and service needs of DCFS, staff surveyed the immediate area to determine the availability of comparable and more economical site alternatives.

Based upon a review of available industry data, CEO has established that the annual average rental rate for similar lease in the area is between \$35.16 and \$42.00 per square foot, per year. Therefore, the base annual rent of \$ \$37.80 per square foot, per year including parking for the proposed lease, represents a rate within the market range for the area.

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

The proposed facility provides proper accommodations for these DCFS administrative functions within the indicated service area. The proposed lease conforms with the Asset Management Principles outlined in Enclosure A. The consolidation of services for DCFS will provide an appropriate location, which is consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE**

LEASE AGREEMENT

**COUNTY OF LOS ANGELES - Tenant
RBL PALMDALE CENTER LLC - Landlord**

**39115 TRADE CENTER DRIVE
PALMDALE, CALIFORNIA**

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EXHIBITS

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

LANDLORD'S WORK LETTER

- Addendum A – Base Building Improvements
- Addendum B – Tenant Improvements
- Addendum C – Form of Preliminary and Final TI Cost Statement

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") is entered into as of the ____ day of ____, 2020 between RBL PALMDALE CENTER LLC, a California limited liability company ("Landlord"), and COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION

1.1 Terms

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

a. Landlord's Address for Notice:	RBL PALMDALE CENTER LLC C/O Rawson Blum & Leon Attn: Ari Blum 505 Sansome Street Suite 900 San Francisco, CA 94111
b. Tenant's Address for Notice:	Chief Executive Office Real Estate Division 320 W Temple Street, 7th Floor Los Angeles, California 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, 6th Floor Los Angeles, CA 90012-2713 Attention: Property Division
c. Premises:	The entire first (1st) floor of the Building (defined below) of approximately 28,869 rentable square feet (RSF), plus a portion of the second (2nd) floor in Suite 220 of approximately 5,891 RSF and Suite 215 of approximately 3,285 RSF and Suite 214 of approximately 2,730 RSF and Suite 202 of

	approximately 899 RSF for a total of 41,674 RSF, as shown on <u>Exhibit A</u> attached hereto.
d. Building:	The Building located at 39115 Trade Center Drive Palmdale, California, which is currently assessed by the County Assessor as APN 3003-079-021 (the "Property");
e. Term:	Nine years, commencing upon the earlier of (i) 30 days after the date of Tenant's Acceptance of the Premises, as defined in Section 4.1, or (ii) Tenant commencing operations in the Premises (the "Commencement Date"), and terminating at midnight on the day before the ninth annual anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease.
f. Projected Delivery Date:	45 days after Landlord's delivery of notice to Tenant of Landlord's intent to deliver possession of the Premises.
g. Irrevocable Offer Expiration Date: (see Section 33)	10 weeks from Landlord's execution of this Lease.
h. Base Rent:	\$131,273.10 per month
i. Early Termination (see Section 4.4)	N/A
j. Rentable/gross Square Feet in the Premises:	Approximately 41,674 rentable square feet
k. Initial Departmental Use:	Administrative office, subject to Section 6.
l. Parking Spaces:	Tenant will have the right to five (5) parking spaces per 1,000 RSF of the Premises. All parking shall be unreserved and in common and located in the Building's surface lot. All of Tenant's parking shall be free of charge for the Initial.

m. Normal Working Hours:	6 a.m. to 8 p.m. Monday through Friday, and 9 a.m. to 2 p.m. on Saturdays
n. Asbestos Report:	A report dated April 2, 2020 prepared by PARTNER Engineering and Science, Inc.
o. Seismic Report	A report dated January 29, 2020 prepared by the Department of Public Works.
p. Disabled Access Survey	A report dated November 1, 2019 prepared by Flewelling & Moody.

1.2 Defined Terms Relating to Landlord's Work Letter

a. Tenant Improvement Allowance:	\$2,083,700.00
b. Tenant's TI Contribution:	\$4,167,400.00
c. Change Request Contingency	N/A (included above)
d. Tenant Improvement Amortization Rate:	N/A
e. Estimated Monthly Payments Attributable to Tenant Improvement Costs in Excess of Tenant Improvement Allowance	N/A
f. Tenant's Work Letter Representative:	An assigned staff person of the Chief Executive Office Real Estate Division
g. Landlord's Work Letter Representative:	Krista Hummel krista.hummel@vegasbuilds.com
h. Landlord's Address for Work Letter Notice:	Rawson Blum & Leon Attn: Ari Blum 505 Sansome Street Suite 900 San Francisco, CA 94111

<p>i. Tenant's Address for Work Letter Notice:</p>	<p>Chief Executive Office Real Estate Division 320 W Temple Street, 7th Floor Los Angeles, California 90012 Attention: Director of Real Estate</p>
<p>1.3 <u>Exhibits to Lease</u></p>	<p>Exhibit A - Floor Plan of Premises Exhibit B - Commencement Date Memorandum and Confirmation of Lease Terms Exhibit C - Form of Payment Voucher Exhibit D - HVAC Standards Exhibit E - Cleaning and Maintenance Schedule Exhibit F - Subordination, Non-Disturbance and Attornment Agreement Exhibit G - Tenant Estoppel Certificate Exhibit H - Community Business Enterprises Form Exhibit I - Memorandum of Lease</p>
<p>1.4 <u>Landlord's Work Letter</u> (Executed concurrently with this Lease and incorporated herein by this reference):</p>	<p>Landlord's Work Letter Addendum A: Base Building Improvements Addendum B: Tenant Improvements Addendum C: Form of Preliminary and Final TI Cost Statement</p>

2. PREMISES

Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and depicted on Exhibit A attached hereto.

3. COMMON AREAS

Tenant may use the following areas ("Common Areas") in common with Landlord and any other tenants of the Building: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Area established by Landlord. The Common Areas shall be exclusively managed and controlled by Landlord. Landlord shall have the right from time to time to eliminate or change the size, location and arrangement of the Common Areas and to designate, relocate, close and limit the use of particular areas or portions of the Common Areas as Landlord deems necessary in its reasonable discretion in order to facilitate operation of the Building and satisfaction of its obligations under the Lease; provided however, that no such action shall materially adversely affect access to or use of the Premises for the permitted use. Landlord shall also have the right to limit or control access to the Building by third parties other than Tenant or any employee, contractor, licensee, invitee, guest, agent or customer of Tenant (collectively, "Tenant Parties"). Such limitation or control upon access may include, without limitation, establishing reasonable procedures for deliveries by messengers and caterers and access to the Premises by Tenant Parties.

4. COMMENCEMENT AND EXPIRATION DATES

4.1 Term

The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within 30 days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing a Commencement Date Memorandum and Confirmation of Lease Terms in the form attached hereto as Exhibit B. The Commencement Date shall begin 30 days after the date of Tenant's Acceptance of the Premises. The term "Tenant's Acceptance of the Premises" as used in this Lease shall mean the date upon which the Tenant Improvements and the Premises are Substantially Complete, Tenant has inspected the Premises, and Tenant has accepted the Tenant Improvements and the Premises; provided that such inspection and acceptance, or rejection by written notice setting forth in reasonable detail the reasons that the Premises are not Substantially Complete and the changes necessary to achieve Substantial Completion, shall be completed by Tenant within ten (10) days of Landlord's notice of Tenant of Substantial Completion. The term "Substantial Completion" (or "Substantially Complete" or other iterations thereof) as used in this Lease shall mean compliance with all of the following:

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

If Landlord is responsible for the installation of telecommunications systems, then such systems shall be completely operational.

4.2 Termination Right

If the Commencement Date has not occurred within 120 days after the Projected Commencement Date, subject to Tenant Delays or Force Majeure Delays, as provided in Landlord's Work Letter executed concurrently herewith, then Tenant may thereafter, at any time before the Commencement Date occurs, terminate this Lease effective upon the giving of written notice to Landlord, and the parties shall have no further rights or obligations to one another hereunder.

4.3 Early Entry

Tenant shall be entitled to enter the Premises not less than 30 days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Such early entry shall be subject to all provisions hereof (including without limitation delivery of evidence of Tenant's insurance required hereunder), but shall not advance the Termination Date, and Tenant shall not pay Base Rent nor any other charges for such early entry period.

4.4 Intentionally Omitted

5. RENT

5.1 Base Rent

Tenant shall pay Landlord the Base Rent stated in Section 1 during the Term hereof within 15 days after (a) the Commencement Date, and (b) the first day of each calendar month thereafter, provided that prior to the Commencement Date, Landlord must file with the Auditor of the County of Los Angeles a payment voucher

for the Base Rent attributable to the initial month(s) of the Term up to and including June of the first year during the Term, and annually thereafter, on or before June 15 of each subsequent calendar year, for the Base Rent attributable to the following 12 months (i.e., beginning July 1). Landlord shall submit such payment vouchers in the same form as Exhibit C attached hereto, along with a completed IRS form W-9 and evidence of insurance in compliance with Section 20.2. If Landlord fails to timely file any payment voucher as required pursuant to this Section 5.1, then Tenant shall not be required to pay Base Rent to Landlord until 15 days after Landlord files such payment voucher for the applicable period. Base Rent for any partial calendar month during the Term shall be prorated in proportion to the number of days during the Term within such calendar month.

5.2. Base Rent Adjustments

- a. CPI. From and after the first anniversary of the Commencement Date, on the first day of the first full calendar month thereafter (the "Adjustment Date") and on every anniversary of the Adjustment Date thereafter, Base Rent shall be adjusted by applying the CPI Formula set forth below. The "Base Index" shall be the Index published for the month the Lease commences.
- b. CPI Formula. The Index means the Consumer Price Index for all Urban Consumers for the Los Angeles-Long Beach-Anaheim area, all items, published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Base Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month in which the adjustment is to be effective (the "New Index"), and the denominator being the Index published for the month in which the Lease commenced. If the Index is changed so that the Index differs from that used as of the Commencement Date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.
- c. Illustration of Formula. The formula for determining the new rent shall be as follows:

$$\frac{\text{New Index}}{\text{Base Index}} \times \text{Base Rent} = \text{Adjusted Base Rent}$$

- d. Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI Formula result in an increase greater than four percent (4.0%) per year of the Base Rent payable in the month preceding the applicable adjustment. In no event shall the Base Rent adjustment be less than two percent (2.0%) increase of the monthly Base Rent than was payable during the previous year of the Lease.

6. USES

Landlord agrees that the demised Premises, together with all appurtenances thereto, shall be used by the Tenant for the government department set forth in Section 1.1 or for any other governmental purposes or other lawful purposes that do not materially adversely interfere with other uses in the Building, excluding a Department of Mental Health clinic or the Probation Department office, during Normal Working Hours, after Normal Working Hours, and on weekends and holidays.

7. HOLDOVER

If, after expiration of the Term, Tenant remains in possession of the Premises, Landlord may, at its option, serve notice upon Tenant that such hold over constitutes either: (a) a month-to-month tenancy upon all the provisions of this Lease (except as to Term and Base Rent); or (b) a tenancy at sufferance. If Landlord does not give said notice, Tenant's hold over shall create a tenancy at sufferance, subjecting Tenant to all the covenants and obligations of this Lease. In either event, the monthly installments of Base Rent shall be increased to one hundred twenty five percent (125%) of the monthly installments of Base Rent in effect at the expiration of the Term. If a month-to-month tenancy is created, either party may terminate such tenancy by giving the other party at least thirty (30) days advance notice of the date of termination.

8. COMPLIANCE WITH LAW

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

9. DAMAGE OR DESTRUCTION

9.1 Damage

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises may be restored to a complete architectural unit of substantially the same condition and layout that existed immediately prior to such casualty in less than 180 days, then, provided that insurance proceeds are available to repair the damages, Landlord shall promptly, at Landlord's expense, repair such damage, and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made unusable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within 45 days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the

amount of time required to substantially complete the repair and restoration of the Premises and make the Premises leasable again using standard working methods. The failure to diligently pursue the foregoing shall be a material default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

Tenant Termination Right

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days for any reason, then Tenant may terminate this Lease by giving Landlord written notice within ten days after Tenant's receipt of written notice from Landlord or its agents specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became unusable. If Tenant does not elect to terminate this Lease, then Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided that insurance proceeds are available to repair the damages.

9.2 Damage In Last Year

Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last two (2) years of the Term, then either Landlord or Tenant may terminate this Lease by giving notice to the other not more than 30 days after such destruction, in which case:

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

9.3 Default By Landlord

If Landlord is required to repair and restore the Premises as provided for in this Section 9, and Landlord thereafter fails to diligently prosecute said repair and restoration work to completion, as determined by Tenant in its reasonable discretion, then Tenant may, at its sole election perform or cause to be performed the restoration work and Landlord shall reimburse Tenant for the cost thereof within thirty (30) days of receipt of copies of all invoices for such costs and unconditional lien waivers from all contractors, subcontractors and materials suppliers, plus interest thereon at ten percent (10%) per annum, provided that if Landlord fails timely to reimburse Tenant, then Tenant may deduct such amounts from the next installment(s) of Base Rent (but not in excess of twenty five percent (25%) of any individual Base Rent payment) due as a charge against the Landlord.

10. REPAIRS AND MAINTENANCE

10.1 Landlord Representations

- a. Landlord represents to Tenant that, as of the date hereof and on the Commencement Date:
 - i. The Premises, the Building, and all Common Areas (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including but not limited to the Americans With Disabilities Act, and are in reasonably good working order and condition;
 - ii. The Building and the Premises comply with all covenants, conditions, restrictions;
 - iii. The Premises, the Building and the Common Areas are free of the presence of Hazardous Materials (as hereinafter defined) in violation of applicable Laws; and
 - iv. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation.
- b. Landlord represents, based upon a professional inspection of the Premises and the Building and the Asbestos Report (as defined in Section 1.1) that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Asbestos Report). Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos-containing materials to the extent required by law and provide Tenant with an updated report from a licensed California Asbestos contractor to that effect.
- c. CASp Inspection:

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

[Check the appropriate box]

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

☐ Have undergone inspection by a Certified Access Specialist and have not been determined to meet all applicable construction related accessibility standards pursuant to California Civil Code Section 55.53.

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

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

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

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

10.2 Landlord Obligations

- a. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed:
 - i. the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, foundations, roof, concealed plumbing, stairways, concealed electrical systems and intra-building telephone network cables;
 - ii. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Building;

- iii. the Common Areas;
 - iv. exterior windows of the Building; and
 - v. elevators serving the Building.
- b. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the structural elements and exterior surfaces of, and the mechanical, electrical and plumbing and HVAC equipment solely serving, the Premises, and shall keep the such portions of the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to:
 - i. the floor covering;
 - ii. interior ceiling;
 - iii. interior partitions;
 - iv. doors;
 - v. the interior side of demising walls;
 - vi. signage;
 - vii. emergency exit signage and battery replacement; and
 - viii. HVAC equipment dedicated to the mechanical rooms housing Tenant's computer servers and related equipment
 - ix. plate glass.
- c. Landlord shall, to the best of its ability, provide any reports, maintenance records, or other documentation as may be requested from time to time.

10.3 Tenant Obligations

Notwithstanding Landlord's repair and maintenance obligations, and subject to Section 20.5 hereof, Tenant shall be responsible for (i) the cost of repairing any area of the Property damaged by Tenant or by Tenant's agents, contractors, employees, invitees or visitors, and (ii) the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall:

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

10.4 Tenant's Right to Repair

- a. If Tenant provides written notice (or oral notice in the event of an emergency, such as damage or destruction to or of any portion of the Building structure and/or the Building systems, and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and if Landlord fails to diligently pursue such action within a reasonable period of time given the circumstances after the giving of such notice, but in any event not later than thirty (30) days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within thirty days of receipt of reasonable evidence of such costs, Tenant shall be entitled to deduct from Base Rent (but in no event more than twenty five percent (25%) of an individual Base Rent installment) payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 15.
- b. Notwithstanding any provisions of this Lease to the contrary, Tenant, at its sole discretion, acting through the Chief Executive Office, may request that the Landlord perform, supply and administer any repairs, maintenance, building services and/or alterations that are the responsibility of the Tenant, and which have an aggregate cost of less than \$5,000.00, in which case Tenant shall promptly reimburse Landlord for such cost, not to exceed \$5,000.00. Any improvements by Landlord shall be subject to (i) the Work Letter provisions regarding selection and bidding of contractors, Landlord-Tenant coordination and audit rights, and Tenant remedies found in, but not limited to, Sections 4 through 13 of said Work Letter; and (ii) compliance with County Internal Services Department Purchasing Policy and Procedure No. A-0300, effective November 22, 2016, delivered to Landlord and incorporated by reference herein.

Notwithstanding any provisions of this Lease to the contrary, Tenant, at its sole discretion, acting through the Chief Executive Office, may request that Landlord perform, supply and administer repairs, maintenance, building services and/or alterations which have an aggregate cost of less than \$1,500.00, in which case Tenant shall promptly reimburse Landlord for such cost, not to exceed \$1,500.00. Any improvements by Landlord shall be subject to compliance with County Internal Services Department

11. SERVICES AND UTILITIES

11.1 Services

a. Heating, Ventilation and Air Conditioning (HVAC)

Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings and not less than the standard set forth in Exhibit D attached hereto; provided that any HVAC outside of Normal Working Hours shall only be provided upon the request of Tenant, and Tenant shall pay such charges for such use after Normal Working Hours HVAC at such non-discriminatory hourly rate as Landlord shall from time to time establish. In addition, Landlord shall furnish HVAC at all times (i.e., 24 hours per day, 7 days per week, 365 days per year) to the mechanical rooms housing Tenant's computer servers and related equipment.

b. Electricity

Landlord shall furnish to the Premises the amount of electric current provided for in the Work Letter (if applicable) but in any event not less than seven watts of electric current (connected load) per square foot of Rentable/gross Square Feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or sub-panels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises.

c. Elevators

Landlord shall furnish freight and passenger elevator services to the Premises during Normal Working Hours in the form of a single elevator serving the Building. During all other hours, Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis, and, by prior arrangement with Landlord's building manager, freight elevator service.

d. Water

Landlord shall make available warm and cold water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

e. Janitorial

Landlord, at its sole cost and expense, shall provide janitorial service five (5) nights per week, generally consistent with that furnished in comparable

office buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit E attached hereto.

f. Access

Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to such agents and employees' compliance with such reasonable security measures as shall from time to time be in effect for the Building.

g. Pest Control

Landlord at its sole cost and expense shall provide any and all pest control services to the premises per the specifications set forth in Exhibit E attached hereto.

11.2 Utilities

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

12. TAXES

Landlord, at its sole cost and expense, shall pay, prior to delinquency, all real property taxes, assessments and special assessments which may be levied or assessed against the Premises or the Building during the term of this Lease or any renewal or holdover period thereof provided that Landlord may contest the amount or validity of any such taxes in Landlord's sole discretion.

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

13. LANDLORD ACCESS

Tenant shall permit Landlord and its agents to enter the Premises during Normal Working Hours upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or the Premises during Normal Working Hours and Tenant is thus unable to operate therefrom, Base Rent shall be prorated based upon the percentage of the Premises or the Building rendered unusable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

14. TENANT DEFAULT

14.1 Default

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

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

14.2 Termination

Tenant agrees that if a Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law, including, without limitation, the right to terminate this Lease and recover from Tenant the measure of damages specified by California Civil Code Section 1951.2, which shall include the worth at the time of award of the amount by which the unpaid Base Rent for the balance of the Term after the time of award exceeds the amount of Base Rent loss Tenant proves could have been reasonably avoided.

14.3 No Effect on Indemnity

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

15. LANDLORD DEFAULT

15.1 Remedies

In addition to the provisions for Landlord's default provided by Sections 9.4, 10.4, 19, 21.2 and 32.3, Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to commence and thereafter diligently pursue such obligation within thirty days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10.4); provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such thirty day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if cure of such Landlord Default is not commenced and thereafter diligently pursued within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

- a. to remedy such default or breach and deduct the costs thereof (including but not limited to attorney' fees) plus interest at the rate of ten percent (10%) per annum from the installments of Base Rent next falling due;
- b. to pursue the remedy of specific performance; or
- c. if such Landlord Default is not susceptible to cure, then to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due (but not more than 25% of any monthly Base Rent installment to terminate this Lease.

15.2 Waiver

Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

15.3 Emergency

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

16. ASSIGNMENT AND SUBLETTING

16.1 Assignment and Subletting

Tenant will not assign the Lease or sublet the Premises without the prior written consent of Landlord, which consent will not be unreasonably withheld or delayed. No assignment, subletting or other transfer hereunder shall relieve Tenant of any liability under this Lease. Landlord and Tenant will equally share any sublease rent that exceeds the rent under this Lease. Tenant may assign or sublet this Lease without requirement of prior consent of Landlord to any County of Los Angeles Department or Division, with the exception of a department of Mental Health clinic or the Probation Department, provided, however, that Tenant shall provide written notice thereof to Landlord promptly upon such assignment or sublet.

16.2 Sale

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

Upon any sale or transfer of the Property, Landlord shall provide the following information to Tenant, at Tenant's Address for Notice, as a condition of Tenant's obligation to pay Base Rent to the new owner:

- a. Written evidence of the transfer of the Property (e.g., a recorded deed), or a letter from the transferor confirming that the Property was transferred to the new owner.
- b. A signed letter including the following information:
 - i. Name and address of new owner or other party to whom Base Rent should be paid
 - ii. Federal tax ID number for new owner
 - iii. Name of contact person and contact information (including phone number) for new owner
 - iv. Proof of insurance
- c. A W-9 form for new owner

17. ALTERATIONS AND ADDITIONS

17.1 Landlord Consent

Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria:

- a. complies with all laws;
- b. is not visible from the exterior of the Premises or Building;
- c. will not affect the systems or structure of the Building or be affixed to the structure or bolted to, or require cutting of, the floor slab; and
- d. does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building.

If Landlord fails to respond in writing within 30 days of such request, Landlord shall be deemed to approve the Alterations.

17.2 End of Term

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

18. CONDEMNATION

18.1 Controlling Terms

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

18.2 Total Taking

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

18.3 Partial Taking

If any portion, but not all, of the Premises or the Common Areas is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within 30 days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than 30 days nor later than 90 days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within 30 days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated in proportion to the degree to which Tenant's use of the Premises and the Common Areas is impaired by such Condemnation.

18.4 Restoration

Notwithstanding the preceding paragraph, if, within 30 days after the Determination Date, Landlord notifies Tenant that Landlord, at its sole cost, will add to the remaining Premises and/or the Common Areas so that the Premises and the space available for parking, will be substantially the same (as reasonably determined by Tenant) after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within 360 days after Landlord so notifies Tenant, then this Lease shall continue in effect. In such event, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

18.5 Award

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

18.6 Waiver of Statute

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

19. INDEMNIFICATION

19.1 Landlord's Indemnity

The Landlord shall indemnify, defend and hold harmless the Tenant from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with the negligence or willful misconduct of Landlord, its employees, agents, contractors and invitees.

19.2 Tenant's Indemnity

The Tenant shall indemnify, defend and hold harmless the Landlord, from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with the negligence or willful misconduct of Tenant, its employees, agents, contractors and invitees.

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

20.1 Waiver

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

20.2 General Insurance Provisions – Landlord Requirements

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

a. Evidence of Coverage and Notice to Tenant

Certificate(s) of insurance coverage (Certificate) satisfactory to Tenant, and a copy of an Additional Insured endorsement confirming that Tenant and Tenant's Agents (defined below) are named as Additional Insureds under the Landlord's Commercial General Liability policy, shall be delivered to Tenant at the address shown below and provided prior to the start day of this Lease.

Renewal Certificates shall be provided to Tenant not less than 10 days prior to Landlord's policy expiration dates. The Tenant reserves the right to obtain complete, certified copies of any required Landlord insurance policies at any time.

Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Landlord identified in the Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any Tenant required endorsement forms.

Neither the Tenant's failure to obtain, nor the Tenant's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Landlord, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements, notices of cancellation shall be delivered to:

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

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

b. Additional Insured Status and Scope of Coverage

Tenant and its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively, "Tenant's Agents"), shall be named as additional insureds under Landlord's Commercial General Liability Insurance policy with respect to the Building. Tenant's additional insured status shall apply whether liability is attributable to the Landlord, Tenant or Tenant's Agents. The full policy limits and scope of protection also shall apply to the Tenant as an additional insured, even if they exceed the Tenant's minimum Required Insurance specifications set forth herein. Use of an automatic additional insured endorsement form is acceptable, provided that it satisfies the Required Insurance provisions set forth herein.

c. Cancellation of or Changes in Insurance

Landlord shall provide the Tenant with, or Landlord's insurance policies shall contain a provision that the Tenant shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to the Tenant at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Lease if not timely cured, upon which the Tenant may suspend or terminate this Lease.

d. Failure to Maintain Insurance

Landlord's failure to maintain or to provide (after notice and opportunity to cure) acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Lease.

e. Insurer Financial Ratings

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

f. Landlord's Insurance Shall Be Primary

Subject to Tenant's waiver of subrogation pursuant to Section 20.5, Landlord's insurance policies, with respect to any claims related to this Lease, shall be primary with respect to all other sources of coverage available to Tenant. Any Tenant maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Landlord coverage.

g. Waiver of Subrogation

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

h. Deductibles and Self-Insured Retentions ("SIRs")

Landlord's policies shall not obligate the Tenant to pay any portion of any Landlord deductible or SIR. The Tenant retains the right to require Landlord to reduce or eliminate policy deductibles and SIRs as respects the Tenant, or to provide a bond guaranteeing Landlord's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

i. Claims Made Coverage

If any part of the Required Insurance is written on claims made basis, any policy retroactive date shall precede the start date of this Lease. Landlord understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Lease expiration, termination or cancellation.

j. Application of Excess Liability Coverage

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

k. Separation of Insureds

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

l. Tenant Review and Approval of Insurance Requirements

The Tenant reserves the right to review and adjust the Required Insurance provisions reasonably consistent with other similar buildings in the same metropolitan area, conditioned upon Tenant's good faith, reasonable determination of changes in risk exposures.

20.3 Insurance Coverage Types And Limits

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

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

General Aggregate:	\$ 2 million
Products/Completed Operations Aggregate:	\$ 1 million
Personal and Advertising Injury:	\$ 1 million
Each Occurrence:	\$ 1 million

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

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

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

General Aggregate:	\$ 10 million
Products/Completed Operations Aggregate:	\$ 10 million
Personal and Advertising Injury:	\$ 5 million
Each Occurrence:	\$ 5 million

- b. Commercial Property Insurance. Such insurance shall:

- i. Provide coverage for Tenant's property and any tenant improvements and betterments to the Premises; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30) or its equivalent, excluding earthquake and including flood and ordinance or law coverage.
- ii. Be written for the full replacement cost of the Property, with a deductible no greater than \$250,000.00 or 5% of the Property value, whichever is less. Insurance proceeds shall be payable to the Landlord and Tenant, as their interests may appear. Landlord shall have the right to provide the insurance required hereunder pursuant to blanket policies obtained by Landlord, provided such blanket policies afford coverage as required by this Lease.

20.5 Waiver of Subrogation

Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

21. PARKING

21.1 Tenant's Rights

Tenant shall have the right to the number of parking spaces set forth in Section 1, without charge, for the Term of this Lease. No tandem parking shall be required, and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building.

21.2 Remedies

Landlord acknowledges that it is a material term of this Lease that Tenant receives all of the parking spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever (except as a result of casualty or condemnation, which shall subject to the terms and conditions of Sections 9 and 18, respectively), a material number (which for purposes hereof shall mean more than 20% of the parking spaces allotment to which Tenant is entitled under this Lease) of the parking spaces allotment required above are not available to Tenant, then Landlord shall use best efforts to provide reasonable alternative parking arrangements to replace such unavailable parking spaces at Landlord's sole cost and expense. If Landlord fails to pursue such cure for longer than forty five (45) days after Tenant's notice thereof to Landlord and Tenant in good faith determines that as a result thereof it cannot operate in the Premises for the permitted use hereunder, Tenant may:

- a. terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective 180 days thereafter, provided that if Landlord cures such material delinquency in parking spaces within such 180 day period, then such termination notice shall be deemed automatically rescinded and of no further force or effect, or
- b. deduct from the Base Rent thereafter accruing hereunder an amount each month equal to the Base Rent times the percentage of parking spaces not so provided times the number 1.5, but such deduction from Base Rent shall be not less than ten percent (10%) nor more than one hundred percent (100%) of the Base Rent.

22. ENVIRONMENTAL MATTERS

22.1 Hazardous Materials

Tenant shall not cause nor permit, nor allow any of Tenant's employees agents, customers, visitors, invitees, licensee, contractor, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as

amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

22.2 Tenant Indemnity

Tenant shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Landlord from and against any and all claims, judgments, causes of action, damage, penalties, fines, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of, or in connection with, the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas in violation of Section 22.1 or other violation of laws relating to Hazardous Materials by Tenant or Tenant Parties. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Tenant's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease.

22.3 Landlord Indemnity. Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fines, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of, or in connection with, the presence of Hazardous Materials placed on, under or about the Premises, Building or Common Areas by Landlord or other violation of laws relating to Hazardous Materials by Landlord. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

23. ESTOPPEL CERTIFICATES

Tenant shall, within 20 business days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit G attached hereto (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's

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

24. TENANT IMPROVEMENTS

Prior to the Commencement Date, Landlord shall construct the Tenant Improvements in the manner set forth in Landlord's Work Letter executed by Landlord and Tenant concurrently herewith.

25. LIENS

Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant. Subject to Section 26.1 below, Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien.

26. SUBORDINATION AND MORTGAGES

26.1 Subordination and Non-Disturbance

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

26.2 Existing Deeds of Trust

Landlord shall use commercially reasonable efforts to cause the beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Exhibit F attached hereto, within 30 days after the execution of this Lease.

26.3 Notice of Default

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

27. SURRENDER OF POSSESSION

Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant shall remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

28. SIGNAGE

Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances. Landlord to provide Tenant with its pro-rata share of signage on the front monument sign.

29. QUIET ENJOYMENT

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

30. GENERAL

30.1 Headings

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

30.2 Successors and Assigns

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

30.3 Brokers

Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than Jones Lang LaSalle Brokerage, Inc. representing Landlord ("Landlord's Broker"). Landlord shall pay the commission due Landlord's Broker pursuant to a separate agreement between Landlord and Landlord's Broker. Landlord and Tenant shall each indemnify, defend, protect and hold the other harmless from and against any and all claims and damages and for any and all costs and expenses (including reasonable attorneys' fees and costs) resulting from claims that may be asserted against the other party by any broker, agent or finder not disclosed herein.

30.4 Entire Agreement

This Lease (including all exhibits hereto and the Landlord's Work Letter) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and

other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect, and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

30.5 Severability

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

30.6 Notices

The parties shall give all notices in writing by (i) personal delivery, (ii) national-recognized, next-day courier service, (iii) first-class registered or certified mail, postage prepaid, to the Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1 (as addresses may be modified in writing). Without limiting the generality of the foregoing, notices from either party shall not be effective if they are delivered to the Premises or to another address that is not set forth in Section 1 hereof. Any notice given under this Lease shall be deemed effective upon the date of delivery (whether accepted or refused), which, for certified mail and courier service, shall be established by U.S. Post Office return receipt or the courier's proof of delivery, respectively.

30.7 Governing Law and Venue

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

30.8 Waivers

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

30.9 Time of Essence

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

30.10 Consent

Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) business days after written request is made therefore plus two (2) business days after delivery of a second written notice (which second notice shall not be delivered

prior to expiration of such initial ten (10) business day period), together with all necessary information.

30.11 Community Business Enterprises

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

30.12 Memorandum of Lease

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

30.13 Counterparts

This Lease may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

31. AUTHORITY

Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease, and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Office of the County (the "Chief Executive Office") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an early termination notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

32. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

32.1 Consideration of GAIN Program Participants

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

32.2 Solicitation of Consideration

It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the lease or that the landlord's failure to provide such consideration may negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent who has had any involvement in the procurement, negotiation, consummation, administration or management of a lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the Landlord's submission being eliminated from consideration.

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

32.3 Landlord Assignment

- a. Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.
- b. Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease, or any portion thereof, as security for the Landlord's obligation to repay any monetary obligation, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

- c. Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (commercial mortgage backed securities) financing or other traditional real estate financing, and that the Landlord is a limited liability company and that Landlord may, in its sole discretion, issue membership interests or other security interests in such limited liability company and that such issuances is not a violation of this subsection c nor give rise to remedies set forth in subsection d immediately hereafter. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.
- d. Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of \$500,000.00 or 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.
- e. Landlord shall give the County notice and a copy of each and every assignment, transfer, hypothecation or encumbrance of Landlord's interest in this Lease and any instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at within two weeks of to the effective date thereof.
- f. Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.
- g. The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and

agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns, whether so expressed or not.

33. IRREVOCABLE OFFER

In consideration for the time and expense that Tenant will invest in this Lease, including but not limited to preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County, as necessary, in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

34. RIGHT OF FIRST OFFER TO LEASE ADDITIONAL PREMISES.

- a. Provided that no material Default has occurred and is continuing under the Lease, if at any time prior to the last twelve (12) months of the Term, Landlord intends to offer leasable space located contiguous to the Premises (the "Additional Premises") for lease to third parties or to accept an offer of a third party to lease the Additional Premises, Landlord shall first give written notice to Tenant of the rental rate and other material terms upon which Landlord is willing to lease the Additional Premises ("Landlord's Lease Notice"). Landlord's Lease Notice shall constitute an offer to lease the Additional Premises to Tenant at the rental rate and upon the terms and conditions contained in Landlord's Lease Notice and shall state the anticipated date of availability of the Additional Premises. Tenant shall have thirty (30) business days after receipt of Landlord's Lease Notice to accept such offer. Tenant shall accept such offer, if at all, only by delivery to Landlord of Tenant's irrevocable written commitment to lease the Additional Premises at the rental rate and upon the terms and conditions contained in Landlord's Lease Notice (the "Expansion Commitment").
- b. If Tenant delivers to Landlord the Expansion Commitment within such thirty (30) business day period, all (but not part) of the Additional Premises shall be leased to Tenant commencing on the earlier of (a) the date Tenant first uses the Additional Premises for the Permitted Use; or (b) thirty (30) days after Landlord provides Tenant with possession of the Additional Premises and continuing for a period of time coterminous with the remaining Term, including any options to extend the Term. Tenant shall lease the Additional Premises upon the same terms, conditions and covenants as are contained in the Lease except that (i) the Base Rent for the Additional Premises shall be at the rate set forth in Landlord's Lease Notice, and (ii) any terms and conditions set forth in Landlord's Lease Notice that are inconsistent with the terms and conditions of the Lease shall control.
- c. Except as otherwise set forth in Landlord's Lease Notice, possession of the Additional Premises shall be delivered to Tenant on an "as-is" basis. Landlord shall prepare and Landlord and Tenant shall execute and deliver a written agreement modifying and supplementing the Lease and specifying that the Additional Premises are part of the Premises and, except as otherwise specified in Landlord's Lease Notice, subject to all of the terms and conditions of the Lease.
- d. Time is of the essence with respect to the exercise by Tenant of its rights granted hereunder. In the event Tenant fails to deliver to Landlord Tenant's Expansion Commitment within the thirty (30) business day period prescribed above, all rights

of Tenant to lease the Additional Premises shall terminate and Landlord shall have no further obligation to notify Tenant of any proposed leasing of the Additional Premises, and Landlord shall thereafter have the unconditional right to lease the Additional Premises to third parties or to accept offers from third parties to lease the Additional Premises without further obligation to Tenant. The rights granted to Tenant under this Section 34 shall not apply to any sales or similar transfers of the Additional Premises.

[signature page follows]

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

LANDLORD:

RBL PALMDALE CENTER LLC,
a California limited liability company

By: RBL Palmdale Center Manager LLC,
a Delaware limited liability company
Its: Manager

By: Rawson Blum & Leon
a California corporation
Its: Manager

By: 

Ari Blum, President

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Acting Chief Executive Officer

By: _____

Dean Lehman
Senior Manager, Real Estate Division

ATTEST:

Dean C. Logan
Recorder/County Clerk
Of the County of Los Angeles

Date: _____

By: _____

Deputy

APPROVED AS TO FORM:

Mary C. Wickham
County Counsel
By:



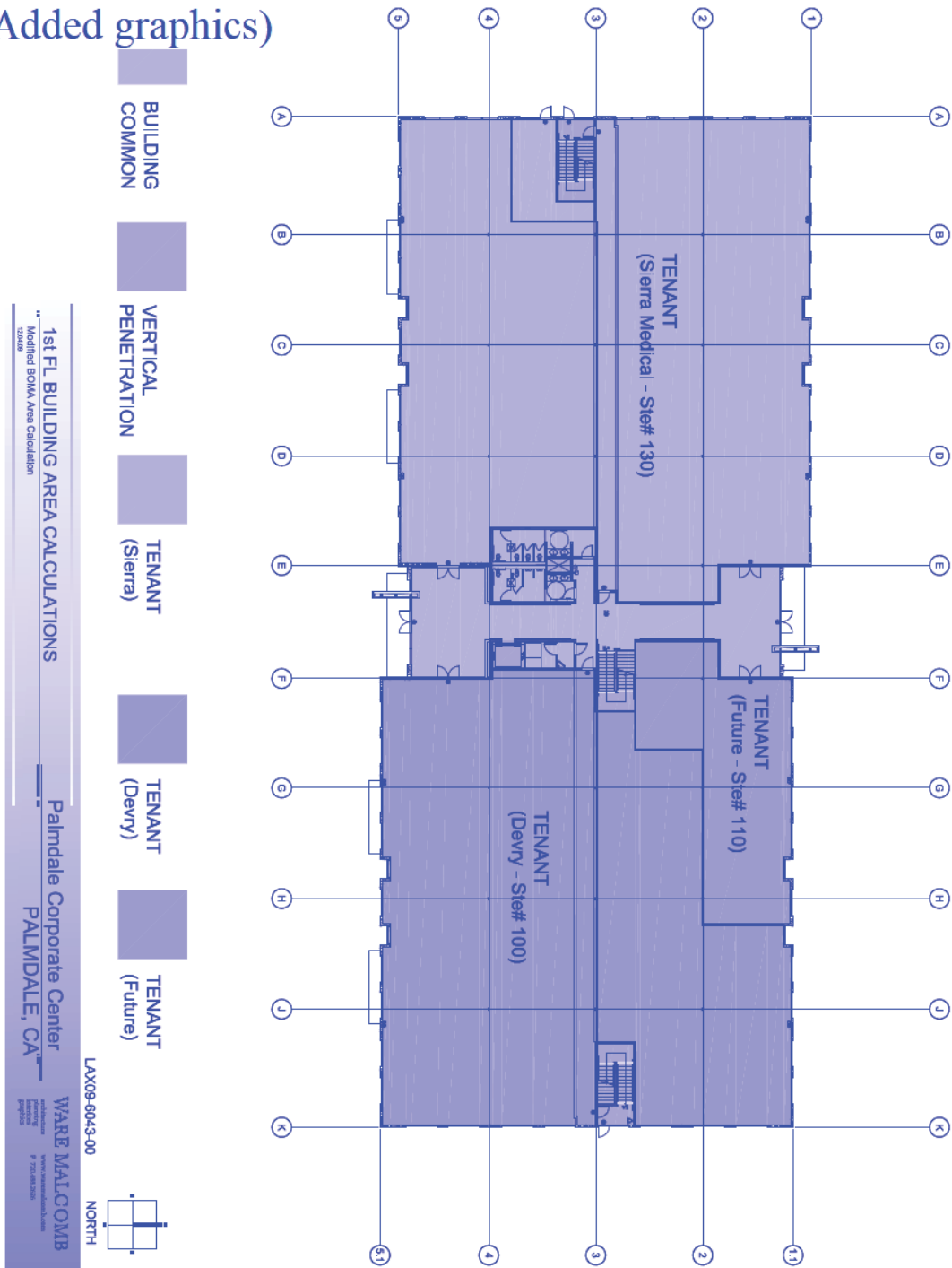
Deputy

EXHIBIT A

FLOOR PLAN OF PREMISES

First Floor Plan:

(Added graphics)



Second Floor Plan:

(Added)

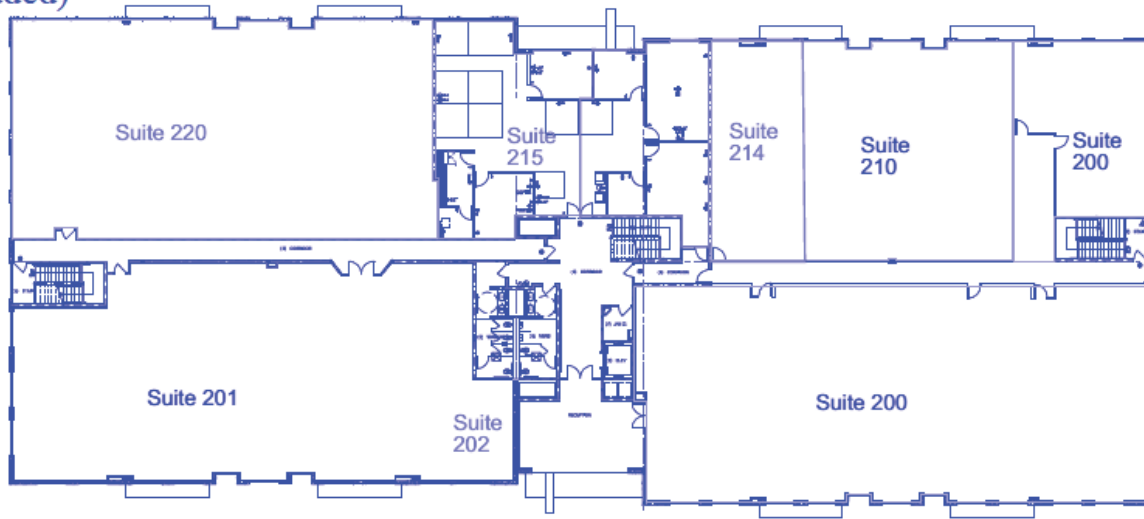


EXHIBIT B

COMMENCEMENT DATE MEMORANDUM AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain Lease Agreement ("Lease") dated _____, 20__, between County of Los Angeles, a body corporate and politic ("Tenant"), and _____, a _____ ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at _____ ("Premises"),

Landlord and Tenant hereby acknowledge as follow:

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

IN WITNESS WHEREOF, this memorandum is executed this _____ day of _____, 20__.

<p>Tenant:</p> <p>COUNTY OF LOS ANGELES, a body corporate and politic</p> <p>By: _____ Name _____ Its _____</p>	<p>Landlord:</p> <p>RBL PALMDALE CENTER LLC, a California limited liability company</p> <p>By: RBL Palmdale Center Manager LLC A Delaware limited liability company Its: Manager</p> <p>By: Rawson Blum & Leon a California corporation Its: Manager</p> <p>By: _____ Ari Blum, President</p>
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PAYMENT VOUCHER

CEO-REAL ESTATE DIVISION
RENT PAYMENT VOUCHER
FISCAL YEAR 2017-18

PV Leasing.accdb, Report Name: 00000-00000 17-18

EXHIBIT D

HEATING, VENTILATION AND AIR CONDITIONING

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Normal Working Hours established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 68 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one zone for approximately each 1,000 square feet and one diffuser for each 200 square feet of usable/net square footage within the Premises. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.

EXHIBIT E

CLEANING AND MAINTENANCE SCHEDULE

1. DAILY (Monday through Friday)

- A. Carpets vacuumed.
- B. Composition floors dust-mopped.
- C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
- D. Waste baskets, other trash receptacles emptied.
- E. Chairs and waste baskets returned to proper position.
- F. Fingerprints removed from glass doors and partitions.
- G. Drinking fountains cleaned, sanitized and polished.
- H. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
- I. Bulb and tube replacements, as required.
- J. Emergency exit signage and egress battery replacement (if applicable)
- K. Graffiti expunged as needed within two working days after notice by Tenant
- L. Floors washed as needed.
- M. Kitchen/lunchroom/restroom supplies replenished, including paper supplies, and soap.

2. WEEKLY

- A. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.
- B. Window sills, ledges and wood paneling and molding dusted.

3. MONTHLY

- C. Floors washed and waxed in uncarpeted office area.
- D. High-reach areas, door frames and tops of partitions dusted.
- E. Upholstered furniture vacuumed, plastic and leather furniture wiped
- F. Picture moldings and frames dusted.

- G. Wall vents and ceiling vents vacuumed.
- H. Carpet professionally spot cleaned as required to remove stains.

4. QUARTERLY

- I. Light fixtures cleaned and dusted, but not less frequently than quarterly.
- J. Wood furniture polished.
- K. Draperies or mini-blinds cleaned as required, but not less frequently than quarterly.
- L. HVAC units serviced for preventative maintenance purposes, all filters changed.

5. SEMI-ANNUALLY

- M. Windows washed as required inside and outside but not less frequently than twice annually.
- N. All painted wall and door surfaces washed and stains removed.
- O. All walls treated with vinyl covering washed and stains removed.

6. ANNUALLY

- A. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.
- B. Touch-up paint all interior painted surfaces in a color and finish to match existing.

7. AS NEEDED

- C. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
- D. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.
- E. Interior and exterior pest control inspections and remediation frequency is to be determined by a licensed exterminator.
- F. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning:

- ii. heavy traffic areas cleaned as needed, with a minimum frequency of bi-monthly [six (6) times per year];
- iii. moderate traffic areas cleaned as needed, with a minimum of once every six (6) months [two (2) times per year]; and
- iv. clean light traffic areas a minimum of once per year.

Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.

8. GENERAL

Landlord shall, upon request of Tenant, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

EXHIBIT F

**SUBORDINATION, NONDISTURBANCE
AND ATTORNMENT AGREEMENT**

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

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

)
)
)
)
)
)
)

Space above for Recorder's Use

**SUBORDINATION, NONDISTURBANCE
AND ATTORNMENT AGREEMENT**

NOTICE: THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

This Subordination, Nondisturbance and Attornment Agreement ("Agreement") is entered into as of the ____ day of _____, 200__ by and among COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant"), [*Insert name of Landlord*], ("Borrower") and [*Insert name of Lender*], ("Lender").

Factual Background

A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.

B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").

C. Tenant and Borrower (as "Landlord") entered into a lease dated _____ (the "Lease") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "Premises").

D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a nondisturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

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

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

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

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

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

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

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

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

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

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

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

To Lender: _____

To Borrower: _____

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

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

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

By: _____
Name: _____
Title: _____

BORROWER: RBL PALMDALE CENTER LLC,
a California limited liability company

By: RBL Palmdale Center Manager LLC
a Delaware limited liability company
Its: Manager

By: Rawson Blum & Leon
a California corporation
Its: Manager

By: _____
Ari Blum, President

LENDER: *[Insert name of Lender],*

By: _____
Name: _____
Title: _____

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

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

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

personally appeared _____,
Name of Signer(s)

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

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

WITNESS my hand and official seal.

Signature (Seal)

EXHIBIT G

TENANT ESTOPPEL CERTIFICATE

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

Attn: _____

Re: Date of Certificate: _____
 Lease Dated: _____
 Current Landlord: _____
 Located at: _____
 Premises: _____
 Commencement Date of Term: _____
 Expiration Date: _____
 Current Rent: _____

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

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

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

 (b) The current Rent is set forth above.

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

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

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

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

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

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

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

(e) No rental payments have been made more than one month in advance.

4. All contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full, and all of Landlord's obligations with respect to tenant improvements have been fully performed.

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

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____
Name: _____
Title: _____

EXHIBIT H

COMMUNITY BUSINESS ENTERPRISE FORM

INSTRUCTIONS: All Landlords shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of MBE/WBE participation. The information requested below is for statistical purposes only. The final analysis and consideration of the lease will be determined without regard to race, creed, color or gender. *(Categories listed below are based on those described in 49 CFR Section 23.5)*

I. Minority/Women Participation in Firm (Partners, Associate Partners, Managers, Staff, etc.)

1. Firm Name:			3. Contact Person/Telephone Number:			
2. Address:			4. Total number of employees in the firm:			

5. Provide the number of all minority employees and women in each category.	Owners, Partners and Associate Partners		Managers		Staff	
	All O,P & AP	Women	All Managers	Women	All Staff	Women
Black/African American						
Hispanic/Latin American						
Asian American						
Portuguese American						
American Indian/Alaskan Native						
All Others						

II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

1. Type of Business Structure: (Corporation, Partnership, Sole Proprietorship, Etc.) _____

2. Total Number of Ownership/Partners, Etc.: _____

III. MINORITY/WOMEN-OWNED FIRM CERTIFICATION

3. Provide the percentage of ownership in each category.	All Employees	Women
--	---------------	-------

Is your firm currently certified as a minority owned

Black/African American			business firm by the: State of California? ?
Hispanic/Latin American			Yes ? No
Asian American			City of Los Angeles? ? Yes ? No
Portuguese American			Federal Government? ? Yes ? No
American Indian/Alaskan Native			Section D. OPTION TO PROVIDE REQUESTED INFORMATION
All Others			? We do not wish to provide the information required in this form.
			Firm Name: _____
			Signature/Title: _____
			Date: _____

EXHIBIT I

MEMORANDUM OF LEASE

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

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

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

MEMORANDUM OF LEASE

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

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

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

Dated: _____, 20__.

LANDLORD:

RBL PALMDALE CENTER LLC,
a California limited liability company

By RBL Palmdale Center Manager, LLC
a Delaware limited liability company
Its: Manager

By: Rawson Blum & Leon
a California corporation
Its: Manager

By: _____
Ari Blum, President

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____
Name: _____
Senior Manager, Real Estate Division

ATTEST:

Dean Logan,
Recorder/County Clerk
County of Los Angeles

By: _____
Deputy

APPROVED AS TO FORM:

[Mary C. Wickham]
County Counsel

By: _____
Deputy County Counsel

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

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

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

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

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

WITNESS my hand and official seal.

Signature (Seal)

LANDLORD'S WORK LETTER

For

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

COUNTY OF LOS ANGELES, as Tenant

LANDLORD: RBL PALMDALE CENTER LLC

Property Address: 39115 Trade Center Drive Palmdale, California

LANDLORD'S WORK LETTER

This Work Letter supplements the Lease Agreement (the "Lease") dated _____, 2020, executed concurrently herewith, by and between RBL PALMDALE CENTER LLC, a California 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>Tenant Improvement Allowance</u> | \$2,083,700.00 (i.e., \$50.00 per rentable square foot of the Premises) |
| (b) <u>Tenant's TI Contribution</u> | \$4,167,400.00 (i.e., \$100 .00 per rentable square foot of the Premises) |
| (c) <u>Change Contingency</u> | N/A |
| (d) <u>Tenant Improvement Amortization Rate and Change Authorization Amortization Rate:</u> | N/A |
| (e) <u>Tenant's Work Letter Representative</u> | An assigned staff person of the Chief Executive Office Real Estate Division |
| (f) <u>Landlord's Work Letter Representative</u> | Krista Hummel or an assigned staff person of the Landlord |
| (g) <u>Landlord's Address for Work Letter Notice</u> | RBL Palmdale Center LLC
C/O Rawson Blum & Leon
505 Sansome Street
Suite 900
San Francisco, CA 94111

Email: ablum@rblre.com |
| (h) <u>Tenant's Address for Work Letter Notice</u> | Chief Executive Office
Real Estate Division
320 W Temple Street, 7th Floor
Los Angeles, California 90012
Attention: Director of Real Estate |
| (i) Addenda | Addendum A: Base Building Improvements
Addendum B: Tenant Improvements |

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 Tenant Improvement Costs.

(a) If the Building as initially constructed does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes, and Landlord incurs increased design or construction costs in connection with the Tenant Improvements that it would not have incurred if the Building had been in compliance with such codes prior to commencement of the Tenant Improvements, then such costs shall not be included in the calculation of Tenant Improvement 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 which are not necessitated by or part of the Tenant Improvements shall be at Landlord's sole cost and expense (it being acknowledged and agreed that if the Premises would comply with the access requirements of the ADA and/or the building systems would be fully operational but for the Tenant Improvements, then any such compliance shall be a Tenant Improvement Cost). Tenant Improvement 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.

(c) Landlord shall be solely responsible for all costs and expenses necessary to increase permitted structural floor loading in order to accommodate Tenant's libraries, file rooms, unusual live loads and other such uses up to 80 pounds per square foot. For live loads over 80 pounds per square foot, accommodation costs shall be part of the Tenant Improvement Costs.

2.3 Base Building Plans. Landlord has delivered to Tenant all "as built" plans and specifications for the Building in an AutoCAD 2015 (or later version) format. In the event Tenant incurs additional costs because such plans and specifications are materially incomplete or incorrect, such increased costs will be reimbursed to Tenant, and any delay caused thereby shall not be a Tenant Delay (as defined below).

3. Selection of Architect and Engineer. Landlord shall 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 select an architect and an 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 the selected engineer to Tenant, together with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until Tenant accepts an architect (the "Architect") and an 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 (the "Base Contract") shall be submitted to a sufficient number of contractors, selected by Landlord and reasonably acceptable to Tenant, 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 such bidding form as Landlord shall designate) to construct the Tenant Improvements depicted on the Final Plans. Landlord shall select the most qualified bidder which offers a combination of the lowest price after adjustments for inconsistent assumptions and the highest probability of on time and on budget completion as assessed by Landlord in its reasonable discretion, and Landlord shall submit all such bids, along with Landlord's recommendation, to Tenant for Tenant's review and reasonable acceptance. Following Tenant's acceptance, Landlord shall enter into a construction contract (the "Construction Contract") with the selected contractor (the "Contractor") to construct the Tenant Improvements, consistent with the terms of the accepted bid and conforming to the Base Contract as amended to accommodate reasonable concessions required by Contractor and acceptable to Landlord and Tenant (which acceptance, or written rejection specifying in reasonable detail the basis for such rejection and proposing revisions necessary to achieve approval thereof, shall be delivered within three (3) business days of Landlord's request for such approval.

5. Preparation of Plans and Specifications and Construction Schedule.

5.1 Preparation of Space Plan. Within thirty (30) days of Landlord's execution and delivery of the Lease and this Work Letter, Tenant shall submit to Landlord a space plan and specifications for the Premises showing all demising walls, corridors, entrances, exits, doors, interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room (the "Space Plan") and shall thereafter promptly respond to reasonable inquiries or requests for additional information from Landlord related thereto.

5.2 Preparation and Review of Working Drawings. After delivery of the Space Plan but no later than thirty (30) days after the date Tenant has executed and delivered the Lease and this Work Letter (the "Plan Confirmation Date"), Landlord shall instruct the Architect to commence preparation of working drawings (the "Working Drawings"), which shall be consistent with the Preliminary TI Cost Summary (as defined below), compatible with the design, construction and equipment of the Building, comply with all applicable laws, be capable of physical measurement and construction, contain all information required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and which shall 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 insuring that the Working Drawings fully comply with all applicable building codes and are free from errors or omissions on the part of the Architect.

5.3 Preparation and Review of Engineering Drawings. Landlord shall cause the Architect to coordinate all engineering drawings prepared by the Engineer(s), showing complete mechanical, electrical, plumbing, and HVAC plans ("Engineering Drawings"), to be integrated 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.

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 the accepted Working Drawings with the accepted Engineering Drawings (collectively "Final Plans") and deliver five (5) sets of the Final Plans to Tenant for Tenant's review and acceptance. 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 shall accept or reject the Working Drawings, the Engineering Drawings and the Final Plans within fifteen (15) business days after Tenant receives the applicable plans and drawings from Landlord. If Tenant rejects any such plans or drawings, then Tenant shall notify Landlord thereof, specifying in detail the reason for such rejection, in which case Landlord shall revise the applicable plans or drawings and deliver revised plans or drawings to Tenant within ten (10) days after receipt of Tenant's rejection notice. This procedure shall be repeated until the applicable plans are accepted by Tenant; provided however, if Landlord fails to diligently pursue delivery of Working Drawings for Tenant's consideration and review hereunder in good faith and after reasonable notice and opportunity to cure, Tenant may elect to terminate by delivering written termination notice to Landlord, whereupon all monies previously paid to Landlord shall be promptly refunded to Tenant, and the parties shall have no further obligations under the Lease and the Work Letter. 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.

5.6 Schedule. Within fifteen (15) business days after the Plan Confirmation Date, Landlord shall submit to Tenant a detailed construction schedule, subject to acceptance by Tenant, which shall not be unreasonably withheld, setting forth the completion dates of certain project benchmarks, 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, construction completion, the Projected Commencement Date and other relevant dates. As the construction continues, Landlord shall amend the construction schedule at least once each month to reflect any changes to the projected dates, and Landlord shall promptly submit the revised construction schedules to Tenant.

5.7 Submittals. The Contractor shall submit to Tenant any necessary Shop Drawings, Product Data, Samples and 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" are 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" are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor 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 accepted by the Tenant.

6. Landlord's TI Cost Summary and Payment of Tenant Improvement Costs.

6.1 Cost Summary. Within fifteen (15) business days after the later of the Plan Confirmation Date or such later date that Tenant has completed its responses to Landlord's inquiries and requests for additional information regarding the Space Plan, Landlord shall submit to Tenant a preliminary cost summary for the Tenant Improvements in a format similar to Addendum C attached hereto (the "Preliminary TI Cost Summary"), which must not exceed the sum of the Tenant Improvement Allowance and Tenant's TI Contribution. The Preliminary TI Cost Summary shall be revised into final form within ten (10) days after the date that the Contractor is selected and will be referred to herein as the "Final TI Cost Summary." Tenant shall have ten (10) business days after the date of receipt of the Final TI Cost Summary to accept or reject the Final TI Cost Summary, including but not limited to any Contractor overhead, profit and/or general conditions costs included therein; provided, however, that any proposed increase to Tenant's TI Contribution shown on the Final TI Cost Summary shall not be effective unless approved in a separate written agreement executed by Landlord and Tenant. Tenant's failure to accept or reject the Final TI Cost Summary in writing within such period shall be deemed to be rejection. Construction of the Tenant Improvements shall not begin until Tenant accepts the Final TI Cost Summary in writing. If Tenant rejects the Final TI Cost Summary due to matters related to cost and the Final TI Cost Summary is ten percent (10%) or more higher in cost than was projected in the Preliminary TI Cost Summary, then, at Tenant's or Landlord's request, Landlord shall cause the Architect and the Engineer to redesign the Tenant Improvements with the goal of causing the Final TI Cost Summary, to not exceed the sum of the Tenant Improvement Allowance and Tenant's TI Contribution. Any delay caused by the necessity to rebid or redesign the Tenant Improvements shall not be considered a Tenant Delay provided Tenant responds timely to Landlord's requests in the following process. If Tenant rejects the Preliminary TI Cost Summary or the Final TI Cost Summary, the parties shall promptly confer in good faith to resolve all issues relating thereto (including Tenant participating, at the request of Landlord, in meetings with Landlord, Architect and Engineer to evaluate and modify Tenant Improvements with the goal of decreasing project costs to achieve required cost savings).

6.2 Tenant Improvement Allowance and Tenant's TI Contribution. All improvements required by the Final Plans, as further described in Addendum B hereto, and any and all modular furniture described in the Modular Specifications (as defined below) shall be referred to herein, collectively, as "Tenant Improvements." Costs of Tenant Improvements shall include costs for furniture, telecommunications equipment, soft costs (including without limitation initial design costs (pursuant to Section 5 above)), hard costs, costs attributable to Change Authorizations, Tenant Delays and any other costs approved in writing, or resulting from other requests, by Tenant

(collectively "Tenant Improvement Costs"), all of which must not exceed the Tenant Improvement Allowance, Tenant's TI Contribution and costs of any Change Authorizations (as defined below) that are approved in writing by both parties. Except as otherwise provided herein, and subject to Section 6.3 below, all Tenant Improvement Costs shall be paid by Landlord and deducted from the Tenant Improvement Allowance. If the Tenant Improvement Costs exceed the Tenant Improvement Allowance, then, upon receipt of reasonable documentation demonstrating that the costs are consistent with meeting the Total Tenant Improvement Costs in the Final TI Cost Summary, Tenant shall authorize Landlord to pay the overage in an amount not exceeding Tenant's TI Contribution. Thereafter, Tenant shall pay such overage to Landlord as provided in Section 6.3 below.

6.3 Excess Costs/Method of Payment. That portion of Tenant's TI Contribution used to pay for any Tenant Improvement Costs in excess of the Tenant Improvement Allowance shall be paid to Landlord in a lump sum when the Tenant Improvements are Substantially Complete and fully reconciled. .

6.4 Base Rent Credit for Unused Tenant Improvement Allowance. If the Tenant Improvement Costs are less than the Tenant Improvement Allowance, then the amount of any unused portion of the Tenant Improvement Allowance shall be applied as a credit against the next installment(s) of Base Rent due under the Lease.

7. Construction of Tenant Improvements.

7.1 Tenant Improvements. Tenant Improvements to be constructed by Landlord are described more particularly on Addendum B hereto. If any work required by the Final Plans is not described on Addendum B hereto, subject to Section 2 above, such work shall also be considered Tenant Improvements and thus shall be included in the cost of Tenant Improvements.

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 be selected only after three (3) bids have been solicited from responsible and qualified persons. Landlord shall use commercially reasonable efforts to cause such bids to include an itemized list of all materials and labor and shall include, and in any event any Landlord or General Contractor's self performed items shall include, all additional costs, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Landlord shall also obtain three (3) bids 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 use commercially reasonable efforts to obtain, and shall diligently pursue, the approval of all applicable governmental authorities and all permits required for the Tenant Improvements, promptly after Tenant's acceptance of the Final Plans and Landlord shall not commence construction without required permits therefore, provided however that Landlord may begin demolition and initial layout and framing activities upon issuance of a demolition permit. Prior to execution of the Construction Contract pursuant to Section 4 above, Landlord shall obtain plan check approval.

7.4 Commencement of Construction. Landlord shall commence construction of the Tenant Improvements within forty five (45) days after Tenant's acceptance of the Contractor and finalization of the Construction Contract pursuant to Section 4 hereof. Contractor shall obtain the building permit for the Tenant Improvements prior to the commencement of construction, but demolition and initial layout may begin in advance of issuance of the building permit in Landlord's

discretion. Upon commencement of Construction, Landlord shall thereafter diligently proceed to construct and complete all Tenant Improvements in a good and workmanlike manner, subject to any cessation that may be caused by Force Majeure Delays (as defined below), Tenant Delay or Request for Change.

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 reasonable interior decorating services for a general administrative office use, such as selection of wall paint colors and/or wall coverings, furniture, fixtures, carpeting and other reasonable decor selections required by Tenant, shall be provided by Landlord, as part of the Tenant Improvement Cost, in accordance with Tenant's Space Plan. Landlord shall consult with Tenant with respect to all such decorating services and decisions.

(c) Warranties. Landlord warrants that the Tenant Improvements shall be free from any defects in workmanship and materials for a period of not less than one (1) year (or such longer warranty period as is provided by Contractor under the Construction Contract) from the date of Substantial Completion. 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.

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

(e) Compliance with Laws. 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. 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. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly wage rate and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction of the Tenant Improvements. Particulars of the current Prevailing Wage Scale, as approved by the Board of Supervisors, which are applicable to the work, are filed with the Clerk of the Board of Supervisors and must be posted at the site.

(f) Access During Construction. Tenant shall have the right to inspect the Tenant Improvements during the course of construction upon reasonable advance notice to Landlord and Contractor and upon such intervals or at such times as are deemed reasonable by Tenant, Landlord and Contractor, provided that any delay in construction caused by or resulting from Tenant's

unavailability timely to schedule such inspection in accordance with the construction schedule shall constitute a Tenant Delay. Additionally, pursuant to Section 4.3 of the Lease, Tenant shall be entitled to enter the Premises at least 30 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.

7.6 Completion/Close Out. The Premises shall not be considered Substantially Complete until the Tenant Improvements have been completed in accordance with the Final Plans, subject only to the completion of punch-list items that will not materially 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 ten (10) business days of Tenant's receipt of such notice, Landlord and Tenant shall conduct a "walk-through" inspection of the Premises and prepare a punch-list of known or apparent deficiencies or incomplete work required to be corrected or completed by Landlord. Landlord, at Landlord's sole cost and expense, shall cause all punch-list items to be repaired or completed as soon as possible, but in no event later than thirty (30) days following the walk-through inspection. If Landlord fails to complete any of the punch-list items within such 30-day period, then Tenant, in addition to its other rights and remedies under the Lease, after giving ten (10) days written notice to Landlord, shall have the right, but not the obligation, to cause such punch-list items to be completed, with the cost thereof plus ten percent (10%) for Tenant's overhead and supervision to be deducted from the next installment(s) of rent or other amounts payable by Tenant under the Lease. Latent or hidden defects in the Tenant Improvements shall be brought to Landlord's attention promptly upon Tenant's becoming aware of such defects. Landlord, at Landlord's sole cost and expense, shall promptly cause such defects for which notice was provided during the warranty period set forth in Section 7.5(c) above to be repaired following receipt of notice thereof, and Tenant shall have the same self-help rights with respect thereto as set forth herein for all other punch-list items above (and after expiration of such warranty period, Landlord shall have such obligations to maintain and repair the Premises as are set forth in the Lease).

7.7 Conformed Plans. Within sixty (60) days after Substantial Completion of the Tenant Improvements and Landlord's receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans ("as-builts") incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such "as-built" or "record documents" shall be submitted in Auto CAD R 15.dwg (or later version) format.

8. Requests for Change. Tenant and Landlord may request changes, additions, deletions or substitutions to the Final Plans (each, a "Request for Change"), provided that the requesting party must submit a written request to the other party and that Request for Change will not be effective unless approved in writing by both Tenant and Landlord (a "Change Authorization"). The amount of the Change Contingency set forth in Section 1 has been authorized by the Board of Supervisors of the County to be used to pay the costs of any and all Change Authorizations, but only the Chief Executive Officer is authorized to execute Change Authorizations on behalf of Tenant, and only if the aggregate amount of all approved Change Authorizations does not exceed the Change Contingency. 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 Tenant Improvement 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 such costs in a lump sum, upon Substantial Completion and reconciliation of the Tenant Improvements. Landlord shall be solely responsible for the cost of any Change Authorizations or other Requests for Change that are not Tenant-Requested Changes. Landlord shall submit to the Chief Executive Officer with each written Request for Change: (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Change Authorizations previously approved, and (iii) an estimate of the construction time which will be increased or shortened if the Request for Change is approved. Each Change Authorization must be signed and dated by the Chief Executive Officer.

9. Furniture System.

9.1 Tenant shall deliver to Landlord concurrent with delivery of the Space Plan, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, Landlord and /or Landlord's architect shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors. 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 install the same within the Premises, all of which, payable by Landlord and/or Tenant as provided in Section 6.2 and Section 6.3 hereof. Tenant's acceptance of any bid package shall not be deemed to be a representation by Tenant as to the adequacy or correctness of any specifications contained therein.

9.2 Alternatively, Tenant may elect to either (a) pay directly for or (b) 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 AND Tenant expressly agree as follows:

(a) The Personal Property shall not become part of the realty or 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 reasonable prior 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) Neither Tenant nor Creditor shall be allowed to conduct any public or liquidation sale in, on or about the Premises or adjacent areas without Landlord's prior written consent, which may be granted or denied in Landlord's sole and absolute discretion

(e) In the event Landlord takes possession of the Premises for any reason, and should the Personal Property be located on the Premises, Landlord shall not be held liable for or assume any responsibility for the protection, security, insurance, maintenance or upkeep of the Personal Property.

(f) Prior to entry onto the Premises to remove Personal Property, Creditor shall agree that, except to the extent arising from the negligence or willful misconduct of Landlord, its employees, agents or contractors, Creditor shall indemnify, defend and hold harmless Landlord against and from any and all claims, demands, losses, liabilities, obligations, suits, damages, penalties, costs, charges

and expenses, including, without limitation, reasonable attorneys' fees and other professional fees (if and to the extent permitted by law), that may be imposed upon, incurred by, or asserted against Landlord and arising out of, or resulting from Creditor's efforts to protect, control, take control of or dispose of the Personal Property.

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

10. Tenant Improvement Costs Adjustment and Right to Audit. Within fifteen (15) working days of the issuance of a Certificate of Occupancy for the Premises or a final sign-off by the City of Palmdale, whichever occurs first, Landlord shall provide to Tenant a statement showing (a) all Tenant Improvement Costs in reasonable detail and sorted into the same line items as the Final TI Cost Summary, and (b) the amount of Tenant Improvement Costs that is excess of the Tenant Improvement Allowance and payable hereunder by Tenant to Landlord. Upon reasonable approval of such statement by Tenant, Payments by either party pursuant to the Lease and this Work Letter shall be adjusted as appropriate based upon such statement. Tenant shall have the right to audit the Tenant Improvement Costs at any time during the initial Lease 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 (including such detail as reasonably requested by Landlord), and Landlord shall pay Tenant the amount of any over-payment made by Tenant within thirty (30) days (or, if disputed as set forth below, any over-payment indicated by such additional binding audit, if any, shall be reimbursed by Landlord within thirty (30) days of completion of such additional binding audit), and any future payments owed by Tenant shall be adjusted as appropriate based upon the audit results; provided, however, if Landlord disputes the results of such audit, Landlord shall provide written notice thereof to Tenant within such thirty (30) day period, in which event Landlord and Tenant shall appoint a mutually acceptable third party accountant with at least ten (10) years' experience auditing construction cost records to conduct such audit, the parties agree to be bound by the results of such second audit, and the cost thereof shall be paid (1) by Tenant, if the results of such audit indicate that Tenant's auditor's claimed over-payment amount was in excess of amounts actually owed over-paid by Tenant, or (2) by Landlord, if such claimed over-payment amount was determined to be correct or to understate Tenant's actual over-paid amount. Landlord shall require the Contractor to include audit provisions in all subcontracts which allow Tenant to audit the subcontractors' books and records with respect to the Tenant Improvements.

11. Telephone/Computer Room and Equipment. Landlord shall complete the telephone equipment room(s), including permanent power and HVAC, in compliance with the Space Plan and specifications provided by Tenant, at least thirty (30) days prior to the Projected Delivery Date. During this thirty (30) day period, until Tenant is in possession of the Premises, the Landlord shall be responsible for the security and protection of any telephone/data equipment delivered to the site prior to Tenant taking possession of the Premises.

12. Tenant Delays and Force Majeur Delays. Except as set forth in this Section 12, Tenant shall not be charged as a result of any delay in the construction of Tenant Improvements. Subject to the provisions of Section 12.2, the Projected Delivery Date set forth in the Lease shall be extended as follows: (a) one (1) day for each day that Tenant fails or refuses to give authorizations or approvals within the time periods required herein, (b) to the extent that any other acts or omissions of Tenant or any Tenant Related Parties interferes with the preparation of the plans and specifications for, or permitting or construction of the Tenant Improvements (including without limitation all actions or omissions specified in this Work Letter to constitute a Tenant Delay) (referred to herein as "Tenant Delay(s)"); or (b) Substantial Completion of the Tenant

Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage, delays in ability to obtain issuance of permits beyond reasonably scheduled time period, inability to obtain labor, materials, equipment, or reasonable substitutes therefor or delay in delivery of such materials or equipment, casualty, unavailability of utilities or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)").

12.1 Limitations.

(a) Notice. No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless, within forty five (5) business days of the earlier of (i) date that Landlord receives notice that such event has occurred, or (ii) Landlord becomes aware that such event has occurred, Landlord provides Tenant with written notice in compliance with the Lease specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred, commencing as of the date Tenant received such notice from Landlord.

(b) Mitigation. Tenant Delays and Force Majeure Delays shall delay the Projected Delivery Date only if Substantial Completion of the Tenant Improvements is delayed, despite Landlord's reasonable efforts to adapt and compensate for such delays, which efforts Landlord shall be obligated to make (provided that the additional cost incurred by Landlord due to such efforts does not exceed \$1,000.00 on a cumulative basis, unless Tenant agrees to pay to the excess).

(c) Concurrent Delays. Tenant Delays and Force Majeure Delays shall be recognized hereunder only if the same are not concurrent with any other Tenant Delay or Force Majeure Delay that is effective hereunder. For example, if there are ten (10) days of Tenant Delays, and four (4) days of Force Majeure Delays occur during the same ten (10) day period, then the Projected Commencement Date would be extended by only ten (10) days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, then the Projected Commencement Date would be extended by fourteen (14) days.

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

13. Tenant Remedies. If Substantial Completion of the Tenant Improvements has not been completed within three hundred sixty (360) days after the Projected Delivery Date, then Tenant may:

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

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

(b) Base Rent shall be reduced by Tenant's total expense in constructing the Tenant Improvements (not to exceed the remainder of the Tenant Improvement Allowance) as

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

Any default by Landlord under the terms of this Work Letter shall constitute a 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 1.2 of the Lease.

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 1.2 of the Lease.

15. Elevator Usage During Move-In. In the event that the use of the freight elevators and/or hoists is not sufficient to meet Tenant's requirements during the early entry period set forth in Section 4.3 of the Lease, Tenant shall have priority usage prior to 7:00 am of passenger elevators in the elevator bank that services the Premises in order to assist Tenant in the installation of Tenant's fixtures, furniture and equipment.

16. Construction Meetings. During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, at a regularly scheduled time on the job site or by telephone conference; provided that if Tenant is unable or otherwise fails to attend any such meeting, Landlord and Contractor shall not be required to reschedule such meeting. An initial construction meeting shall be held within five (5) days after the date the Contractor is selected. Contractor shall provide minutes of each construction meeting to Tenant within a reasonable time thereafter, but not later than the date of the next construction meeting.

17. Delivery. Delivery of all plans and drawings referred to in this Work Letter shall be by commercial messenger service, personal hand delivery or hosting on a commercially reasonable electronic file sharing site (such as Dropbox and the like), unless otherwise agreed by Landlord and Tenant.

[signature page follows]

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

LANDLORD:

RBL PALMDALE CENTER LLC,
a California limited liability company

By: RBL Palmdale Center Manager LLC
a Delaware limited liability company
Its: Manager

By: Rawson Blum & Leon
a California corporation
Its: Manager

By: 
Ari Blum, Chief Operating Officer

Date Signed: 4/2/2020

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 frames, mullions and glazing in good condition;
- (b) the core area, including mechanical, electrical, sprinkler, plumbing, 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) men's and women's toilet rooms, including necessary plumbing fixtures, ceramic tile floors, accessories, ceilings and lighting, with running hot and cold water;
- (d) unpainted type "X" dry wall 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;
- (e) public stairways;
- (f) one passenger elevator which may also be used for freight;
- (g) parking facilities;
- (h) ground floor lobby;
- (i) finished elevator lobbies (with carpet (second floor), tile (first floor) lights, finished walls and ceiling);
- (j) exterior plazas and landscaping;
designated loading area in parking lot;
- (k) drinking fountains at the core;
- (l) electrical/telephone closet with not less than seven (7) watts per square foot of rentable area of normal power in the floor electrical closet;
- (m) conduit access sufficient for Tenant's electrical wiring (no additional improvement to increase conduit access will be furnished by Landlord unless there is not sufficient riser space as required for a 1.5" diameter signal cable from the Building main telecommunication vault to the telephone closets on the first floor, in which case Landlord, at no cost to Tenant and without deduction from the Tenant Improvement 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);
- (n) Building power is 208/120 3 phase 4 wire service;
- (o) Roof top VAV units, boilers, pumps and core restroom exhaust fans sufficient for the HVAC requirements defined herein;

(p) concrete floors with trowelled finish (first floor), level to specified tolerances and Plywood sheathing over metal deck level to specified tolerances (second floor), ready to receive floor finishes and designed to support a minimum dead load of thirty-five (35) pounds per square foot, a live load of eighty (80) pounds per square foot, and a partition load of twenty (20) pounds per square foot;

(q) standard window coverings;

(r) primary HVAC is VAV with hot water reheat for perimeter zones and DDC controls. Duct and pipe loops come from roof top equipment;

(s) Cold air duct loop and hot water pipe loop per floor;

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

(u) primary fire-life safety enunciation system “backbone” and panels suitable for Tenant’s secondary distribution;

(v) Conduit distribution of electrical power (120/208 3p 4w power) as permitted under applicable law at the time the Building receives the initial temporary certificate of occupancy for the Building; and existing suites.

ADDENDUM B To Landlord's Work Letter

TENANT IMPROVEMENTS

Tenant improvements shall include all requirements on the Final Plans not included in Addendum A (Base Building Requirements) or Addendum B1 (Tenant Responsibilities), which shall consist of general office improvements and shall not include Specialty Items (as defined in Exhibit B2 below), and 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 Building standard grade (excess of Building standard grade shall be a Tenant expense)) 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) Distribution of electrical services, plumbing services and sprinklers from the core to the Premises, and domestic hot water heater and associated hot water piping;
- (g) Any and all signs for Tenant and the power therefor;
- (h) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms and extinguishers;
- (i) Fiber optic rough in.

B1 – TENANT RESPONSIBILITIES

Tenant's furniture, fixtures and equipment, including telephones, computers and cabling therefor shall be the sole responsibility of Tenant.

Additional and/or above standard electrical capacity shall be the sole responsibility of Tenant to reimburse Landlord for cost to complete

- (k) Fiber optic access.

B2 – SPECIALTY ITEMS

Specialty Items are architectural or other items not of a nature consistent with the building standard General Office improvements, including but not limited to:

- Cabinetry beyond 6 lineal feet 6 lineal feet of plastic laminate base cabinet per suite with 6" drawers and doors, with 6 lineal feet of 12" deep by 36" high upper cabinets with doors
- Interior Windows (beyond approved side light window)
- Dedicated or Higher Voltage Electrical Outlets
- Customized lab design
- Kitchen facilities beyond standard employee break room
- Building Occupancies other than 'B' and 'S-1' as defined by the current edition of the California Building Code in effect at time of project submittals
- Use of spaces resulting in occupant loads greater than can be accommodated by the existing building exits and means of egress.

ADDENDUM C To Landlord's Work Letter

PRELIMINARY AND FINAL TI COST SUMMARY

____ Preliminary TI Cost Summary
____ Final TI Cost Summary

Lease No. _____
Address _____

<u>Cost Category</u>	
Architecture and Engineering Contract	\$
Plan Check Fees	\$
General Contractor	\$
F	\$
Other	\$
Total Tenant Improvement Costs	\$

Summary report: Litera® Change-Pro for Word 10.8.2.11 Document comparison done on 3/13/2020 3:53:04 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://AWS-DMS01/iManage/2250452/1	
Modified DMS: iw://AWS-DMS01/iManage/2250819/1	
Changes:	
<u>Add</u>	20
Delete	20
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	40

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	12/2/2020	
BOARD MEETING	1/5/2021	
DELEGATED AUTHORITY BOARD LETTER	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
SUPERVISORIAL DISTRICT AFFECTED	1st	
DEPARTMENT	Probation	
SUBJECT	Approve the proposed eight-year lease for approximately 26,619 square feet of office space and 106 on-site parking spaces at 1200 Corporate Center Drive, Monterey Park.	
PROGRAM	50 percent Pre-Trial Services; Bail Deviation; PTS Academy; Research & Development Unit & Own Recognizance; Probation Domestic Violence Unit. 50 percent AB-109 Pre-release Packets and Communications Center.	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
DEADLINES/ TIME CONSTRAINTS	Probation intends to move from an existing short-term lease at 3530 Wilshire Blvd., LA (aka Metroplex) which expires in January 2021. The other location at 200 Woodward Ave., Alhambra, is County-owned and in need of seismic renovations.	
COST & FUNDING	Total cost: \$12,151,000 maximum cost over 8 years, which includes base rent of \$7,386,000, TIs of up to \$2,795,000 and low voltage costs not to exceed \$1,970,000.	Funding source: The rental costs will be funded 50 percent from State AB 109 block grant funding and 50 percent net County cost.
	TERMS (if applicable): The lease will have \$30 per square foot as a Base Tenant Improvement (TI) allowance, i.e., \$798,570 and up to \$105 per square foot Additional TI allowance, i.e., \$2,795,000. The proposed base rent is subject to annual fixed rent increases of 3 percent. On-site parking for 106 spaces is included in the lease.	
	Explanation: Sufficient funding to cover the proposed lease costs including proposed rent and County TI costs for the first year will be appropriated in the Rent Expense Budget and will be billed back to Probation. Probation has sufficient funding in their Fiscal Year (FY) 2020-21 operating budget to cover the proposed rent, County TI costs, and the Low Voltage Items for the first year. Beginning with FY 2021-22, ongoing funding for the proposed lease will be part of the budget for Probation.	
PURPOSE OF REQUEST	Approval of the recommended action will authorize and adequately provide necessary office space for multiple Probation programs and closure of one existing more expensive lease and make available the Woodward Avenue building for needed repairs.	
BACKGROUND (include internal/external issues that may exist)	The proposed lease will allow Probation the ability to co-house multiple units of its operations and condense one lease and one scheduled project function in this centrally located leasehold. It is in proximity to the ongoing constituencies served and close to other County facilities near Eastern Avenue. The existing Probation office at 3530 Wilshire Blvd., Los Angeles will vacate the Metroplex building upon completion of TI's at the new facility at 1200 Corporate Center Drive. Parking is adjacent to the facility and included in the lease.	
DEPARTMENTAL AND OTHER CONTACTS	Michael Navarro CEO- Real Estate Division 213-974-4364 Mnavarro@ceo.lacounty.gov	



County of Los Angeles **CHIEF EXECUTIVE OFFICE**

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

FESIA A. DAVENPORT
Acting Chief Executive Officer

Board of Supervisors
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

January 5, 2020

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

Dear Supervisors:

**EIGHT-YEAR LEASE
PROBATION DEPARTMENT
1200 CORPORATE CENTER DRIVE, MONTEREY PARK
(FIRST DISTRICT)
(3 VOTES)**

SUBJECT

Approval of a proposed new eight-year lease for 26,619 rentable square feet of office space and 106 on-site parking spaces for the Probation Department (Probation).

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease is exempt from the California Environmental Quality Act (CEQA), for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Acting Chief Executive Officer, or her designee, to execute the proposed lease with Omninet LACC TUCSON, LLC, Omninet LACC VALENCIA, LLC, and Omninet LACC, LLC (Landlord), for approximately 26,619 rentable square feet of office space, and 106 on-site parking spaces at 1200 Corporate Center Drive, Suite 100, Monterey Park, CA 91754, to be occupied by Probation. The estimated maximum first year base rental cost is \$830,513. The estimated total lease cost is \$12,151,000 over the eight-year term, including low voltage cost that will be paid by Probation directly to Internal Services Department (ISD). The costs will be funded 50 percent from State Assembly Bill (AB)109 block grant funding, and 50 percent from net County cost.

3. Authorize the Acting Chief Executive Officer, or her designee, to reimburse the Landlord up to \$2,795,000 for County's Tenant Improvement (TI) contribution, payable in a lump sum.
4. Authorize the Director of Probation to contract with and direct the ISD), in coordination with the Acting Chief Executive Officer, or her designee, for the acquisition and installation of telephone, data, and low-voltage systems (Low Voltage Items) at a total cost not to exceed \$1,970,000 to be paid in a lump sum. The cost for the Low Voltage Items is in addition to the rental costs and the County's TI contribution payable to the Landlord.
5. Authorize and direct the Acting Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the terms of the proposed lease and to take actions necessary and appropriate to implement the terms of the proposed lease.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed lease at 1200 Corporate Center Drive in Monterey Park, is intended to house multiple components of Probation to provide necessary office space for various Probation units. Probation is currently on a short-term lease renewal in 13,508 square feet at 3530 Wilshire Boulevard, Los Angeles (aka Metroplex), while awaiting new office space for its Pretrial Services Division (PTS), and other administrative and direct service functions at this location. The division includes the Bail Deviation Program, PTS Training Academy, Research and Development Unit Own Recognizance program, and Probation's Domestic Violence Unit. Probation has been at the Metroplex facility since 1999 and will terminate the existing short-term lease upon completion of the TIs and move to the new location.

In addition to the above program, Probation will move its administrative function from an existing facility at 200 Woodward Avenue in Alhambra, currently planned for major structural renovations, which processes the AB-109 pre-release packets, as well as acts as a communications center. This unit is the centralized intake processing center for all Post-Release Community (PRC) supervision cases, which acts as the first point of contact for the prison system of the California Department of Corrections and Rehabilitation program, parole, local law enforcement and California statewide law enforcement agencies, County department partners, and criminal justice collaborators.

The proposed lease will provide Probation with sufficient office space to house approximately 133 employees for these existing operations and will adequately meet the space needs of the Department. The proposed site is accessible to public transportation routes.

Approval of the recommended action will find that the proposed lease is exempt from CEQA and will allow Probation to operate at the subject facility.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal 1 - Make Investments That Transform Lives - provides that we will aggressively address society's most complicated social, health, and public safety challenges. We want to be a highly responsive organization capable of responding to complex societal challenges – one person at a time. The proposed lease supports this goal with a facility that provides proper accommodations for office space in a conveniently located facility with adequate space for employees, collaborators, and clients.

The proposed lease is consistent with the Strategic Asset Management Plan Goal 2 – Strengthen Connection between Service Priorities and Asset Decisions and Key Objective 4 – Guide Strategic Decision-Making. The proposed lease will advance the Board directive to Probation to improve the delivery of services within the County.

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

FISCAL IMPACT/FINANCING

Sufficient funding for the proposed lease costs, including rent and County TI reimbursement costs for the first year of the proposed lease term, is included in the Fiscal Year (FY) 2020-21 Rent Expense Budget, and will be billed back to Probation. Probation has sufficient funding in its FY 2020-21 operating budget to cover the proposed rent, County TI costs, and Low Voltage Items for the first year. Beginning with FY 2021-22, ongoing funding for costs associated with the proposed lease will be part of the budget for Probation. The costs will be funded 50 percent from State AB-109 block grant funding, and 50 percent from net County cost. The cost for Low Voltage Items will be paid by Probation directly to ISD, and are not part of the proposed lease.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

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

- Base rent includes parking and is subject to annual 3 percent fixed increases.
- Total TI costs are expected to be \$3,593,570. The Landlord will provide \$798,570 (\$30 per square foot) base TI allowance.
- The County will reimburse the Landlord up to \$2,795,000 (\$105 per square foot) as the County's lump sum TI contribution.

- The Landlord is responsible for all operating and maintenance costs of the building and all utilities and janitorial costs. The County has no responsibility for any operating and maintenance costs, other than the heating, ventilation, and air conditioning (HVAC) for its computer servers and related equipment and after-hours HVAC.
- 106 on-site parking spaces are included in the lease.
- The aggregate cost associated with the proposed lease over the entire term, is approximately \$12,151,000, as shown on Enclosure B.
- The County does not have the right to terminate the proposed lease early.
- Holdover at the proposed lease expiration is permitted on the same lease terms and conditions except the monthly base rent during the holdover period will be at the base rent at the time of the lease expiration.
- The proposed lease will be effective upon approval by the Board and full execution of the proposed lease, but the term and rent will commence upon completion of the TIs by the Landlord and acceptance of the premises by the County.

The Chief Executive Office (CEO) issued a flyer soliciting proposals for available space from landlords, brokers, and other owner representatives, for this space need, through the Board's Executive Office website, and the CEO-Real Estate County website. This recommended facility was identified through this process. The CEO also conducted a market search of available office space for lease but was unable to identify any sites in the survey area that could accommodate this requirement more economically. Based upon a review of available industry data, it has established that the annual rental range for a comparable lease in the area is between \$27.60 and \$33.00 dollars per square foot, per year. The base annual rental rate of \$31.20 per square foot, per year for the proposed lease represents a rate that is within market range for the area. We recommend the proposed facility as the most suitable to meet the County's space requirements.

CEO has communicated with co-working office space companies regarding office space for the applicable programs and they have informed the CEO that their co-working office space does not have available space for long term occupancy to accommodate the required space needs. In addition, co-working office space is not financially viable in comparison to rental costs of traditional long-term office space.

Enclosure C shows all 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 the facility and found it suitable for County occupancy. Construction of TIs will be completed in compliance with relevant building and construction laws and regulations, including the Americans with Disabilities Act.

The required notification letter to the city of Monterey Park has been sent in accordance with Government Code Section 25351. County Counsel has reviewed the enclosed lease and has approved it as to form.

The proposed lease will provide a suitable office location for Probation's programs, which is consistent with the County's Facility Location Policy, as 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, 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.

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

IMPACT ON CURRENT SERVICES (OR PROJECTS)

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

The Honorable Board of Supervisors

January 5, 2020

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CONCLUSION

It is requested that the Executive Office of the Board return one certified copy of the Minute Order and an adopted-stamped copy of this letter to the CEO, Real Estate Division at 320 West Temple Street, 7th Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

FESIA A. DAVENPORT

Acting Chief Executive Officer

FAD:JMN:DPH:DL

JLC:MN:NH:gw

Enclosures

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

PROBATION DEPARTMENT
1200 CORPORATE CENTER DRIVE, MONTEREY PARK
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?		X		
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline?		X		
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?		X		
2.	<u>Capital</u>				
A	Is it a substantial net County cost (NCC) program? ² Rental costs will be funded from approximately 50 percent State AB-109 block grant funding and 50 percent net County cost.			X	
B	Is this a long-term County program?		X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?			X	
D	If no, are there any suitable County-owned facilities available?			X	
E	If yes, why is lease being recommended over occupancy in County-owned space?				X
F	Is Building Description Report attached as Enclosure C?		X		
G	Was build-to-suit or capital project considered? ² One component is relocating from Alhambra facility to undergo structural renovations.			X	
3.	<u>Portfolio Management</u>				
A	Did department utilize CEO Space Request Evaluation (SRE)?		X		
B	Was the space need justified?		X		
C	If a renewal lease, was co-location with other County departments considered?				X
D	Why was this program not co-located with other County departments?				X
	1. ____ The program clientele requires a "stand alone" facility.				
	2. ____ No suitable County occupied properties in project area.				
	3. ____ No County-owned facilities available for the project.				
	4. ____ Could not get City clearance or approval.				
	5. <u>X</u> The Program is being co-located.				
E	Is lease a full-service lease?		X		
F	Has growth projection been considered in space request?		X		
G	Has the Dept. of Public Works completed seismic review/approval? ¹		X		
¹ As approved by the Board of Supervisors 11/17/98					
² If not, why not?					

OVERVIEW OF PROPOSED LEASE COSTS

1200 Corporate Center Drive Monterey Park	Proposed Lease
Area (Square Feet)	26,619
Term	8 years
First Year Annual Base Rent ⁽¹⁾	\$830,513 (\$31.20 per sq. ft. annually)
Base TI Allowance (non-reimbursable)	\$798,570 (\$30 per sq. ft.)
County TI contribution ⁽²⁾	\$2,795,000 (\$105 per sq. ft.)
First Year Lease Costs ⁽³⁾	\$3,625,508
Rental Adjustment	3 percent fixed annually
Parking (included in Rent)	106 parking spaces

- (1) The proposed lease is full-service gross, with the landlord responsible for paying all costs associated with building maintenance, operations and utilities.
- (2) The proposed lease requires that the County repay all additional reimbursable TIs via lump sum.
- (3) The first year costs include base rent of \$830,513, and TI reimbursement of \$2,795,00 (rounded up). Low Voltage not-to-exceed \$1,970,000 will be paid by Probation directly to the ISD. The TI reimbursement and Low Voltage are payable in a lump sum the first year.

OVERVIEW OF THE PROPOSED BUDGETED LEASE AND RELATED COSTS

1200 Corporate Center Drive, Monterey Park Probation Department

Leased Area (sq.ft.)	26,619		
Term (months)	96		
Annual Rent Adjustment	3%		
Base Rent	Cost Per RSF Per Month \$2.60	Cost Per RSF Per Year \$31.20	
Tenant Improvement	Lump Sum \$2,794,995		
Low Voltage (Labor Cost + TESMA Cost)	Labor Cost Lump Sum Payment \$174,017	TESMA (Lump Sum Cost) \$1,795,200	TESMA (Amortized Cost) \$0

	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year	7 th Year	8 th Year	Total 8 Year Rental Costs
Annual Base Rent Costs ¹	830,513	855,429	881,092	907,524	934,750	962,792	991,676	1,021,426	7,386,000
Tenant Improvement Costs ²	2,794,995					0			2,795,000
Low Voltage Costs ³	1,969,217		0						1,970,000
Total Annual Rental Costs	5,594,725	855,429	881,092	907,524	934,750	962,792	991,676	1,021,426	12,151,000

¹ Annual base rent includes fixed 3 percent annual increases.

² The tenant improvement cost of \$2,794,995 will be paid via a lump sum payment to Landlord.

³ The ISD labor costs (\$174,017) and the TESMA labor and materials costs (\$1,795,200) will be paid via a lump sum payment. The total lump sum payment is \$1,969,217.

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

**PROBATION DEPARTMENT
SPACE SEARCH – THREE-MILE RADIUS
1200 CORPORATE CENTER DRIVE, MONTEREY PARK**

LACO	Name	Address	Ownership Type	Gross SqFt	Vacant
4526	Biscailuz - Administration Building	1060 N Eastern Ave. Los Angeles 90063	Owned	16,571	None
4799	PW Central Yard - Division Administration	1525 Alcazar St. Los Angeles 90033	Owned	10,438	None
Y013	DPSS - Civic Center District/Grow Center Office	813 E 4th Pl. Los Angeles 90013	Owned	39,956	None
6578	DPSS - Metro East AP District Office	2855 E Olympic Blvd. Los Angeles 90023	Owned	63,066	None
5428	DPSS - Belvedere AP District Office	5445 E Whittier Blvd. East Los Angeles 90022	Owned	70,493	None
5412	PH - Environmental Health Program	4801 E 3rd St. East Los Angeles 90022	Owned	14,848	None
4364	Probation - East Los Angeles Area Office	144 S Fetterly Ave. 4849 E Civic Center Way Los Angeles 90022	Owned	15,584	None
5260	Coroner - Administration/ Investigations Build	1102 N Mission Rd. Los Angeles 90033	Owned	22,479	None
X327	PRE-RELEASE CENTER AB109	200 W Woodward Ave. Alhambra 91801	Owned	11,273	None
4231	Biscailuz - Training/Intelligence Facility	1060 N Eastern Ave. Los Angeles 90063s	Owned	1,660	None
5863	ISD - Administrative Headquarters	1100 N Eastern Ave, Los Angeles 90063	Owned	80,309	None
5870	ISD - Eastern Ave Complex Telecom Branch Building	1110 N Eastern Ave. Los Angeles 90063	Owned	37,742	None
4946	Med Center - Interns & Residents Building	2020 Zonal Ave. Los Angeles 90033	Owned	142,448	None
0837	Med Center - Personnel Office Building	1200 N State St. Los Angeles 90033	Owned	2,980	None
0838	Med Center - Quality Assurance Utilization	1200 N State St. Los Angeles 90033	Owned	2,980	None
0808	Coroner - Public Services/Skeleton Store	1104 N Mission Rd. Los Angeles 90033	Owned	18,651	None
A460	DHS - Ferguson Administrative Services Center	5555 Ferguson Drive City Of Commerce 90022	Owned	268,400	None
3542	Fire - Administrative Headquarters Building	1320 N Eastern Ave. Los Angeles 90063	Owned	39,015	None
C269	DPSS - Lincoln Heights WS District Office	4077 N Mission Rd Los Angeles 90032	Owned	26,000	None
T039	Sheriff - Eastern Complex Fleet Services Office	1104 N Eastern Ave. Los Angeles 90063	Owned	1,548	None

FACILITY LOCATION POLICY ANALYSIS

Proposed lease renewal: Eight-year lease agreement for the Probation Department – 1200 Corporate Center Drive, Monterey Park – First Supervisorial District.

A. Establish Service Function Category – Regional and local public service function.

B. Determination of the Service Area – The proposed lease will provide an eight-year lease consolidation for two existing programs of the Probation Department within Service Planning Area 3.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: Continuing need for existing operation in the greater SPA 3 region for AB-109 program relocating from 200 Woodward Ave., Alhambra, facility which is in need of capital upgrades and the Pre-Trial Services and related divisions moving from 3530 Wilshire Blvd., Los Angeles, currently on a one-year lease extension subject to termination.
- Need for proximity to existing County facilities: Close to several other County departments including Sheriff, Fire, and Internal Services.
- Need for proximity to Los Angeles Civic Center: The site provides a central location near Downtown Los Angeles and is accessible to public transportation.
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit including services including the city of Monterey Park Spirit Bus Line with a connection to the Metrolink station at California State University, Los Angeles, and the Interstate 710 and 10 freeways.
- 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 to meet the Department's needs.
- Compatibility with local land use plans: The site is currently zoned commercial, and the proposed use is consistent with the building's use and zoning and not in conflict with the goals and policies of the city of Monterey Park. A notification letter has been sent pursuant to Government Code Section 25351.

- Estimated acquisition/construction and ongoing operational costs: The initial annual maximum cost associated with the proposed lease is \$5,594,725, which is comprised of base rent of \$830,513, including parking, Low Voltage Items up to \$1,969,217 and up to \$2,794,995 in additional TI costs.

The rental costs will be funded 50 percent from State AB-109 block grant funding and 50 percent from net County cost.

D. Analyze results and identify location alternatives

Based upon the space and service needs of Probation, staff surveyed the immediate area to determine the availability of comparable and more economical site alternatives.

Based upon a review of available industry data, CEO has established that the annual average rental rate for similar space is between \$27.60 and \$33.00 per square foot, per year. Therefore, the base annual rent of \$31.20 per square foot, per year including parking, for the proposed lease, represents a rate within the market range for the area.

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

The proposed facility provides proper accommodations for these Probation administrative functions within the indicated service area. The proposed lease is in conformance with the Asset Management Principles as outlined in Enclosure A. The consolidation of service for Probation will provide an appropriate location, which is consistent with the County's Facility Location Policy, adopted by the on July 24, 2012.

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE**

LEASE AGREEMENT

COUNTY OF LOS ANGELES - Tenant

**OMNINET LACC TUCSON, LLC, a Delaware limited liability company,
OMNINET LACC VALENCIA, LLC, a Delaware limited liability company, and
OMNINET LACC, LLC, a Delaware limited liability company, as tenants in common –
Landlord**

**1200 CORPORATE CENTER DRIVE
MONTEREY PARK, CALIFORNIA 91754**

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EXHIBITS

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

LANDLORD'S WORK LETTER

- Addendum A – Base Building Improvements
- Addendum B – Tenant Improvements
- Addendum C – Form of Preliminary and Final TI Cost Statement

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") is entered into as of the _____ day of _____ 2020 between OMNINET LACC TUCSON, LLC, a Delaware limited liability company, OMNINET LACC VALENCIA, LLC, a Delaware limited liability company, and OMNINET LACC, LLC, a Delaware limited liability company, as tenants in common ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION

1.1 Terms

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

<p>a. Landlord's Address for Notice:</p>	<p>Omninet LACC, LLC, 9420 Wilshire Boulevard Suite 400 Beverly Hills, California 90212 Attention: Michael Danielpour</p> <p>With a copy to:</p> <p>Omninet Property Management, Inc. 9420 Wilshire Boulevard Suite 400 Beverly Hills, California 90212 Attention: Operations</p> <p>All Rent payments shall be delivered to:</p> <p>OMNINET LACC, LLC P.O. Box 515139 Los Angeles, California 90051-5139</p> <p>If by ACH or wire transfer to:</p> <p>Omninet LACC, LLC Union Bank ABA: 122000496 Acct.#: 0093914521 Acct. Name: Omninet LACC, LLC - Depository Account</p>
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b. Tenant's Address for Notice:	<p>Chief Executive Office Real Estate Division 320 W. Temple Street, 7th Floor Los Angeles, California 90012 Attention: Director of Real Estate Email: LeaseAcquisitions@ceo.lacounty.gov</p> <p>With a copy to:</p> <p>County of Los Angeles Office of the County Counsel 648 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, CA 90012-2713 Attention: Property Division</p>
c. Premises:	Approximately 26,619 rentable/gross square feet in the Building (defined below), commonly know as Suite 100, as shown on <u>Exhibit A</u> attached hereto.
d. Building:	The Building located at 1200 Corporate Center Drive, Monterey Park, California, which is currently assessed by the County Assessor as APN 5237-024-065,066, 067 and 5237-024-068 (collectively, the "Property");
e. Term:	Eight (8)-years, commencing thirty (30) days after the date of Tenant's Acceptance of the Premises, as defined in Section 4.1 (the "Commencement Date"), and terminating at midnight on the day before the eighth (8th) annual anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
f. Projected Commencement Date:	December 1, 2020
g. Irrevocable Offer Expiration Date: (see Section 33)	October 1, 2020

h. (Initial) Base Rent:	\$69,209.40 ₂ per month, which is based upon a rental rate of \$2.60 per rentable square foot, per month (adjustable only as provided in Sections 2.2 and 5.1 hereof)
i. Early Termination (see Section 4.4)	Not applicable
j. Rentable/gross Square Feet in the Premises:	26,619 rentable square feet
k. Initial Departmental Use:	Administrative Offices for the Probation Department, subject to Section 6.
l. Parking Spaces:	One hundred six (106) unreserved parking spaces, free of charge, to be used by Tenant upon the terms and conditions below.
m. Normal Working Hours:	8 a.m. to 6 p.m. Monday through Friday, and 9 a.m. to 1 p.m. on Saturdays, excepting Holidays.
n. Holidays:	New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles.
o. Asbestos Report:	A report dated May 31, 2019 prepared by Hart Laboratory, Inc., a licensed California Asbestos contractor (provided by Landlord).
p. Seismic Report	A report dated October 15, 2018 prepared by the Department of Public Works.
q. Disabled Access Survey	A report dated January 8, 2019 prepared by the Department of Public Works.

1.2 Defined Terms Relating to Landlord's Work Letter

a. Tenant Improvement Allowance:	\$798,570.00 (\$30 per RSF)
b. Tenant's TI Contribution:	\$2,794,995 (\$105 per RSF)
c. Change Request Contingency	Not Applicable

d. Tenant Improvement Amortization Rate and Change Request Amortization Rate:	Not Applicable
e. Estimated Monthly Payments Attributable to Tenant Improvement Costs in Excess of Tenant Improvement Allowance	Not Applicable.
f. Tenant's Work Letter Representative:	Vedad Hasanovic or an assigned staff person of the Chief Executive Office-Real Estate Division
g. Landlord's Work Letter Representative:	William Molina, or an assigned staff person of Landlord
h. Landlord's Address for Work Letter Notice:	<p>Omninet LACC, LLC, 9420 Wilshire Boulevard Suite 400 Beverly Hills, California 90212 Attention: Michael Danielpour</p> <p>With a copy to:</p> <p>Omninet LACC, LLC, 9420 Wilshire Boulevard Suite 400 Beverly Hills, California 90212 Attention: Commercial Construction</p>
i. Tenant's Address for Work Letter Notice:	<p>Chief Executive Office Real Estate Division 320 W. Temple Street, 7th Floor Los Angeles, California 90012 Attention: Director of Real Estate Email: LeaseAcquisitions@ceo.lacounty.gov</p>

<p>1.2 <u>Exhibits to Lease</u></p>	<p>Exhibit A - Floor Plan of Premises Exhibit B - Commencement Date Memorandum and Confirmation of Lease Terms - Form of Payment Voucher - HVAC Standards Exhibit E - Cleaning and Maintenance Schedule Exhibit F - Subordination, Non-Disturbance and Attornment Agreement Exhibit G - Tenant Estoppel Certificate Exhibit H - Community Business Enterprises Form Exhibit I - Memorandum of Lease</p>
<p>1.3 <u>Landlord's Work Letter</u></p> <p>(Executed concurrently with this Lease and incorporated herein by this reference):</p>	<p>Landlord's Work Letter Addendum A: Base Building Improvements Addendum B: Tenant Improvements Addendum C: Form of Preliminary and Final TI Cost Statement</p>

2. PREMISES

Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and depicted on Exhibit A attached hereto.

3. COMMON AREAS

Tenant may use the following areas ("Common Areas") in common with Landlord and any other tenants of the Building: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Area established by Landlord.

4. COMMENCEMENT AND EXPIRATION DATES

4.1 Term

The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within 30 days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing a Commencement Date Memorandum and Confirmation of Lease Terms in the form attached hereto as Exhibit B. The Commencement Date shall begin thirty (30) days after the date of Tenant's Acceptance of the Premises. The term "Tenant's Acceptance of the Premises" as used in this Lease shall mean the date upon which the Tenant Improvements and the Premises are Substantially Complete, Tenant has inspected the Premises, and Tenant has accepted the Tenant Improvements and the Premises. The term "Substantial Completion" as used in this Lease shall mean compliance with all of the following:

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

- e. If Landlord is responsible for the installation of telecommunications systems, then such systems shall be completely operational.

4.2 Termination Right

If the Commencement Date has not occurred within one hundred eighty (180) days following the date of Landlord's receipt of the final governmental building permits granting Landlord the right to perform such work, subject to extension for Tenant Delay(s) and/or Force Majeure Delays and/or Change Authorizations, as provided in Landlord's Work Letter executed concurrently herewith, then Tenant may thereafter, at any time before the Commencement Date occurs, terminate this Lease effective upon the giving of at least sixty (60) days prior written notice to Landlord, and the parties shall have no further rights or obligations to one another hereunder.

4.3 Early Entry

Tenant shall be entitled to enter the Premises not less than 30 days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Such early entry shall be subject to all provisions hereof, but shall not advance the Commencement Date, and Tenant shall not pay Base Rent nor any other charges for such early entry period.

4.4 Early Termination

Not Applicable.

5. RENT

5.1 Base Rent

Tenant shall pay Landlord the Base Rent stated in Section 1 and below during the Term hereof within 15 days after (a) the Commencement Date, and (b) the first day of each calendar month thereafter, provided that prior to the Commencement Date, Landlord must file with the Auditor of the County of Los Angeles a payment voucher for the Base Rent attributable to the initial month(s) of the Term up to and including June of the first year during the Term, and annually thereafter, on or before June 15 of each subsequent calendar year, for the Base Rent attributable to the following 12 months (i.e., beginning July 1). Landlord shall submit such payment vouchers in the same form as Exhibit C attached hereto, along with a completed IRS form W-9 and evidence of insurance in compliance with Section 20.2. If Landlord fails to timely file any payment voucher as required pursuant to this Section 5.1, then Tenant shall not be required to pay Base Rent to Landlord until 15 days after Landlord files such payment voucher for the applicable period. Base Rent for any partial calendar month during the Term shall be prorated in proportion to the number of days during the Term within such calendar month.

The Base Rent is subject to three (3) percent annual increases as follows:

Months	Rate	Monthly Rent
1 - 12	\$2.60	\$69,209.40

13 - 24	\$2.68	\$71,338.92
25 - 36	\$2.76	\$73,468.44
37 - 48	\$2.84	\$75,597.96
49 - 60	\$2.93	\$77,993.67
61 - 72	\$3.01	\$80,123.19
73 - 84	\$3.10	\$82,518.90
85 - 96	\$3.20	\$85,180.80

6. **USES**

Landlord agrees that the demised Premises, together with all appurtenances thereto, shall be used by the Tenant for the government department set forth in Section 1.1 or for any other administrative office for governmental purposes or other lawful purposes that do not materially adversely interfere with other uses in the Building reasonably approved by Landlord, during Normal Working Hours, after Normal Working Hours, and on weekends and holidays.

7. **HOLDOVER**

If Tenant remains in possession of the Premises or any part thereof after the expiration of the term of this Lease, such occupancy shall be a tenancy which is terminable only upon 90 days written notice from Landlord or 30 days written notice from the Chief Executive Officer of Tenant at the last monthly Base Rent payable under this Lease, plus any other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. **COMPLIANCE WITH LAW**

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

9. **DAMAGE OR DESTRUCTION**

9.1 **Damage**

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or materially inaccessible or unusable, and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 210 days, then Landlord shall promptly, at Landlord's expense, repair such damage, to the extent of insurance proceeds received and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made unusable by fire or other

casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within ten days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises leasable again using standard working methods. The failure to do so shall be a material default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

9.2 Tenant Termination Right

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 210 days for any reason, then Tenant may terminate this Lease by giving Landlord written notice within ten days after Tenant's receipt of written notice from Landlord or its agents specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became unusable. If Tenant does not elect to terminate this Lease, then Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided that insurance proceeds are available to repair the damages.

9.3 Damage In Last Year

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

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

9.4 Default By Landlord

If Landlord is required to repair and restore the Premises as provided for in this Section 9, and Landlord thereafter fails to diligently prosecute said repair and restoration work to completion, as determined by Tenant in its reasonable discretion, then Tenant may, at its sole election:

- a. Declare a default hereunder; or

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

10. **REPAIRS AND MAINTENANCE**

10.1 **Landlord Representations**

- a. Landlord represents to Tenant that, as of the date hereof, to Landlord's actual knowledge:

Subject to the disclosures made to the contrary in the Asbestos Report and the other property condition reports provided by Landlord to Tenant prior to the mutual execution of this Lease, as of the date hereof and on the Commencement Date:

- i. The Premises, the Building, and all Common Areas (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including but not limited to the Americans With Disabilities Act; and are in reasonably good working order and condition;

- ii. The Building and the Premises comply with all covenants, conditions, restrictions and insurance underwriter's requirements;

- iii. The Premises, the Building and the Common Areas are free of the presence of Hazardous Materials (as hereinafter defined); and

- iv. Landlord has not received any notice from any governmental agency (other than the Tenant department set forth in Section 1(k) above) that the Building or the Premises are in violation of any law or regulation.

If, as of the Commencement Date, Landlord is ordered, in writing, by an applicable governmental agency (other than the Tenant department set forth in Section 1(k) above) to correct a violation of any of the foregoing representations in this Section 10.1(a), then, as Tenant's sole remedy, so long as such violation was not caused by Tenant, its contractors, agents or employees, Landlord shall, at Landlord's cost, perform the work determined by such governmental agency to be required to correct such violation.

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

- c. **CASp Inspection:**

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

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

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

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

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

10.2 Landlord Obligations

- a. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed:
 - i. the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, foundations, roof, concealed plumbing, stairways, concealed electrical systems and intra-building telephone network cables;
 - ii. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Building;
 - iii. the Common Areas;
 - iv. exterior windows of the Building; and
 - v. elevators serving the Building.

b. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to:

- i. the floor covering (if such floor covering is carpeting it shall be replaced as needed);
- ii. interior partitions;
- iii. interior doors;
- iv. the interior side of demising walls (which shall be repainted as needed);
- v. signage;
- vi. emergency exit signage and battery replacement.

c. Landlord shall, to the best of its ability, provide any reports, maintenance records, or other documentation as may be requested from time to time.

10.3 Tenant Obligations

Without limiting Landlord's repair and maintenance obligations, and subject to Section 20.5 hereof, Tenant shall be responsible, for (i) the cost of repairing any area of the Property damaged by Tenant or by Tenant's agents, employees, invitees or visitors, and (ii) the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall:

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

10.4 Tenant's Right to Repair

- a. If Tenant provides written notice (or oral notice in the event of an emergency, such as damage or destruction to or of any portion of the Building structure and/or the Building systems, and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and if Landlord fails to provide such action within a reasonable period of time given the circumstances after the giving of such notice, but in any event not later than seven (7) days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken

by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action. If not reimbursed by Landlord within ten days, Tenant shall be entitled to deduct from Base Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 15.

- b. Notwithstanding any provisions of this Lease to the contrary, Tenant, at its sole discretion, acting through the Chief Executive Office, may request that the Landlord perform, supply and administer any repairs, maintenance, building services and/or alterations that are the responsibility of the Tenant, which building services and/or alterations shall not exceed \$5,000, in which case Tenant shall promptly reimburse Landlord for such cost, not to exceed \$5,000 within thirty (30) days after completion and Tenant's receipt of an invoice. Tenant shall be responsible for performing all work costing in excess of \$5,000, at Tenant's sole cost and expense. Any improvements by Landlord shall be subject to the Work Letter provisions regarding selection and bidding of contractors, and Landlord-Tenant coordination and audit rights, and Tenant remedies found in, but not limited to, Sections 4 through 13 of said Work Letter; and (ii) compliance with County Internal Services Department Purchasing Policy and Procedure [<https://doingbusiness.lacounty.gov/policies/>], delivered to Landlord and incorporated by reference herein.

11. SERVICES AND UTILITIES

11.1 Services.

a. Heating, Ventilation and Air Conditioning (HVAC)

Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings and not less than the standard set forth in Exhibit D attached hereto. However, Tenant shall furnish HVAC at all times (i.e., 24 hours per day, 7 days per week, 365 days per year) to the mechanical rooms housing Tenant's computer servers and related equipment.

Landlord shall provide, upon Tenant's request, after-hours HVAC under terms and conditions established by Landlord, including Tenant's payment of Landlord's standard charge therefore. The current after-hours charge for HVAC is \$75.00 per hour with twenty-four (24) hour prior notice.

b. Electricity

Landlord shall furnish to the Premises the amount of electric current provided for in the Work Letter (if applicable) but in any event not less than seven watts of electric current (connected load) per square foot of

Rentable/gross Square Feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or sub-panels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises.

c. Elevators

Landlord shall furnish freight and passenger elevator services to the Premises during Normal Working Hours. During all other hours, Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis, and, by prior arrangement with Landlord's building manager, freight elevator service.

d. Water

Landlord shall make available warm and cold water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

e. Janitorial

Landlord, at its sole cost and expense, shall provide janitorial service five (5) nights per week, generally consistent with that furnished in comparable office buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit E attached hereto.

f. Day Porter Service

Landlord, at its sole cost and expense, shall provide day porter service to Premises during normal working hours as shown on Section 1.1(m):

g. Access

Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building.

h. Pest Control

Landlord at its sole cost and expense shall provide any and all pest control services to the premises per the specifications set forth in Exhibit E attached hereto.

11.2 Utilities

Landlord agrees to pay, at its sole cost, when due, all charges for the use of the sewer, effluent treatment (when and if imposed by any governmental authority), all water, sprinkler standby charges, electricity, gas, heating and common area power and lighting, trash removal service, fire/life safety systems, charges associated with the HVAC, and other utility rents and charges accruing or payable in

connection with the Premises and the Common Areas during the Term of this Lease or any renewal, extension, or holdover thereof, whether the same are prorated or measured by separate meters.

12. TAXES

Landlord, at its sole cost and expense, shall pay, prior to delinquency, all real property taxes, assessments and special assessments which may be levied or assessed against the Premises or the Building during the term of this Lease or any renewal or holdover period thereof.

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

13. LANDLORD ACCESS

Tenant shall permit Landlord and its agents to enter the Premises during Normal Working Hours upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Premises, Base Rent shall be prorated based upon the percentage of the Premises rendered unusable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

14. TENANT DEFAULT

14.1 Default

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

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

14.2 Termination

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

14.3 No Effect on Indemnity

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

15. LANDLORD DEFAULT

15.1 Remedies

In addition to the provisions for Landlord's default provided by Sections 9.4, 10.4, 19, 21.2 and 32.3, Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within ten (10) days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10.4); provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such five day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

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

15.2 Waiver

Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

15.3 Emergency

Notwithstanding the foregoing cure period, Tenant may, after delivering written notice to Landlord, cure any default where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition, or materially and

adversely affect the operation of Tenant's business in the Premises. In such cases, Tenant may perform the necessary work through its Internal Services Department and deduct the cost of said work from the Base Rent next due.

15.4 Limitation on Liability

Notwithstanding anything to the contrary set forth in this Lease, Landlord, its managers, members, shareholders, partners, limited partners, general partners, officers, directors, contractors, agents and employees ("Landlord Parties"), shall not be liable for any injury to Tenant's business or any consequential, punitive, special or exemplary damages, however occurring. Without limiting the foregoing, Landlord and the Landlord Parties shall not be liable for any claims, losses, liabilities or damages ("Losses") to the personal property of Tenant or its employees, invitees, customers, agents, or contractors from any cause. Landlord and the Landlord Parties shall not be liable to Tenant for any Losses caused by any other tenant of the Property.

16. ASSIGNMENT AND SUBLETTING

16.1 Assignment and Subletting

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

16.2 Sale

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

Upon any sale or transfer of the Property, Landlord shall provide the following information to Tenant, at Tenant's Address for Notice, as a condition of Tenant's obligation to pay Base Rent to the new owner:

- a. Written evidence of the transfer of the Property (e.g., a recorded deed), or a letter from the transferor confirming that the Property was transferred to the new owner.
- b. A signed letter including the following information:
 - i. Name and address of new owner or other party to whom Base Rent should be paid

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

17. ALTERATIONS AND ADDITIONS

17.1 Landlord Consent

Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria:

- a. complies with all laws;
- b. is not visible from the exterior of the Premises or Building;
- c. will not materially affect the systems or structure of the Building; and
- d. does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building.

If Landlord fails to respond in writing within 30 days of such request, Landlord shall be deemed to approve the Alterations.

17.2 End of Term

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

18. CONDEMNATION

18.1 Controlling Terms

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

18.2 Total Taking

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

18.3 Partial Taking

If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within 30 days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than 30 days nor later than 90 days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within 30 days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated in proportion to the degree to which Tenant's use of the Premises is impaired by such Condemnation.

18.4 Restoration

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

18.5 Award

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

18.6 Waiver of Statute

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

19. INDEMNIFICATION

19.1 Landlord's Indemnity

Landlord shall indemnify, defend and hold Tenant harmless from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees costs and expenses (including attorney and expert witness fees), arising from or connection with Landlord's repair, maintenance and other acts and omissions arising or resulting from and/or relating to the Landlord's ownership of the Premises.

19.2 Tenant's Indemnity

The Tenant shall indemnify, defend and hold harmless the Landlord, from and against any and all liability, loss, injury or damage, including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with the Tenant's repair, maintenance and other acts and omissions, arising from and/or relating to the Tenant's use of the Premises, or arising from and/or relating to the Landlord's use of the Premises.

20. INSURANCE

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

20.1 Waiver

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

20.2 General Insurance Provisions – Landlord Requirements

Landlord shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Section 20 of this Lease. The Tenant in no way warrants that the Required Insurance is sufficient to protect the Landlord for liabilities which may arise from or relate to this Lease.

a. Evidence of Coverage and Notice to Tenant

Certificate(s) of insurance coverage (Certificate), shall be delivered to Tenant at the address shown below and provided prior to the start day of this Lease.

Renewal Certificates shall be provided to Tenant prior to Landlord's policy expiration dates.

Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Landlord identified in the Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions

exceeding twenty-five thousand (\$25,000.00) dollars, and list any Tenant required endorsement forms.

Neither the Tenant's failure to obtain, nor the Tenant's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Landlord, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements, and notices of cancellation shall be delivered to:

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

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

b. Additional Insured Status and Scope of Coverage. Tenant and its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively, "Tenant's Agents"), shall be named as additional insureds under Landlord's Commercial General Liability Insurance policy with respect to the Building. Tenant's additional insurance status shall apply whether liability is attributable to the Landlord, Tenant or Tenant's Agents. The full policy limits and scope of protection also shall apply to the Tenant as an additional insured, even if they exceed the Tenant's minimum Required Insurance specifications set forth herein. Use of an automatic additional insured endorsement form is acceptable, provided that it satisfies the Required Insurance set forth herein.

c. Cancellation of or Changes in Insurance

Landlord shall provide the Tenant with, or Landlord's insurance policies shall contain a provision that the Tenant shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage less than the Required Insurance, term of coverage or policy period. The written notice shall be provided to the Tenant in advance of cancellation for non-payment of premium for any other cancellation or policy change of the Required Insurance below the minimum amounts set forth above.

d. Failure to Maintain Insurance

Landlord's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Lease.

e. Insurer Financial Ratings

Insurance is to be provided by an insurance company authorized to do business in California and reasonably acceptable to the Tenant, with an A.M. Best rating of not

less than A:VII, unless otherwise approved by the Tenant, which approval shall not be unreasonably withheld.

f. Landlord's Insurance Shall Be Primary. Landlord's insurance policies shall be primary with respect to all other sources of coverage available to Tenant. Any Lessor maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Tenant coverage.

g. Waiver of Subrogation

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

h. Deductibles and Self-Insured Retentions ("SIRs")

Landlord's policies shall not obligate the Tenant to pay any portion of any Landlord deductible or SIR.

i. Per Occurrence Coverage.

Required Insurance shall be maintained by Landlord and Tenant on a per occurrence basis. Landlord understands and agrees it shall maintain such coverage until the date of Landlord's sale of the Building.

j. Application of Excess Liability Coverage.

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

k. Separation of Insureds

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

20.3 Insurance Coverage Types And Limits

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

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

General Aggregate:	\$ 2 million
Products/Completed Operations Aggregate:	\$ 1 million
Personal and Advertising Injury:	\$ 1 million
Each Occurrence:	\$ 1 million

Tenant, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self-insurance. A certificate evidencing insurance coverage or letter evidencing self-insurance and Landlord's additional insured status will be provided to Landlord promptly after execution of this Lease at Landlord's request.

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

a. Commercial General Liability Insurance, providing scope of coverage equivalent to ISO policy form CG 00 01, with limits of not less than:

General Aggregate:	\$10 million
Products/Completed Operations Aggregate:	\$10 million
Personal and Advertising Injury:	\$5 million
Each Occurrence:	\$5 million

Landlord shall be permitted to maintain such insurance pursuant to an umbrella or excess policy of insurance.

b. Commercial Property Insurance. Such insurance shall:i. Provide coverage for Tenant's property and any tenant improvements and betterments to the Premises; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), excluding earthquake and including flood and ordinance or law coverage.ii. Be written for the full replacement cost of the Property, with a deductible no greater than \$250,000 or 5% of the Property value, whichever is less. Insurance proceeds shall be payable to the Landlord and Tenant, as their interests may appear.

21. PARKING

21.1 Tenant's Rights

Tenant shall have the right to the number of unreserved parking spaces set forth in Section 1, without charge, for the Term of this Lease. No tandem parking shall be required and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all other parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building.

21.2 Remedies

Landlord acknowledges that it is a material term of this Lease that Tenant receives all of the parking spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the parking spaces required above are not available to Tenant, (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation), then Tenant may:

- a. terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective 30 days thereafter; or
- b. deduct from the Base Rent thereafter accruing hereunder an amount each month equal to the Base Rent times the percentage of parking spaces not so provided.

22. ENVIRONMENTAL MATTERS

22.1 Hazardous Materials

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

22.2 Landlord Indemnity. Landlord shall indemnify, protect, defend and hold harmless Tenant from and against any and all claims, judgments, causes of action,

damage, penalties, fines, liabilities, losses and reasonable expenses arising at any time during the Term as a result (of the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas caused by Landlord or Landlord's other violation of laws relating to Hazardous Materials. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans as such action is required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises in violation of applicable laws. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

- 22.3 Tenant agrees to indemnify, defend and hold harmless Landlord and the Landlord Parties from and against all liability, expenses (including defense costs, legal fees and response costs imposed by law) and claims for damages of any nature whatsoever which arise out of the presence of Hazardous Materials on the Premises caused by Tenant or Tenant's contactors, employees and agents.

The indemnity provided each party by this provision shall survive the termination of this Lease.

23. ESTOPPEL CERTIFICATES

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

24. TENANT IMPROVEMENTS

Prior to the Commencement Date, Landlord shall construct the Tenant Improvements in the manner set forth in Landlord's Work Letter executed by Landlord and Tenant concurrently herewith.

25. LIENS

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

26. SUBORDINATION AND MORTGAGES

26.1 Subordination and Non-Disturbance

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

26.2 Existing Deeds of Trust

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

26.3 Notice of Default

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

27. SURRENDER OF POSSESSION

Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

28. SIGNAGE

Landlord shall include Tenant's name and suite number within the Building's lobby directory at the Landlord's sole cost and expense. Landlord shall further provide the initial standard Tenant signage at the entry to the Premises at the Landlord's sole cost and expense. Any changes to such initial signage shall be at Tenant's expense. Tenant shall be permitted to install within the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances.

29. QUIET ENJOYMENT

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

30. GENERAL

30.1 Headings

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

30.2 Successors and Assigns

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

30.3 Brokers

Landlord represents and warrants to Tenant that it has only engaged Kidder Mathews of California, Inc. ("Broker") as broker with respect to this Lease, who is acting as agent on behalf of Landlord only, and Landlord and Tenant represent and warrant that there is no other broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease and each party shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any other broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. The parties agree that Landlord shall be solely responsible for the payment of any brokerage commissions to Broker and that Tenant shall have no responsibility unless written provision to the contrary has been made a part of this Lease. Tenant shall receive from Landlord or Landlord's broker, within thirty (30) days after the commencement of this Lease, an amount equal to 50% of all commissions due to Landlord's broker as a result of the execution of this Lease, as set forth in a separate written agreement between Landlord and Landlord's broker, a copy of which has been delivered by Landlord to Tenant prior to the execution of this Lease.

30.4 Entire Agreement

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

30.5 Severability

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

30.6 Notices

The parties shall give all notices in writing by (i) personal delivery, (ii) national-recognized, next-day courier service, (iii) first-class registered or certified mail,

postage prepaid, or (iv) electronic mail, to the Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Without limiting the generality of the foregoing, Landlord's notices to Tenant shall not be effective if they are delivered to the Premises or to another address that is not set forth in Section 1 hereof. Any notice given under this Lease shall be deemed effective upon the date of delivery (whether accepted or refused), which, for certified mail and courier service, shall be established by U.S. Post Office return receipt or the courier's proof of delivery, respectively.

30.7 Governing Law and Venue

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

30.8 Waivers

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

30.9 Time of Essence

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

30.10 Consent

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

30.11 Community Business Enterprises

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

30.12 Memorandum of Lease

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

30.13 Counterparts

This Lease may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

31. AUTHORITY

Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease, and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Office of the County (the "Chief Executive Office") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an early termination notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

32. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

32.1 Consideration of GAIN Program Participants

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

32.2 Solicitation of Consideration

It is improper for any County officer employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the lease or that the landlord's failure to provide such consideration may negatively affect the County's

consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent who has had any involvement in the procurement, negotiation, consummation, administration or management of a lease for the purpose of securing favorable treatment with respect to the award of the lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the Landlord's submission being eliminated from consideration.

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

32.3 Landlord Assignment

- a. Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.
- b. Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease, or any portion thereof, other than an assignment of this Lease in connection with the sale of the Building or Property, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall, at Tenant's option, be void.
- c. Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing— and the right to sell the Property at any time.
- d. Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of \$100,000 or up to 2% of all then-remaining rental payments payable by

the County through the expiration date of the Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

- e. Landlord shall give the County notice and a copy of each and every assignment, transfer, hypothecation or encumbrance of Landlord's interest in this Lease and any instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.
- f. Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity other than purchasers, lenders, and prospective purchasers and lenders, and all of their legal representatives or brokers on a need to know basis, except with County's prior written consent. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.
- g. The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns, whether so expressed or not.
- h. Notwithstanding any contrary provision contained in this Lease, Landlord shall have the right, at any time and from time to time, without notice to Tenant, to refinance the Building or transfer Landlord's right, title and interest in and to the Building without Tenant's consent.

33. IRREVOCABLE OFFER

In consideration for the time and expense that Tenant will invest in this Lease, including but not limited to preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County, as necessary, in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

34. FORCE MAJEURE

Except for the payment of monetary amounts, if either party is delayed or hindered from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials not related to the price thereof, failure of power, restrictive governmental laws and regulations, riots, insurrection, war, delay in the issuance of building permits or other required approvals by governmental authorities or other reasons of a like nature beyond the control of such party, then performance of such acts shall be excused and extended for the period of the delay.

[Signatures on the following page.]

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

LANDLORD:

OMNINET LACC TUCSON, LLC, a Delaware limited liability company, OMNINET LACC VALENCIA, LLC, a Delaware limited liability company, and OMNINET LACC, LLC, a Delaware limited liability company, as tenants in common

By: OMNINET LACC, LLC,
A Delaware limited liability company
Its: Designated Representative

By: **Omninet Investment LACC, LLC,**
A California limited liability company
Its: Sole Member

By: 
Michael Danelpour
Manager

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Acting Chief Executive Officer

By: _____
David P. Howard
Assistant Chief Executive Officer

ATTEST:

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

By: _____
Deputy

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA
Acting County Counsel

By: 
Deputy

LEGEND

- [illegible]

3rd Floor Plan

KEYNOTES

- [illegible]

LOW VOLTAGE DRAWING APPROVED BY:

**Ashtot Gokulnagar
Principal Facilities Project Manager
Management Services Bureau
Probation Department**

[illegible]



- **Don't expect the program to be effective.**
- **Don't think it's going to make a difference.**
- **Don't think it's worth the effort.**
- **Don't think it's worth the cost.**
- **Don't think it's worth the time.**
- **Don't think it's worth the risk.**
- **Don't think it's worth the trouble.**
- **Don't think it's worth the pain.**
- **Don't think it's worth the sweat.**
- **Don't think it's worth the tears.**
- **Don't think it's worth the blood.**
- **Don't think it's worth the life.**

Asst. Cadet
Principal Facilities Project Manager
Management Services Bureau
Probation Department

EXHIBIT B

COMMENCEMENT DATE MEMORANDUM AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain Lease Agreement ("Lease") dated _____, 20__, between County of Los Angeles, a body politic and corporate ("Tenant"), and OMNINET LACC TUCSON, LLC, a Delaware limited liability company, OMNINET LACC VALENCIA, LLC, a Delaware limited liability company, and OMNINET LACC, LLC, a Delaware limited liability company, as tenants in common ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 1200 Corporate Center Drive, Monterey Park ("Premises"),

Landlord and Tenant hereby acknowledge as follow:

- 1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____ ("Possession Date");
- 2) Tenant has accepted possession of the Premises and now occupies the same;
- 3) The Lease commenced on _____ ("Commencement Date");
- 4) The Premises contain 26,619 rentable/gross square feet of office space; and
- 5) The Base Rent is subject to three (3) percent annual increases as follows:

Months	Rate	Monthly Rent
1 - 12	\$2.60	\$69,209.40
13 - 24	\$2.68	\$71,338.92
25 - 36	\$2.76	\$73,468.44
37 - 48	\$2.84	\$75,597.96
49 - 60	\$2.93	\$77,993.67
61 - 72	\$3.01	\$80,123.19
73 - 84	\$3.10	\$82,518.90
85 - 96	\$3.20	\$85,180.80

IN WITNESS WHEREOF, this memorandum is executed this _____ day of _____, 20____.

Tenant:

COUNTY OF LOS ANGELES,
a body politic and corporate

By: _____
Name _____
Its _____

Landlord:

OMNINET LACC TUCSON, LLC, a Delaware limited liability company, OMNINET LACC VALENCIA, LLC, a Delaware limited liability company, and OMNINET LACC, LLC, a Delaware limited liability company, as tenants in common

By: OMNINET LACC, LLC,
A Delaware limited liability company
Its: Designated Representative

By: Omninet Investment LACC,
LLC,
A California limited liability
company
Its: Sole Member

By: _____
Michael Danielpour

PAYMENT VOUCHER

18-Aug-17

CEO-REAL ESTATE DIVISION
RENT PAYMENT VOUCHER
FISCAL YEAR 2017-18

[illegible]

* Leave Blank except for 13th Accounting Period.

** Leave blank except entering commitments or expenditure accrual.

PV Leasing acc00b Report Name: 0000-00000 17:18

EXHIBIT D

HEATING, VENTILATION AND AIR CONDITIONING

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Normal Working Hours established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one zone for approximately each 1,000 square feet and one diffuser for each 200 square feet of usable/net square footage within the Premises. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.

EXHIBIT E

CLEANING AND MAINTENANCE SCHEDULE

1. DAILY (Monday through Friday)

- A. Carpets vacuumed.
- B. Composition floors dust-mopped.
- C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
- D. Waste baskets, other trash receptacles emptied.
- E. Chairs and waste baskets returned to proper position.
- F. Fingerprints removed from glass doors and partitions.
- G. Drinking fountains cleaned, sanitized and polished.
- H. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
- I. Bulb and tube replacements, as required.
- J. Emergency exit signage and egress battery replacement (if applicable)
- K. Graffiti expunged as needed within two working days after notice by Tenant
- L. Floors washed as needed.
- M. Kitchen/lunchroom/restroom supplies replenished, including paper supplies and soap.
- N. Exclusive day porter service from 8a.m. to 6p.m.

2. WEEKLY

- A. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.
- B. Window sills, ledges and wood paneling and molding dusted.

3. MONTHLY

- C. Floors washed and waxed in uncarpeted office area.
- D. High-reach areas, door frames and tops of partitions dusted.
- E. Upholstered furniture vacuumed, plastic and leather furniture wiped
- F. Picture moldings and frames dusted.

- G. Wall vents and ceiling vents vacuumed.
 - H. Carpet professionally spot cleaned as required to remove stains.
 - I. HVAC chiller water checked for bacteria, water conditioned as necessary.
4. QUARTERLY
- J. Light fixtures cleaned and dusted, but not less frequently than quarterly.
 - K. Wood furniture polished.
 - L. Draperies or mini-blinds cleaned as required, but not less frequently than quarterly.
 - M. HVAC units serviced for preventative maintenance purposes, all filters changed, excluding any separate HVAC unit exclusively serving the Tenant's dedicated telecom room.
5. SEMI-ANNUALLY
- N. Windows washed as required inside and outside but not less frequently than twice annually.
 - O. All painted wall and door surfaces washed and stains removed.
 - P. All walls treated with vinyl covering washed and stains removed.
6. ANNUALLY
- Q. Furniture Systems and any other fabric or upholstered surfaces including chairs, couches, walls, etc., spot cleaned, or if determined to be necessary in Tenant's sole discretion, professionally cleaned in their entirety using a water extraction system.
 - R. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.
 - S. Touch-up paint all interior painted surfaces in a color and finish to match existing.
7. AS NEEDED
- T. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
 - U. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.

- V. Interior and exterior pest control inspections and remediation frequency is to be mutually and reasonably determined by Landlord and Tenant.
- W. Carpets to be cleaned as needed, using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.
- E. All walls repainted and wall coverings replaced throughout the Premises. The paint finish should be eggshell or semi-gloss as directed by Tenant and in a color acceptable to Tenant. In no event will Landlord be required to repaint or replace wall coverings more than one (1) time in a five (5) year period (the "Occurrence"). The initial tenant improvements completed prior to Tenant's occupancy or as a condition to the renewal of the Lease shall not constitute an Occurrence for the purpose of determining the frequency of this work.
- F. All HVAC ducts cleaned as needed.

8. GENERAL

Landlord shall, upon request of Tenant, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

EXHIBIT F

**SUBORDINATION, NONDISTURBANCE
AND ATTORNMENT AGREEMENT**

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

County of Los Angeles
Chief Executive Office
Real Estate Division
320 West Temple Street
7th Floor
Los Angeles, California 90012

)
)
)
)
)
)
)

Space above for Recorder's Use

**SUBORDINATION, NONDISTURBANCE
AND ATTORNMENT AGREEMENT**

NOTICE: THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

This Subordination, Nondisturbance and Attornment Agreement ("Agreement") is entered into as of the ____ day of _____, 200__ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), [*Insert name of Landlord*], ("Borrower") and [*Insert name of Lender*], ("Lender").

Factual Background

A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.

B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").

C. Tenant and Borrower (as "Landlord") entered into a lease dated _____ (the "Lease") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "Premises").

D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a nondisturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

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

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

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

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

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

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

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

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

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

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

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

To Lender: _____

To Borrower: Omninet LACC, LLC
9420 Wilshire Blvd., 4th Floor
Beverly Hills, California 90212
Attention: Michael Danielpour

With a copy to:

Omninet Property Management, Inc.
9420 Wilshire Blvd., 4th Floor
Beverly Hills, California 90212
Attention: Operations

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

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

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

By: _____
Name: _____
Title: _____

BORROWER:

OMNINET LACC TUCSON, LLC, a Delaware limited liability company, OMNINET LACC VALENCIA, LLC, a Delaware limited liability company, and OMNINET LACC, LLC, a Delaware limited liability company, as tenants in common

By: OMNINET LACC, LLC,
A Delaware limited liability company
Its: Designated Representative

By: Omninet Investment LACC, LLC,
A California limited liability company
Its: Sole Member

By: _____
Michael Danielpour
Manager

LENDER: *[Insert name of Lender],*

By: _____
Name: _____
Title: _____

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

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

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

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

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

WITNESS my hand and official seal.

Signature (Seal)

EXHIBIT G

TENANT ESTOPPEL CERTIFICATE

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

Attn: _____

Re: Date of Certificate: _____
 Lease Dated: _____
 Current Landlord: _____
 Located at: _____
 Premises: _____
 Commencement Date of Term: _____
 Expiration Date: _____
 Current Rent: _____

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

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

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

(b) The current Rent is set forth above.

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

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

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

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

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

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

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

(e) No rental payments have been made more than one month in advance.

4. All contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full, and all of Landlord's obligations with respect to tenant improvements have been fully performed.

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

COUNTY OF LOS ANGELES,
a body politic and corporate

By: _____
Name: _____
Title: _____

EXHIBIT H

COMMUNITY BUSINESS ENTERPRISE FORM

INSTRUCTIONS: All Landlords shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of MBE/WBE participation. The information requested below is for statistical purposes only. The final analysis and consideration of the lease will be determined without regard to race, creed, color or gender. (Categories listed below are based on those described in 49 CFR Section 23.5)

I. Minority/Women Participation in Firm (Partners, Associate Partners, Managers, Staff, etc.)

1. Firm Name:		3. Contact Person/Telephone Number:			
2. Address:					
		4. Total number of employees in the firm:			
5. Provide the number of all minority	Owners, Partners and	Managers		Staff	
	All O.P. &	Women	All	Women	All Staff Women
Black/African American					
Hispanic/Latin American					
Asian American					
Portuguese American					
American Indian/Alaskan					
All Others					

II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

1. Type of Business Structure: (Corporation, Partnership, Sole Proprietorship, Etc.) _____

2. Total Number of Ownership/Partners.			III. MINORITY/WOMEN-OWNED FIRM CERTIFICATION	
3. Provide the percentage of	All Empl	Wome	Is your firm currently certified as a minority owned business firm by the: State of California? <input type="checkbox"/>	
Black/African			Yes <input type="checkbox"/> No <input type="checkbox"/>	
Hispanic/Latin				
Asian American				
Portuguese American				
American				
All Others				

Section D. OPTION TO PROVIDE REQUESTED INFORMATION

☐ We do not wish to provide the information required in this form

Firm Name:

Signature/Title:

EXHIBIT I

MEMORANDUM OF LEASE

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

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

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

MEMORANDUM OF LEASE

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

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

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

Dated: _____, 20__.

LANDLORD:

OMNINET LACC TUCSON, LLC, a
Delaware limited liability company,
OMNINET LACC VALENCIA, LLC, a
Delaware limited liability company, and
OMNINET LACC, LLC, a Delaware limited
liability company, as tenants in common

By: OMNINET LACC, LLC,
A Delaware limited liability company
Its: Designated Representative

By: Omninet Investment LACC,
LLC,
A California limited liability company
Its: Sole Member

By: _____
Michael Danielpour
Manager

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate

FESIA A. DAVENPORT
Acting Chief Executive Officer

By: _____

ATTEST:

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

By: _____
Deputy

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA
Acting County Counsel

By: _____
Deputy

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

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

COUNTY OF _____

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

personally appeared _____,
Name of Signer(s)

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

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

WITNESS my hand and official seal.

Signature (Seal)

LANDLORD'S WORK LETTER

For

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

COUNTY OF LOS ANGELES, as Tenant

and

**OMNINET LACC TUCSON, LLC, a Delaware limited liability company, OMNINET LACC
VALENCIA, LLC, a Delaware limited liability company, and OMNINET LACC, LLC, a
Delaware limited liability company, as tenants in common, as Landlord**

**Property Address: 1200 CORPORATE CENTER DRIVE
MONTEREY PARK, CALIFORNIA 91754**

LANDLORD'S WORK LETTER

This Work Letter supplements the Lease Agreement (the "Lease") dated this day of , 2020, executed concurrently herewith, by and between OMNINET LACC TUCSON, LLC, a Delaware limited liability company, OMNINET LACC VALENCIA, LLC, a Delaware limited liability company, and OMNINET LACC, LLC, a Delaware limited liability company, as tenants in common, as Landlord, and COUNTY OF LOS ANGELES, 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>Tenant Improvement Allowance</u> | \$798,570 (i.e., \$30 per rentable square foot of the Premises) |
| (b) <u>Tenant's TI Contribution</u> | \$2,794,995 (i.e., \$105 per rentable square foot of the Premises) |
| (c) <u>Change Contingency</u> | Not Applicable |
| (d) <u>Tenant Improvement Amortization Rate and Change Authorization Amortization Rate:</u> | Not Applicable |
| (e) <u>Tenant's Work Letter Representative</u> | Vedad Hasanovic or an assigned staff person of the Chief Executive Office-Real Estate Division |
| (f) <u>Landlord's Work Letter Representative</u> | William Molina, or an assigned staff person of the Landlord |
| (g) <u>Landlord's Address for Work Letter Notice</u> | Omninet LACC, LLC
9420 Wilshire Boulevard
Suite 400
Beverly Hills, California 90212
Attention: Michael Danielpour |

With a copy to:

Omninet Property Management, Inc.
9420 Wilshire Boulevard
Suite 400
Beverly Hills, California 90212
Attention: Operations

(h) Tenant's Address for Work Letter Notice

Chief Executive Office-
Real Estate Division
320 West Temple Street, 7th Floor
Los Angeles, California 90012
Attention: Senior Manager, Real Estate
Division
Email:
LeaseAcquisitions@ceo.lacounty.gov

(i) 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 Tenant Improvement Costs.

(a) If the Building as initially constructed does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the 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 Tenant Improvement 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. Tenant Improvement 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) initial fire sprinkler system installation, however, any modification or upgrade which is required to accommodate the Tenant Improvements shall be included as part of the Tenant Improvement Costs), (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere, (iv) utility costs incurred during construction, (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease, nor (v) supervision or overhead costs of Landlord.

(c) Landlord shall be solely responsible for all costs and expenses necessary to maintain existing structural floor loading in order to accommodate Tenant's libraries, file rooms, unusual live loads and other such uses. If Tenant's floor loading requirements exceeds the structural floor loading capacity of the Building, then all costs of increasing the floor loading shall be included as a Tenant Improvement Cost.

2.3 **Base Building Plans.** Landlord has delivered to Tenant "as built" plans and specifications for the Building in an AutoCAD 2015 (or later version) format. In the event Tenant incurs additional costs because such plans and specifications are incomplete or inaccurate, such increased costs will be reimbursed to Tenant, and any delay caused thereby shall not be a Tenant Delay (as defined below).

3. **Selection of Architect and Engineer.** Landlord shall 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 select an architect and an 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 the selected engineer to Tenant, together with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until Tenant accepts an architect (the "Architect") and an 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 contractors, selected by Landlord and accepted by Tenant, 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 such contract form as Landlord shall designate) to construct the Tenant Improvements depicted on the Final Plans. Landlord shall select the most qualified bidder offering the lowest price after adjustments for inconsistent assumptions, and Landlord shall submit all bids, along with Landlord's recommendation, to Tenant for Tenant's review and acceptance. Following Tenant's acceptance, Landlord shall enter into a construction contract (the "Construction Contract") with the selected contractor (the "Contractor") to construct the Tenant Improvements, consistent with the terms of the accepted bid.

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

5.1 **Preparation of Space Plan.** Concurrently with the execution of this Lease, Tenant shall submit to Landlord a space plan and specifications for the Premises showing all demising walls, corridors, entrances, exits, doors, interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room (the "Space Plan").

5.2 **Preparation and Review of Working Drawings.** Within thirty (30) days after the date the Space Plan is submitted to Landlord (the "Plan Submission Date"), Landlord shall instruct the Architect to commence preparation of working drawings (the "Working Drawings"), which shall be consistent with the Preliminary TI Cost Summary (as defined below), compatible with the design, construction and equipment of the Building, comply with all applicable laws, be capable of physical measurement and construction, contain all information required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and which shall 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 insuring that the Working Drawings fully comply with all applicable building codes and are free from errors or omissions on the part of the Architect.

5.3 Preparation and Review of Engineering Drawings. Landlord shall cause the Architect to coordinate all engineering drawings prepared by the Engineer, showing complete mechanical, electrical, plumbing, and HVAC plans ("Engineering Drawings"), to be integrated 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.

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 the accepted Working Drawings with the accepted Engineering Drawings (collectively "Final Plans") and deliver five (5) sets of the Final Plans to Tenant for Tenant's review and acceptance, as part of the Tenant Improvement Costs. 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 shall accept or reject the Working Drawings, the Engineering Drawings and the Final Plans within fifteen (15) business days after Tenant receives the applicable plans and drawings from Landlord. If Tenant rejects any such plans or drawings, then Tenant shall notify Landlord thereof, specifying in detail the reason for such rejection, in which case Landlord shall revise the applicable plans or drawings and deliver revised plans or drawings to Tenant within ten (10) days after receipt of Tenant's rejection notice. This procedure shall be repeated until the applicable plans are accepted by Tenant. 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.

5.6 Schedule. Within thirty (30) days after the Plan Submission Date, Landlord shall submit to Tenant a detailed construction schedule, subject to acceptance by Tenant, which shall not be unreasonably withheld, setting forth the completion dates of certain project benchmarks, 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, construction completion, the Projected Commencement Date and other relevant dates. As the construction continues, Landlord shall amend the construction schedule at Tenant's request once each month to reflect any changes to the projected dates, and Landlord shall promptly submit the revised construction schedules to Tenant.

5.7 Submittals. The Contractor shall submit to Tenant any Shop Drawings, Product Data, Samples and 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" are 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" are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor 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 accepted by the Tenant.

6. Landlord's TI Cost Summary and Payment of Tenant Improvement Costs.

6.1 Cost Summary. Within twenty-one (21) days after the Plan Submission Date, Landlord shall submit to Tenant a preliminary cost summary for the Tenant Improvements in a format similar to Addendum C attached hereto (the "Preliminary TI Cost Summary"), which must not exceed the sum of the Tenant Improvement Allowance and Tenant's TI Contribution. The Preliminary TI Cost Summary shall be revised into final form within ten (10) business days after the date that the Contractor is selected and will be referred to herein as the "Final TI Cost Summary". Tenant shall have ten (10) business days after the date of receipt of the Final TI Cost Summary to accept or reject the Final TI Cost Summary, including but not limited to any Contractor overhead, profit and/or general conditions costs included therein; provided, however, that any proposed increase to Tenant's TI Contribution shown on the Final TI Cost Summary shall not be effective unless approved in an email or a separate written agreement executed by Landlord and Tenant. Tenant's failure to accept or reject the Final TI Cost Summary in writing within such period shall be deemed to be Tenant's rejection. Construction of the Tenant Improvements shall not begin until Tenant accepts the Final TI Cost Summary in writing and any delay of providing its approval of the Final TI Cost Summary shall be a Tenant Delay. If Tenant rejects the Final TI Cost Summary due to matters related to cost and the Final TI Cost Summary is ten percent (10%) or more higher in cost than was 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, as part of the Tenant Improvement Costs, to comply with the Preliminary TI Cost Summary, and any delay caused by the necessity to rebid or redesign the Tenant Improvements shall not be considered a Tenant Delay. If Tenant rejects the Preliminary TI Cost Summary or the Final TI Cost Summary, the parties shall promptly confer to resolve all issues relating thereto.

6.2 Tenant Improvement Allowance and Tenant's TI Contribution. All improvements required by the Final Plans, as further described in Addendum B hereto, and any and all modular furniture described in the Modular Specifications (as defined below) shall be referred to herein, collectively, as "Tenant Improvements." All Costs of Tenant Improvements shall include, without limitation, costs for furniture, telecommunications equipment, soft costs, and any other costs approved in writing by Tenant (collectively "Tenant Improvement Costs"), all of which must not exceed the Tenant Improvement Allowance, Tenant's TI Contribution and costs of any Change Authorizations (as defined below) that are approved in writing by both parties. Notwithstanding any contrary provision contained herein, it is expressly understood and agreed that Landlord's and Tenant's total contribution for the Tenant Improvements shall not exceed the Tenant Improvement Allowance. Landlord shall be solely responsible for any delay or increased cost in completing the Tenant Improvements except for delays or costs arising from Tenant Delays, Force Majeure or Change Authorizations as defined below. Except as otherwise provided herein, all Tenant Improvement Costs shall be paid by Landlord and deducted from the Tenant Improvement Allowance. If the Tenant Improvement Costs exceed the Tenant Improvement Allowance, then, Tenant may authorize Landlord to pay the overage in an amount not exceeding

Tenant's TI Contribution. Tenant shall pay such overage to Landlord within thirty (30) days after Landlord delivers an invoice therefor.

6.3 Method of Payment. That portion of Tenant's TI Contribution used to pay for any Tenant Improvement Costs in excess of the Tenant Improvement Allowance shall be paid to Landlord in a lump sum, within thirty (30) days following when (a) the Tenant Improvements are Substantially Complete, (b) the Tenant Improvement costs are fully reconciled, (c) Landlord delivers to Tenant fully executed copies of all Tenant Improvement contracts, change orders and documents and (d) Tenant approves the TI reconciliation and corresponding documents, which approval shall not be unreasonably withheld, conditioned or delayed.

7. Construction of Tenant Improvements.

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

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 be selected by Landlord only after three (3) bids have been solicited from responsible and qualified persons. The bids shall include an itemized list of all materials and labor and shall include all additional costs, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Landlord shall also obtain three (3) bids for the purchase and installation of Tenant's office furniture system, if applicable, in accordance with Section 9.1 below.

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

7.4 Commencement of Construction. Landlord shall commence construction of the Tenant Improvements within thirty (30) days after issuance of all necessary permits and governmental approvals. Contractor shall obtain the building permit for the Tenant Improvements prior to the commencement of construction. Thereafter, Landlord shall diligently proceed to construct and complete all Tenant Improvements in a good and workmanlike manner, subject only to any cessation that may be caused by Force Majeure Delays (as defined below) and/or Tenant Delays.

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. As part of the Tenant Improvement Costs, all design and programming, space planning and interior decorating services, such as selection of wall paint colors and/or wall coverings, furniture, fixtures, carpeting and any other decor selection efforts

required by Tenant, shall be provided by Landlord in accordance with Tenant's Space Plan. Landlord shall consult with Tenant with respect to all such decorating services and decisions.

(c) Warranties. Landlord shall cause the Contractor to issue to Tenant a warranty that the Tenant Improvements shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of Substantial Completion. Landlord shall require each 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.

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

(e) Compliance with Laws. As part of the Tenant Improvement Costs, 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. 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. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly wage rate and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction of the Tenant Improvements. Particulars of the current Prevailing Wage Scale, as approved by the Board of Supervisors, which are applicable to the work, are filed with the Clerk of the Board of Supervisors and must be posted at the site.

(f) Access During Construction. Tenant shall have the right to inspect the Tenant Improvements during the course of construction. Additionally, pursuant to Section 4.3 of the Lease, Tenant shall be entitled to enter the Premises at least 30 days prior to the Commencement Date, upon prior notice to Landlord and receipt of Landlord's consent, which shall not be unreasonably withheld, conditioned or delayed, for the sole 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.

7.6 Completion/Close Out. The Premises shall not be considered Substantially Complete until the Tenant Improvements have been completed in accordance with the Final Plans, 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 ten (10) business 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, as part of the Tenant Improvement Costs, 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. Latent or hidden defects in the Tenant Improvements shall be brought to

Landlord's attention promptly upon Tenant's becoming aware of such defects. Landlord, at Landlord's sole cost and, shall promptly cause such defects to be repaired following receipt of notice thereof, and Tenant shall have the same rights with respect thereto as set forth herein for all other punch-list items.

7.7 **Conformed Plans.** Within sixty (60) days after Substantial Completion of the Tenant Improvements and Landlord's receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans ("as-builts") incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such "as-built" or "record documents" shall be submitted in Auto CAD R 15.dwg (or later version) format, along with one complete set of mylar transparencies of drawings and one complete set of specifications.

8. **Requests for Change.** Tenant and Landlord may request changes, additions, deletions or substitutions in the Final Plans (each, a "Request for Change"), provided that the requesting party must submit a written request to the other party and that Requests for Change will not be effective unless approved in writing by both Tenant and Landlord (a "Change Authorization"). At the time a Request for Change, Landlord shall inform Tenant of the number of days of delay caused by the Change Authorization. The one hundred eighty (180) day period for Landlord to complete the work described in Section 4.2 of the Lease shall be extended on a day for day basis for each day of delay due to the Change Authorization and the Projected Commencement Date shall be extended on a day for day basis for each day of delay due to the Change Authorization. The amount of the Change Contingency set forth in Section 1 has been authorized by the Board of Supervisors of the County to be used to pay the costs of any and all Change Authorizations, but only the Chief Executive Officer is authorized to execute Change Authorizations on behalf of Tenant, and only if the aggregate amount of all approved Change Authorizations does not exceed the Change Contingency. 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 Tenant Improvement 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 such costs (a) in a lump sum, within thirty (30) days following the date of Substantial Completion of the Tenant Improvements, or (b) in equal monthly payments, amortized over the term of the Lease at the Change Authorization Amortization Rate. Landlord shall be solely responsible for the cost of any Change Authorizations or other Requests for Change that are not Tenant-Requested Changes. Landlord shall only be permitted to request a Request for Change to the extent (i) required for the issuance of the building permit or other permit for the Tenant Improvements or (ii) in order to cause the Tenant Improvements to comply with applicable laws. All costs incurred in connection with a Landlord-requested Request for Change shall be part of the Tenant Improvement Costs.. Landlord shall submit to the Chief Executive Officer with each Request for Change: (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Change Authorizations previously approved, and (iii) an estimate of the construction time which will be increased or shortened if the Request for Change is approved. Each Change Authorization must be signed and dated by the Chief Executive Officer.

9. **Furniture System.**

9.1 Tenant shall deliver to Landlord within ten (10) days after execution hereof, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, Landlord and /or Landlord's architect shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors. 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 install the same within the Premises, all of which shall be a Tenant Improvement Cost. Tenant's acceptance of any bid package shall not be deemed to be a representation by Tenant as to the adequacy or correctness of any specifications contained therein.

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 realty or 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.

10. Tenant Improvement Costs Adjustment and Right to Audit. Within ten (10) business days of the issuance of a Certificate of Occupancy for the Premises or a final sign-off by the City of Los Angeles, whichever occurs first, Landlord shall provide to Tenant a statement showing (a) all Tenant Improvement Costs in reasonable detail and sorted into the same line items as the Final TI Cost Summary, and (b) the amount of Tenant Improvement Costs that is excess of the Tenant Improvement Allowance and payable hereunder by Tenant to Landlord. Upon approval of such statement by Tenant, payments by either party pursuant to the Lease and this Work Letter shall be adjusted as appropriate based upon such statement. Tenant shall have the right to audit the Tenant Improvement Costs at any time during the first one hundred eighty (180) days after the date of Tenant's Acceptance of the Premises. If the audit shows that Tenant is entitled to a reduction in payments made by Tenant to the Landlord pursuant to this Work Letter, then Tenant shall provide Landlord with a copy of the audit summary for Landlord's review and confirmation. If Landlord confirms that Tenant is entitled to a reduction in payment, then Landlord shall pay Tenant the amount of any over-payment made by Tenant within thirty (30) days.

11. Telephone/Computer Room and Equipment. As part of the Tenant Improvement Costs, Landlord shall complete the telephone equipment room(s), including permanent power and HVAC, in compliance with the Space Plan and specifications provided by Tenant, at least thirty (30) days prior to the Projected Commencement Date. During this thirty (30) day period, the Tenant shall be solely responsible for the security and protection of any telephone/data equipment delivered to the site prior to the Projected Commencement Date.

12. Delay.

12.1 Tenant Delays and Force Majeure Delays and Change Authorizations. Except as set forth in this Landlord's Work Letter or in the Lease to the contrary, Tenant shall not be charged as a result of any delay in the construction of Tenant Improvements. Subject to the provisions of Section 12.2, the Projected Commencement Date set forth in the Lease and the one hundred eighty (180) day period to complete the Tenant Improvements set forth in Section 4.2 of the Lease shall be extended one (1) day for each day that: (a) Tenant fails or refuses to give authorizations or approvals within the time periods required herein, but only to the extent such delays delay the commencement or completion of construction of the Tenant Improvements (referred to herein as "Tenant Delay(s)"); or (b) Substantial Completion of the Tenant Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war act of public enemy, sabotage, delay in the issuance of building permits or other required approvals by governmental authorities (provided the party responsible for obtaining such permits or approvals is diligently pursuing the issuance thereof, or other similar causes beyond the reasonable control of Landlord (referred to herein as "**Force Majeure Delay(s)**") or (iii) Landlord's performance of the work described herein is delayed due to a Change Authorization.

12.2 Limitations.

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

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

(c) Concurrent Delays. Tenant Delays and Force Majeure Delays shall be recognized hereunder only if the same are not concurrent with any other Tenant Delay or Force Majeure Delay that is effective hereunder. For example, if there are ten (10) days of Tenant Delays, and four (4) days of Force Majeure Delays occur during the same ten (10) day period of Tenant Delays, then the Projected Commencement Date would be extended by only ten (10) days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, then the Projected Commencement Date would be extended by fourteen (14) days.

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

13. Tenant Remedies. If Landlord fails to obtain the building permit to construct the Tenant Improvements within a reasonable time, taking all factors into consideration, or if the Tenant

Improvements have not been completed within one hundred eighty (180) days after the Projected Commencement Date, then Tenant may, at its option:

13.1 Cancel the Lease upon the terms and conditions set forth in Section 4.2 of the Lease; or

13.2 Upon sixty (60) days written notice to Landlord, assume the responsibility for constructing and/or completing the Tenant Improvements itself. If Tenant elects to construct or complete the Tenant Improvements itself, then:

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

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

Any default by Landlord under the terms of this Work Letter beyond applicable notice and cure periods shall constitute a 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 1.2 of the Lease.

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 1.2 of the Lease.

15. Elevator Usage During Move-In. In the event that the use of the freight elevators and/or hoists is not sufficient to meet Tenant's requirements during the early entry period set forth in Section 4.3 of the Lease, as part of the Tenant Improvement Costs, (a) Landlord shall cause to be made operational a temporary construction elevator and hoist, or (b) Tenant shall have priority usage of two (2) passenger elevators in the elevator bank that services the Premises in order to assist Tenant in the installation of Tenant's fixtures, furniture and equipment.

16. Construction Meetings. During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, unless Tenant directs

otherwise, at a time and place that is mutually convenient. An initial construction meeting shall be held within five (5) days after the date the Contractor is selected. Contractor shall provide minutes of each construction meeting to Tenant within a reasonable time thereafter, but not later than the date of the next construction meeting.

17. Delivery. Delivery of all plans and drawings referred to in this Work Letter shall be by commercial messenger service or personal hand delivery, unless otherwise agreed by Landlord and Tenant.

[Signatures on the following page.]

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

LANDLORD:

OMNINET LACC TUCSON, LLC, a Delaware limited liability company, OMNINET LACC VALENCIA, LLC, a Delaware limited liability company, and OMNINET LACC, LLC, a Delaware limited liability company, as tenants in common

By: OMNINET LACC, LLC,
A Delaware limited liability company
Its: Designated Representative

By: Omninet Investment LACC, LLC,
A California limited liability company
Its: Sole Member

By: 
Michael Danielpour
Manager

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate

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 frames, mullions and glazing in good condition;

(b) the core area, including mechanical, electrical, sprinkler, plumbing, 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) men's and women's toilet rooms, including necessary plumbing fixtures, ceramic tile floors, accessories, ceilings and lighting, with running hot and cold water;

(d) unpainted exterior dry wall 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;

(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) standard 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 1,2,3, in which case Landlord, at no cost to Tenant and without deduction from the Tenant Improvement Allowance, shall cause such riser space to be made available to Tenant, and provided further that Tenant shall be responsible for the cost for removing the riser floor seal at each floor and the patching of each seal after installation of Tenant's cable);

(o) two (2) 208/120 and one (1) 480/277 bolt panels connected to the Building power system;

(p) mechanical equipment room with ducted mechanical exhaust system;

(q) concrete floors with trowelled 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) Intentionally Omitted;

(s) primary HVAC duct for cooling and primary HVAC duct for heating (heating is for perimeter zone only) 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 gypsum board on the service core walls, columns and sills in the Premises.

(x) Landlord shall remove abandoned conduit within the Premises, at Landlord's sole cost and expense, if (i) required by the City as a condition precedent to the issuance of the building permit for the Tenant Improvements or (ii) if the existing abandoned conduit is in a location such that it prevents Tenant from installing Tenant's conduit.

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, fixtures and equipment, including telephones, data, computers and cabling therefor;
- (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; and
- (l) Water bottle filling station.

ADDENDUM C To Landlord's Work Letter

PRELIMINARY AND FINAL TI COST SUMMARY

Preliminary TI Cost Summary
Final TI Cost Summary

Lease No. _____
Address: 1200 Corporate Center
Drive, Monterey Park

Cost Category	
Architecture and Engineering Contract	\$
Plan Check Fees	\$
General Contractor	\$
Furniture	\$
Other	\$
Total Tenant Improvement Costs	\$

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	12/2/2020	
BOARD MEETING	1/5/2021	
DELEGATED AUTHORITY BOARD LETTER	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
SUPERVISORIAL DISTRICT AFFECTED	5 th	
DEPARTMENT	Alternate Public Defender (APD)	
SUBJECT	Approve a proposed five-year lease for continued use of 3,200 square feet of existing office space together with 10 on-site parking spaces at 221 E. Walnut Street, Suite 240, Pasadena.	
PROGRAM	Legal Defense	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
DEADLINES/ TIME CONSTRAINTS	The prior lease term expired on October 14, 2018 and is currently on a month-to-month holdover without any additional cost.	
COST & FUNDING	Total cost: \$481,000 for base rent costs, including parking, over initial five years.	Funding source: 100% net County cost.
	TERMS (if applicable): The proposed lease provides for an annual rental increase fixed at 3 percent.	
	Explanation: Sufficient funding to cover the proposed rent, for the first year of the proposed lease term is included in the Fiscal Year (FY) 2020-21 Rent Expense budget, and will be billed back to the APD. The APD has sufficient funding in its FY 2020-21 operating budget to cover the proposed rent for the first year. Beginning in FY 2021-22, ongoing funding for costs associated with the proposed lease will be part of the budget for the APD.	
PURPOSE OF REQUEST	Approval of the recommended actions will authorize and adequately provide continued use of the necessary space to accommodate this County requirement.	
BACKGROUND (include internal/external issues that may exist)	APD has occupied the premises since 2002 and would like to continue housing its Legal Defense staff in the existing premises which services clients at the Pasadena Courthouse. APD is a direct service program with “units” providing high quality and caring legal representation to indigent persons charged with crimes that the Public Defender is unable to represent in court proceedings. APD confirmed that the subject premises is in a desirable location due to the concentration of clients in the surrounding area and proximity to the Pasadena courthouse. The subject office houses 10 full-time employees with on-site parking, which meets the required space needs of APD.	
DEPARTMENTAL AND OTHER CONTACTS	Michael Navarro, Chief Program Specialist 213-974-4364 mnavarro@ceo.lacounty.gov	



County of Los Angeles **CHIEF EXECUTIVE OFFICE**

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

FESIA A. DAVENPORT
Acting Chief Executive Officer

Board of Supervisors
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

January 5, 2021

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

Dear Supervisors:

**FIVE-YEAR LEASE
ALTERNATE PUBLIC DEFENDER
221 EAST WALNUT STREET, PASADENA
(FIFTH DISTRICT)
(3 VOTES)**

SUBJECT

Approval of a proposed five-year lease to replace an existing lease to provide the Alternate Public Defender (APD) continued use of 3,200 square feet of office space and 10 on-site parking spaces for Legal Defense.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease is exempt from the California Environmental Quality Act (CEQA), for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Acting Chief Executive Officer, or her designee, to execute the proposed lease with Park Center Limited Partnership, L.P. (Landlord), for approximately 3,200 square feet of office space and 10 on-site parking spaces located at 221 East Walnut Street, Suite 240, Pasadena, CA 91101, to be occupied by APD. The estimated maximum first-year base rental cost is \$92,160. The estimated total lease cost is \$481,000 over the five-year term. The rental cost will be 100 percent net County cost.

3. Authorize and direct the Acting Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed lease, and to take actions necessary and appropriate to implement the terms of the proposed lease, including, without limitation, exercising the right of first offer to lease additional space and early termination rights.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed five-year lease will allow APD to continue housing its Legal Defense staff in the existing premises. The APD has occupied the subject office space since 2002. The prior lease term expired on October 14, 2018, and is currently on a month-to-month holdover without any additional cost.

This office supports a Legal Defense staff of ten employees servicing clients from the Pasadena Courthouse. Due to the lack of space at the Pasadena court, this office space provides a home office in between court proceedings and allows staff to meet with clients when needed. The APD is a direct service program with units providing high quality and caring legal representation to indigent persons charged with crimes that the Public Defender is unable to represent in court proceedings. As a result of its ideal location attributable to the concentration of clients and proximity to the Pasadena courthouse, the APD confirmed its long-term plan to continue its occupancy at the subject property.

Approval of the recommended actions will find that the proposed lease is exempt from CEQA and will allow the APD to operate at the subject facility.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal 3 - *Realize Tomorrow's Government Today* - provides that our increasingly dynamic, and complex environment, challenges our collective abilities to respond to public needs and expectations. We want to be an innovative, flexible, effective, and transparent partner focused on advancing the common good. The proposed lease supports this goal by providing the APD with office space to house its Legal Defense staff which provides legal representation to constituents in the surrounding area.

The proposed lease is consistent with the Strategic Asset Management Plan Goal 2 – Strengthen Connection between Service Priorities and Asset Decisions and Key Objective 4 – Guide Strategic Decision-Making. The proposed lease will advance this goal and objective by responding to the community need for legal representation services for indigent persons.

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

FISCAL IMPACT/FINANCING

Sufficient funding to cover the proposed rent for the first year of the proposed lease term, is included in the Fiscal Year (FY) 2020-21 Rent Expense budget, and will be billed back to APD. APD has sufficient funding in its FY 2020-21 operating budget to cover the proposed rent for the first year. Beginning in FY 2021-22, ongoing funding for costs associated with the proposed lease will be part of the budget for APD. The rental cost will be 100 percent net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

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

- Base rent includes parking and is subject to annual increases based on the Consumer Price Index (CPI), capped at three percent per annum for year two and year three. After the 36th month of the lease term, the base rent will be at the same base rent in the 36th month through the remainder of the lease term.
- The new base rental rate is \$28.80 per square foot annually compared to the existing rent of \$28.08 per square foot annually which is a 2.56 percent increase from the existing rent.
- The Landlord is responsible for all operating and maintenance costs of the building and all utilities and janitorial costs. The County has no responsibility for any operating and maintenance costs.
- The Landlord will provide the County with ten non-exclusive on-site parking stalls, which are included in the rent at no additional cost throughout the lease term.
- The aggregate cost associated with the proposed lease over the entire term is \$481,000, as shown on Enclosure B.
- The County has the right to terminate the proposed lease any time after 36 months, with 90 days written notice to Landlord.
- Holdover at the proposed lease expiration is permitted on the same lease terms and conditions except the monthly base rent during the holdover period will be at the base rent at the time of the lease expiration.
- The proposed lease will be effective upon approval by the Board and full execution of the proposed lease.

- The County has a right of first offer to lease additional premises prior to the final year of the lease term.

The Chief Executive Office (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 and in close proximity to the Pasadena Courthouse. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$30.00 and \$39.00 per square foot, per year. The base annual rental rate of \$28.80 per square foot, per year for the proposed lease represents a rate that is below the market range for the area. We recommend the proposed facility as the most suitable to meet the County's space requirements.

CEO has communicated with co-working office space companies about office space for the applicable programs and they have informed the CEO that their co-working office space does not have available space for long term occupancy to accommodate the required space needs. In addition, co-working office space is not financially viable in comparison to rental costs of traditional long-term office space.

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 Pasadena has been sent in accordance with Government Code Section 25351. County Counsel has reviewed the proposed lease and approved it as to form.

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

ENVIRONMENTAL DOCUMENTATION

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

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

IMPACT ON CURRENT SERVICES (OR PROJECTS)

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

The Honorable Board of Supervisors
January 5, 2021
Page 6

CONCLUSION

It is requested that the Executive Office of the Board return one certified copy of the Minute Order and an adopted-stamped copy of this letter to the CEO, Real Estate Division, at 320 West Temple Street, 7th Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

FESIA A. DAVENPORT
Acting Chief Executive Officer

FAD:JMN:DPH:DL
JLC:MN:EGC:gw

Enclosures

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

**ALTERNATE PUBLIC DEFENDER
221 EAST WALNUT STREET, PASADENA
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? ² No, the lease exceeds the guideline at 320 sq. ft. per person due to APD's ancillary space requirements.		X	
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? There are 10 parking spaces for 10 employees.		X	
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?	X		
2.	<u>Capital</u>				
	A	Is it a substantial net County cost (NCC) program? 100% NCC	X		
	B	Is this a long-term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Enclosure C?	X		
	G	Was build-to-suit or capital project considered? ² The County currently occupies the space and build-to-suit and capital projects are cost-prohibitive for APD.		X	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			X
	D	Why was this program not co-located?			
		1. ____ The program clientele requires a "stand alone" facility.			
		2. <u>x</u> No suitable County occupied properties in project area.			
		3. <u>x</u> No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. ____ The Program is being co-located.			
	E	Is lease a full-service lease?	X		
	F	Has growth projection been considered in space request?	X		
	G	¹ Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As approved by the Board of Supervisors 11/17/98					
² If not, why not?					

**COMPARISON OF THE PROPOSED LEASE TO EXISTING LEASE
221 EAST WALNUT STREET, PASADENA**

	Existing Lease: 221 E. Walnut St.	Proposed Lease: 221 E. Walnut St.	Change
Area (Square Feet)	3,200 sq. ft.	3,200 sq. ft.	None
Term (years)	5 years	5 years	None
Annual Base Rent ⁽¹⁾ (Base rent includes 10 parking spaces)	Base Rent \$89,856.00 (\$28.08 per sq. ft. annually)	Total \$92,160.00 (\$28.80 per sq. ft. annually)	+\$2,304.00 annually
County's TI Cost	None	None	None
Annual Parking Cost	None (Included in rent)	None (Included in Rent)	None
Janitorial/Utility/Maintenance Costs	None	None	None
Total Annual Lease Costs payable to Landlord	\$89,856.00	\$92,160.00	+\$2,304.00 annually
Low Voltage	None	None	None
Rental rate adjustment	Annual CPI adjustments capped at 4% with a 2% minimum	Annual CPI adjustments capped at 3% for Year 2 and Year 3 only with no minimum	Capped at 3% No minimum Only Year 2-3

(1) The existing and proposed leases are both gross, with the landlord responsible for paying all costs associated with operational and building maintenance.

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

Alternate Public Defender

221 East Walnut Street, Pasadena

Leased Area (sq.ft.) 3,200
 Term (months) 60
 Annual Rent Adjustment - CPI 3.00%
 capped at 3 percent (3%)

Base Rent

Cost Per RSF Per Month	Cost Per RSF Per Year
\$2.40	\$28.80

	1st Year	2nd Year	3rd Year	4th Year	5th Year	Total 5 Year Rental Costs
Annual Base Rent Costs ¹	92,160	94,925	97,773	97,773	97,773	481,000
Total Annual Lease Costs	92,160	94,925	97,773	97,773	97,773	481,000

¹ Annual base rent includes CPI increases capped at 3 percent. Base rent will no longer increase after the 3rd year.

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

ALTERNATE PUBLIC DEFENDER**SPACE SEARCH – FIVE MILE RADIUS
FROM 221 EAST WALNUT STREET, PASADENA**

Address	Ownership	Gross SQ FT	Vacant
5564 N Figueroa St. Los Angeles 90042	Leased	3800	None
215 N Marengo Ave Pasadena 91101	Leased	5784	None
3330 N Lincoln Ave Altadena 91001	Owned	4271	None
2986 E New York Dr Pasadena 91107	Owned	4130	None
2811 Woodlyn Rd Pasadena 91107	Owned	2816	None
221 E Walnut St. Pasadena 91101	Leased	3200	Subject Property
2986 E New York Dr Pasadena 91107	Owned	2880	None
1499 Huntington Dr South Pasadena 91030	Leased	4210	None

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Lease for the Alternate Public Defender (APD) – 221 East Walnut Street, Pasadena – Fifth (5th) Supervisorial District.

A. Establish Service Function Category – Legal Defense for APD servicing clients from the Pasadena Courthouse.

B. Determination of the Service Area – Location is within short distance of the Pasadena Courthouse where the legal defense staff attend legal proceedings with their clients.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: APD requires to be in proximity to the Pasadena Courthouse.
- 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: Subject property is within walking distance to public transportation (Bus and Metro-line).
- 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 to meet the APD's needs of office space in proximity to the Pasadena Courthouse. Staff has been at this location since September 2002.
- Compatibility with local land use plans: The city of Pasadena 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 initial annual base rent is \$92,160 i.e., \$28.80 per square foot per month, including parking, over the first year of the lease. The rental cost will be 100 percent net County cost.

D. Analyze results and identify location alternatives

Based upon the space and service needs of APD, CEO surveyed the immediate area to determine the availability of comparable and more economical site alternatives

Based upon a review of available industry data, CEO has established that the average annual rental range for similar space is between \$30.00 and \$39.00 per square foot, per year. In comparison, the base rental rate of \$28.80 per square foot, per year for the proposed lease agreement represents a rate that is below of the market range for the area. Additionally, the APD will avoid the added expenses of moving to another facility. Therefore, a lease renewal at the existing location is the most viable option and is within budget.

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

The proposed lease will provide adequate and efficient office space for ten employees and clients consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012. There are no available buildings in the area that meet Department requirements.

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE**

LEASE AGREEMENT

COUNTY OF LOS ANGELES – Tenant

PARK CENTER LIMITED PARTNERSHIP – Landlord

221 EAST WALNUT STREET

SUITE 240

PASADENA, CALIFORNIA

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EXHIBITS

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

ADDENDUM NO. 1 – Intentionally Deleted

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") is entered into as of the _____ day of _____, 20__ between PARK CENTER LIMITED PARTNERSHIP, a California limited partnership ("Landlord"), and COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION

1.1 Terms

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

(a) Landlord's Address for Notices:	Park Center Limited Partnership ATTN: Mr. Larry Sue 221 East Walnut Street, Suite 245 Pasadena, CA 91101 Email: parkcenter@pacbell.net
(b) Tenant's Address for Notices:	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
(c) Premises:	Approximately 3,200 rentable square feet, designated as Suite 240, in the Building (defined below), as shown on <u>Exhibit A</u> attached hereto.
(d) Building:	The Building located at 221 E. Walnut Street, Pasadena, California, which is currently assessed by the County Assessor as APN

	5723-003-038 (collectively, the "Property");
(e) Term:	Five (5) years, commencing upon the first day of the first calendar month following Board of Supervisors Approval and full execution of the Lease by both parties, as defined in Section 4.1 (the "Commencement Date"), and terminating at midnight on the day before the 5th annual anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
(f) Estimated Commencement Date:	November 10, 2020
(g) Irrevocable Offer Expiration Date: (see Section 33)	November 9, 2025
(h) Base Rent:	(\$2.40 per rentable square foot per month) \$7,680.00 per month \$92,160.00 per year
(i) Early Termination (see Section 4.4)	Ninety (90) days' notice on or after the 36 th month following the commencement of the Lease
(j) Rentable Square Feet in the Premises:	3,200 rentable square feet
(k) Initial Departmental Use:	Alternate Public Defender, subject to Section 6.
(l) Parking Spaces:	0 exclusive reserved spaces; and 10 unreserved spaces located in the adjacent parking lot servicing the Building
(m) Tenant's Hours of Operation:	6 a.m. to 8 p.m. Monday through Friday, and 9 a.m. to 2 p.m. on Saturdays
(n) Asbestos Report:	A report dated July 30, 2020 prepared by AAA Asbestos & Lead Inspections, Inc., a licensed California Asbestos contractor.
(o) Seismic Report	A report dated August 27, 2002 prepared by

	Department of Public Works.
(p) Disabled Access Survey	A report dated July 28, 2015 prepared by CEO Disability Civil Rights Unit.

1.2 Defined Terms Relating to Landlord's Work Letter

(a) Landlord's TI Allowance:	None
(b) Tenant's TI Contribution:	None
(c) Tenant's TI Contribution Amortization Rate and Change Authorization Amortization Rate:	None
(d) Estimated Monthly Payments Attributable to Total TI Costs in Excess of Landlord's TI Allowance	None
(e) Tenant's Work Letter Representative:	None
(f) Landlord's Work Letter Representative:	None
(g) Landlord's Address for Work Letter Notices:	N/A
(h) Tenant's Address for Work Letter Notices:	N/A
1.3 <u>Exhibits to Lease</u>	<p>Exhibit A - Floor Plan of Premises</p> <p>Exhibit B - Commencement Date Memorandum and Confirmation of Lease Terms</p> <p>Exhibit C - HVAC Standards</p> <p>Exhibit D - Cleaning and Maintenance Schedule</p> <p>Exhibit E - Subordination, Non-Disturbance and Attornment Agreement</p> <p>Exhibit F - Tenant Estoppel Certificate</p> <p>Exhibit G - Community Business Enterprises Form</p> <p>Exhibit H - Memorandum of Lease</p> <p>Exhibit I - Intentionally Deleted</p>
<p>1.4 <u>Addendum No. 1</u></p> <p>(Executed concurrently with this Lease and incorporated herein by this reference):</p>	Intentionally Deleted

2. PREMISES

2.1 Lease of Premises

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

2.2 Measurement of Premises

Tenant shall have the right at any time during the Term of this Lease to field-measure and verify the exact footage of the Premises and/or the Building. All measurements shall be taken in accordance with the methods of measuring rentable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI/BOMA Z65.1-2010, as promulgated by the Building Owners and Management Association ("BOMA") International, except that no penthouse mechanical room space shall be included in the measurement. Should this measurement be less than the square footage stated above, then Tenant shall have the right to adjust such square footage and reduce the Base Rent in Section 1.1 accomplished by the mutual execution of an amendment to this Lease. Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no increase made to the Base Rent if the measured square footage exceeds the amount represented by Landlord.

3. COMMON AREAS

Tenant may use the following areas ("Common Areas") in common with Landlord and any other tenants of the Building: the entrances, lobbies, corridors and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Area established by Landlord.

4. COMMENCEMENT AND EXPIRATION DATES

4.1 Term

The term of this Lease shall be for a period of five (5) years, commencing upon the first day of the first calendar month following the approval of this Lease by the Board of Supervisors and full execution of the Lease by both parties, and ending sixty (60) months thereafter. Within thirty (30) days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing a Commencement Date Memorandum and Confirmation of Lease Terms in the form attached hereto as Exhibit B.

4.2 Termination Right

If the Commencement Date has not occurred within sixty (60) days after the Estimated Commencement Date, then Tenant may thereafter, at any time before the Commencement Date occurs, terminate this Lease effective upon the giving of written notice to Landlord, and the parties shall have no further rights or obligations to one another hereunder.

4.3 Early Entry

Tenant shall be entitled to enter the Premises not less than thirty (30) days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures, and equipment in the Premises. Such early entry shall be subject to all provisions hereof, but shall not advance the Termination Date, and Tenant shall not pay Base Rent nor any other charges for such early entry period.

4.4 Early Termination

Tenant shall have the right to terminate this Lease at any time after the Early Termination date specified in Section 1.1, by giving Landlord not less than ninety (90) days prior written notice, executed by Tenant's Chief Executive Officer or his/her designee.

4.5 Lease Expiration Notice

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

5. RENT

5.1 Base Rent

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

5.2 Base Rent Adjustments

(a) CPI. On the first and second anniversary of the Commencement Date, Base Rent shall be adjusted by applying the CPI Formula set forth below. The "Base Index" shall be the Index published for the month the Lease commences. No further Base Rent adjustments shall be made and the Base Rent in the thirty-sixth month of the Term of the Lease

shall be the Base Rent for the remainder of the Lease Term.

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

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

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

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

6. USES

Landlord agrees that the demised Premises, together with all appurtenances thereto, shall be used by the Tenant for the government department set forth in Section 1.1, any other County Department the County designates, any other governmental purposes, or other lawful purposes that do not materially adversely interfere with other uses in the Building, during Tenant's Hours of Operation, after Tenant's Hours of Operation, and on weekends and holidays.

7. HOLDOVER

If Tenant remains in possession of the Premises or any part thereof after the expiration of the term of this Lease, such occupancy shall be a tenancy which is terminable only upon ninety (90) days written notice from Landlord or thirty (30) days written notice from Tenant's Chief Executive Officer or his/her designee at the last monthly Base Rent payable under this Lease, plus any other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. COMPLIANCE WITH LAW

Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including but not

limited to the Americans with Disabilities Act ("ADA"), except if such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises.

9. DAMAGE OR DESTRUCTION

9.1 Damage

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days, then Landlord shall promptly, at Landlord's expense, repair such damage, and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made unusable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within ten (10) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises leasable again using standard working methods. The failure to do so shall be a material default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant.

9.2 Tenant Termination Right

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days for any reason, then Tenant may terminate this Lease by giving Landlord written notice within ten days after Tenant's receipt of written notice from Landlord or its agents specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became unusable. If Tenant does not elect to terminate this Lease, then Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided that insurance proceeds are available to repair the damages.

9.3 Damage In Last Year

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

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

9.4 Default By Landlord

If Landlord is required to repair and restore the Premises as provided for in this Section 9, and Landlord thereafter fails to diligently prosecute said repair and restoration work to completion, as determined by Tenant in its reasonable discretion, then Tenant may, at its sole election:

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

10. REPAIRS AND MAINTENANCE

10.1 Landlord Representations

- (a) Landlord represents to Tenant that, as of the date hereof and on the Commencement Date:
 - iv. The Premises, the Building, and all Common Areas (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including but not limited to the Americans With Disabilities Act, and are in good working order and condition;
 - iv. The Building and the Premises comply with all covenants, conditions, restrictions and insurance underwriter's requirements;
 - v. The Premises, the Building and the Common Areas are free of the presence of Hazardous Materials (as hereinafter defined); and
 - vi. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation.
- (b) Landlord represents, based upon a professional inspection of the Premises and the Building and the Asbestos Report (as defined in Section 1.1) that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Asbestos Report). Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos-containing materials to the extent required by law and provide Tenant with an updated report from a licensed California Asbestos contractor to that effect.
- (c) CASp Inspection:

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

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

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

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

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

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

10.2 Landlord Obligations

- (a) Landlord shall keep and maintain the Property in good condition and repair and promptly make repairs to and perform maintenance upon and replace as needed:
- iv. the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, foundations, roof, concealed plumbing, stairways, concealed electrical systems and intra-building telephone network cables;
 - iv. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Building;
 - v. the Common Areas;
 - vi. exterior windows of the Building; and
 - vii. elevators serving the Building.
- (b) Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to, or replacements of:
- iv. the floor covering (if such floor covering is carpeting it shall be replaced as needed, but not less often than after five (5) years of use);
 - iv. interior partitions;
 - v. doors, door frames and hardware;
 - vi. the interior side of demising walls (which shall be repainted as needed but not less often than every five (5) years);
 - vii. signage;
 - viii. emergency exit signage and battery replacement;
 - ix. HVAC equipment dedicated to the mechanical rooms housing Tenant's computer servers and related equipment; and
 - viii. Light fixtures, bulbs, tubes and ballasts.
- (c) Landlord shall, to the best of its ability, provide all reports, maintenance records, or other documentation as may be requested from time to time.

10.3 Tenant Obligations

Without limiting Landlord's repair and maintenance obligations, and subject to Section 20.5 hereof, Tenant shall be responsible for (i) the cost of repairing any area of the Property damaged by Tenant or by Tenant's agents, employees, invitees or visitors, and (ii) the repair of low voltage electronic, phone and data

cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall:

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

10.4 Tenant's Right to Repair

- (a) If Tenant provides written notice (or oral notice in the event of an emergency, such as damage or destruction to or of any portion of the Building structure and/or the Building systems, and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and if Landlord fails to provide such action within a reasonable period of time given the circumstances after the giving of such notice, but in any event not later than five (5) days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten (10) days after written notice, then Tenant shall be entitled to deduct from Base Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 15.
- (b) Notwithstanding any provisions of this Lease to the contrary, Tenant, acting through the Chief Executive Office, may request that Landlord perform, supply and administer repairs, maintenance, building services and/or alterations that are the responsibility of the Tenant, not to exceed \$5,000, as part of a separate purchase order issued by the County on Tenant's behalf. Any improvements by Landlord shall be subject to compliance with County Internal Services Department Purchasing Policy and Procedure No. A-0300, effective November 22, 2016, delivered to Landlord and incorporated by reference herein.

11. SERVICES AND UTILITIES

11.1 Services

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

Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Tenant's Hours of Operations in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings and not less than the standard set forth in Exhibit C attached hereto.

(b) Electricity

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

(c) Elevators

Landlord shall furnish freight and passenger elevator services to the Premises during Tenant's Hours of Operations. During all other hours, Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis, and, by prior arrangement with Landlord's building manager, freight elevator service.

(d) Water

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

(e) Janitorial

Landlord, at its sole cost and expense, shall provide janitorial service five (5) nights per week, generally consistent with that furnished in comparable office buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit D attached hereto.

(f) Access

Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building. If required, Landlord shall provide access cards or fobs to all Tenant employees for Building entry, elevators, and/or floor access, at Landlord's sole cost and expense.

(g) Pest Control

Landlord at its sole cost and expense shall provide any and all pest control services to the Premises per the specifications set forth in Exhibit D attached hereto.

11.2 Utilities

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

12. TAXES

Landlord, at its sole cost and expense, shall pay, prior to delinquency, all real property taxes, assessments and special assessments which may be levied or assessed against the Premises or the Building during the term of this Lease or any renewal or holdover period thereof.

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

13. LANDLORD ACCESS

Tenant shall permit Landlord and its agents to enter the Premises during Tenant's Hours of Operations upon prior written notice only for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or the Premises, Base Rent shall be prorated based upon the percentage of the Premises or the Building rendered unusable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency and notify Tenant immediately thereafter.

14. TENANT DEFAULT

14.1 Default

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

- (a) the failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder) as and when due, and the failure continues for a period of ten (10) days after written notice to Tenant;

- (b) the failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of thirty (30) days after written notice from Landlord specifying in detail the nature of the default; provided, however, if more than thirty (30) days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure, within said thirty (30)-day period and thereafter diligently prosecutes such cure to completion.

14.2 Termination

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

14.3 No Effect on Indemnity

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

15. LANDLORD DEFAULT

15.1 Remedies

In addition to the provisions for Landlord's default provided by Sections 9.4, 10.4, 19, 21.2 and 32.3, Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within five (5) days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10.4); provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such five day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

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

(d) to terminate this Lease.

15.2 Waiver

Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

15.3 Emergency

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

16. ASSIGNMENT AND SUBLETTING

16.1 Assignment and Subletting

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

16.2 Sale

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

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

- (a) A letter from the Landlord confirming that the Property was transferred to the new owner, along with written evidence of the transfer of the Property (e.g., a recorded deed).
- (b) A signed letter from the new owner including the following information:

- iv. Name and address of new owner or other party to whom Base Rent should be paid
 - iv. Federal tax ID number for new owner
 - v. Name of contact person and contact information (including phone number) for new owner
 - vi. Proof of insurance
- (c) A W-9 form for new owner.

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

17. ALTERATIONS AND ADDITIONS

17.1 Landlord Consent

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

- (a) complies with all laws;
- (b) is not visible from the exterior of the Premises or Building;
- (c) will not materially affect the systems or structure of the Building; and
- (d) does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building.

17.2 End of Term

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

18. CONDEMNATION

18.1 Controlling Terms

If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title

to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

18.2 Total Taking

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

18.3 Partial Taking

If any portion, but not all, of the Premises or the Common Areas is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the termination date designated by Tenant. If Tenant does not so notify Landlord within thirty (30) days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated in proportion to the degree to which Tenant's use of the Premises and the Common Areas is impaired by such Condemnation.

18.4 Restoration

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

18.5 Award

The Award (as defined below) shall be divided between Landlord and Tenant as their respective interests may appear. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial

Condemnation of the Premises. Tenant shall be entitled to any awards for relocation benefits or goodwill belonging to Tenant.

18.6 Waiver of Statute

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

19. INDEMNIFICATION

19.1 Landlord's Indemnity

The Landlord shall indemnify, defend and hold harmless the Tenant from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with the Landlord's repair, maintenance and other acts and omissions arising from and/or relating to the Landlord's ownership of the Premises.

19.2 Tenant's Indemnity

The Tenant shall indemnify, defend and hold harmless the Landlord, from and against any and all liability, loss, injury or damage, including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees) arising from or connected with the Tenant's repair, maintenance and other acts and omissions arising from and/or relating to the Tenant's use of the Premises.

20. INSURANCE

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

20.1 Waiver

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

20.2 General Insurance Provisions – Landlord Requirements

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

(a) Evidence of Coverage and Notice to Tenant

- iv. Certificate(s) of insurance coverage ("Certificate") satisfactory to Tenant, and a copy of an Additional Insured endorsement confirming that Tenant and its Agents (defined below) has been given insured status under the Landlord's General Liability policy, shall be delivered to Tenant at the address shown below and provided prior to the start day of this Lease.
- iv. Renewal Certificates shall be provided to Tenant not less than 10 days prior to Landlord's policy expiration dates. The Tenant reserves the right to obtain complete, certified copies of any required Landlord insurance policies at any time.
- v. Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Landlord identified in this Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding twenty-five thousand (\$25,000.00) dollars, and list any Tenant-required endorsement forms.
- vi. Neither the Tenant's failure to obtain, nor the Tenant's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Landlord, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
- vii. Certificates and copies of any required endorsements, and/or notices of cancellation shall be delivered to:

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

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

(b) Additional Insured Status and Scope of Coverage

The Tenant, which is the County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively, "Tenant and its Agents"), shall be provided additional insured status under Landlord's General Liability policy with respect to liability arising from or connected with the Landlord's acts, errors, and omissions arising from and/or relating to the Landlord's operations on

and/or its ownership of the premises. Tenant's additional insured status shall apply with respect to liability and defense of suits arising out of the Landlord's acts or omissions, whether such liability is attributable to the Landlord or to the Tenant. The full policy limits and scope of protection also shall apply to the Tenant as an additional insured, even if they exceed the Tenant's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

(c) Cancellation of or Changes in Insurance

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

(d) Failure to Maintain Insurance

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

(e) Insurer Financial Ratings

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

(f) Landlord's Insurance Shall Be Primary

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

(g) Waiver of Subrogation

To the fullest extent permitted by law, the Landlord hereby waives its and its insurer(s) rights of recovery against Tenant under all required insurance policies for any loss arising from or related to this Lease. The

Landlord shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.

(h) Deductibles and Self-Insured Retentions ("SIRs")

Landlord's policies shall not obligate the Tenant to pay any portion of any Landlord deductible or SIR. The Tenant retains the right to require Landlord to reduce or eliminate policy deductibles and SIRs as respects the Tenant, or to provide a bond guaranteeing Landlord's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

(i) Claims Made Coverage

If any part of the Required Insurance is written on claims made basis, any policy retroactive date shall precede the start date of this Lease. Landlord understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Lease expiration, termination or cancellation.

(j) Application of Excess Liability Coverage

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

(k) Separation of Insureds

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

(l) Tenant Review and Approval of Insurance Requirements

The Tenant reserves the right to review and adjust the Required Insurance provisions, conditioned upon Tenant's determination of changes in risk exposures.

20.3 Insurance Coverage Types And Limits

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

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

General Aggregate:	\$ 2 million
Products/Completed Operations Aggregate:	\$ 1 million
Personal and Advertising Injury:	\$ 1 million

Each Occurrence:

\$ 1 million

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

20.4 Landlord Requirements

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

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

General Aggregate:	\$ 10 million
Products/Completed Operations Aggregate:	\$ 10 million
Personal and Advertising Injury:	\$ 5 million
Each Occurrence:	\$ 5 million

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

- iv. Provide coverage for Tenant's property and any tenant improvements and betterments to the Premises; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), excluding earthquake and including flood and ordinance or law coverage.
- iv. Be written for the full replacement cost of the Property, with a deductible no greater than \$250,000 or 5% of the Property value, whichever is less. Insurance proceeds shall be payable to the Landlord and Tenant, as their interests may appear.

21. PARKING

21.1 Tenant's Rights

Tenant shall have the right to the number of exclusive reserved parking spaces and unreserved parking spaces set forth in Section 1.1, without charge, for the Term of this Lease. No tandem parking shall be required or allowed, and Tenant shall be entitled to full in/out privileges at all times. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all unreserved parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building. Landlord, at its sole expense, shall provide Tenant with at least one (1) parking access card or key fob for each reserved or unreserved parking space set forth in Section 1.1, if applicable.

21.2 Remedies

Landlord acknowledges that it is a material term of this Lease that Tenant receives all of the parking spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the parking spaces required above are not available to Tenant (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation), then Tenant may:

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

22. ENVIRONMENTAL MATTERS

22.1 Hazardous Materials

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

22.2 Landlord Indemnity

Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fines, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of, or in connection with, the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials other than those caused by Tenant. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

23. ESTOPPEL CERTIFICATES

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

24. INTENTIONALLY DELETED

25. LIENS

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

26. SUBORDINATION AND MORTGAGES

26.1 Subordination and Non-Disturbance

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

26.2 Existing Deeds of Trust

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

26.3 Notice of Default

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

27. SURRENDER OF POSSESSION

Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

28. SIGNAGE

Tenant shall be allowed building standard signage on the directory located in the ground floor lobby of the Building and elevator lobbies of the floors of the Premises and suite signage, all of which shall be at Landlord's expense. Tenant shall have the right to install, at Landlord's sole cost and expense, up to two (2) lines per 1,000 rentable square feet of the Premises on the Building's directory board in the main lobby of the Building. Tenant shall be permitted to install signs at the Premises that conform with any and all applicable laws and ordinances.

29. QUIET ENJOYMENT

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

30. GENERAL

30.1 Headings

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

30.2 Successors and Assigns

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

30.3 Brokers

Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing 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.

30.4 Entire Agreement

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

30.5 Severability

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

30.6 Notices

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

30.7 Governing Law and Venue

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

30.8 Waivers

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

Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

30.9 Time of Essence

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

30.10 Consent

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

30.11 Community Business Enterprises

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

30.12 Memorandum of Lease

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

30.13 Counterparts; Electronic Signatures

This Lease and any other document necessary for the consummation of the transaction contemplated by this Lease may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Lease and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Lease had been delivered had been signed using a handwritten signature. Landlord and Tenant (i) agree that an electronic signature, whether digital or encrypted, of a party to this Lease is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intended to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Lease based on the foregoing forms of signature. If this Lease has been

executed by electronic signature, all parties executing this document are expressly consenting under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act ("UETA")(Cal. Civ. Code § 1633.1, et seq.), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

31. AUTHORITY

Only the County's Board of Supervisors ("Board of Supervisors") has the authority, by formally approving and/or executing this Lease, to bind Tenant to the terms included herein. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease, and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by Tenant. Tenant shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Office of the County (the "Chief Executive Office") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an early termination notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

32. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

32.1 Consideration of GAIN Program Participants

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

32.2 Solicitation of Consideration

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

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

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

32.3 Landlord Assignment

- (a) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.
- (b) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease, or any portion thereof, as security for the Landlord's obligation to repay any monetary obligation, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.
- (c) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the Tenant. Notwithstanding the foregoing, the Tenant hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (commercial mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.
- (d) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the Tenant may impose damages in an amount equal to the greater of \$500,000 or 10% of the aggregate principal portion of all rental payments payable by the Tenant during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be

impracticable and extremely difficult to fix actual damages. In addition, the Tenant may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

- (e) Landlord shall give Tenant written notice and a copy of each and every assignment, transfer, hypothecation or encumbrance of Landlord's interest in this Lease and any instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least thirty (30) days prior to the effective date thereof.
- (f) Landlord shall not furnish any information concerning Tenant or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the Tenant) to any person or entity, except with Tenant's prior written consent. Landlord shall indemnify, defend and hold Tenant and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section 32.3.
- (g) The provisions of this Section 32.3 shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns, whether so expressed or not.

32.4 Smoking in County Facilities

- . The Surgeon General of the United States has concluded that passive smoke exposure is the third leading cause of preventable death in the United States. The United States Environmental Protection Agency has found second-hand smoke to be a known carcinogen. It is recognized that the County has a responsibility to establish, maintain and promote a healthful and safe working environment and to reduce health and safety risks of its employees and the public at large. Tobacco smoke is a hazard to the health of County employees and the general public and represents an annoyance which should be regulated and banned in all county facilities to the end that air quality in all such facilities be improved for the preservation and improvement of the health of all County employees and the public. Therefore, to the greatest extent possible, the rights and comfort of all employees shall be respected. Reasonable effort shall be made to provide smokers a place to smoke in areas open to the sky or otherwise located outside County facilities and, except as provided under Los Angeles County, California - Code of Ordinances Chapter 2.126 ("LAMC 2.126"), all portions of County-owned facilities and all portions of facilities leased by or from the County, which areas are not open to the sky, shall be designated as "no smoking" areas. Smoking, including the use of electronic smoking devices, shall be prohibited in the following areas of County facilities: (1) Within 50 feet of any operable entry or exit door or operable window of any County building and within 25 feet of any access ramp or handicap path; (2) Within any County parking lot, parking structure, or parking garage, whether enclosed or open to the sky; or (3)

Within any driving range and eating area, including outdoor eating areas, of any County golf course. International no-smoking signs and other appropriate signs which designate no-smoking areas shall be clearly, sufficiently and conspicuously posted in every room, building or other place so covered by LAMC 2.126. The manner of such posting, including the wording, size, color and place of posting, whether on the walls, doors, tables, counters, stands or elsewhere, shall be at the discretion of the building proprietor so long as clarity, sufficiency and conspicuousness are apparent in communicating the intent. (Los Angeles County, California - Code of Ordinances Chapter 2.126.)

33. IRREVOCABLE OFFER

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

34. RIGHT OF FIRST OFFER TO LEASE ADDITIONAL PREMISES.

34.1 Provided that no material Default has occurred and is continuing under the Lease, if at any time prior to the last twelve (12) months of the Term, Landlord intends to offer leasable space located contiguous to the Premises (the "Additional Premises") for lease to third parties or to accept an offer of a third party to lease the Additional Premises, Landlord shall first give written notice to Tenant of the rental rate and other material terms upon which Landlord is willing to lease the Additional Premises ("Landlord's Lease Notice"). Landlord's Lease Notice shall constitute an offer to lease the Additional Premises to Tenant at the rental rate and upon the terms and conditions contained in Landlord's Lease Notice and shall state the anticipated date of availability of the Additional Premises. Tenant shall have ninety (90) business days after receipt of Landlord's Lease Notice to accept such offer. Tenant shall accept such offer, if at all, only by delivery to Landlord of Tenant's irrevocable written commitment to lease the Additional Premises at the rental rate and upon the terms and conditions contained in Landlord's Lease Notice (the "Expansion Commitment").

34.2 If Tenant delivers to Landlord the Expansion Commitment within such ninety (90) business day period, all (but not part) of the Additional Premises shall be leased to Tenant commencing on the earlier of (a) the date Tenant first uses the Additional Premises for the Permitted Use; or (b) thirty (30) days after Landlord provides Tenant with possession of the Additional Premises and continuing for a period of time coterminous with the remaining Term, including any options to extend the Term. Tenant shall lease the Additional Premises upon the same terms, conditions and covenants as are contained in the Lease except that (i) the Base Rent for the Additional Premises shall be at the rate set forth in Landlord's Lease Notice, and (ii) any terms and conditions set forth in Landlord's Lease Notice that are inconsistent with the terms and conditions of the Lease shall control.

34.3 Except as otherwise set forth in Landlord's Lease Notice, possession of the Additional Premises shall be delivered to Tenant on an "as-is" basis. Landlord shall prepare and Landlord and Tenant shall execute and deliver a written agreement


modifying and supplementing the Lease and specifying that the Additional Premises are part of the Premises and, except as otherwise specified in Landlord's Lease Notice, subject to all of the terms and conditions of the Lease.

34.4 Time is of the essence with respect to the exercise by Tenant of its rights granted hereunder. In the event Tenant fails to deliver to Landlord Tenant's Expansion Commitment within the ninety (90) business day period prescribed above, all rights of Tenant to lease the Additional Premises shall terminate and Landlord shall have no further obligation to notify Tenant of any proposed leasing of the Additional Premises, and Landlord shall thereafter have the unconditional right to lease the Additional Premises to third parties or to accept offers from third parties to lease the Additional Premises without further obligation to Tenant. The rights granted to Tenant under this Section 34 shall not apply to any sales or similar transfers of the Additional Premises.

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

LANDLORD:

PARK CENTER LIMITED PARTNERSHIP,
a California limited partnership

By: 
Name: LARRY SWE
Its: Managing General Partner

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Acting Chief Executive Officer

By: _____
Dean Lehman, P.E.
Senior Manager, Property Division

ATTEST:

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

By: _____
Deputy

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA
Acting County Counsel


By: 
Deputy

EXHIBIT A

FLOOR PLAN OF PREMISES

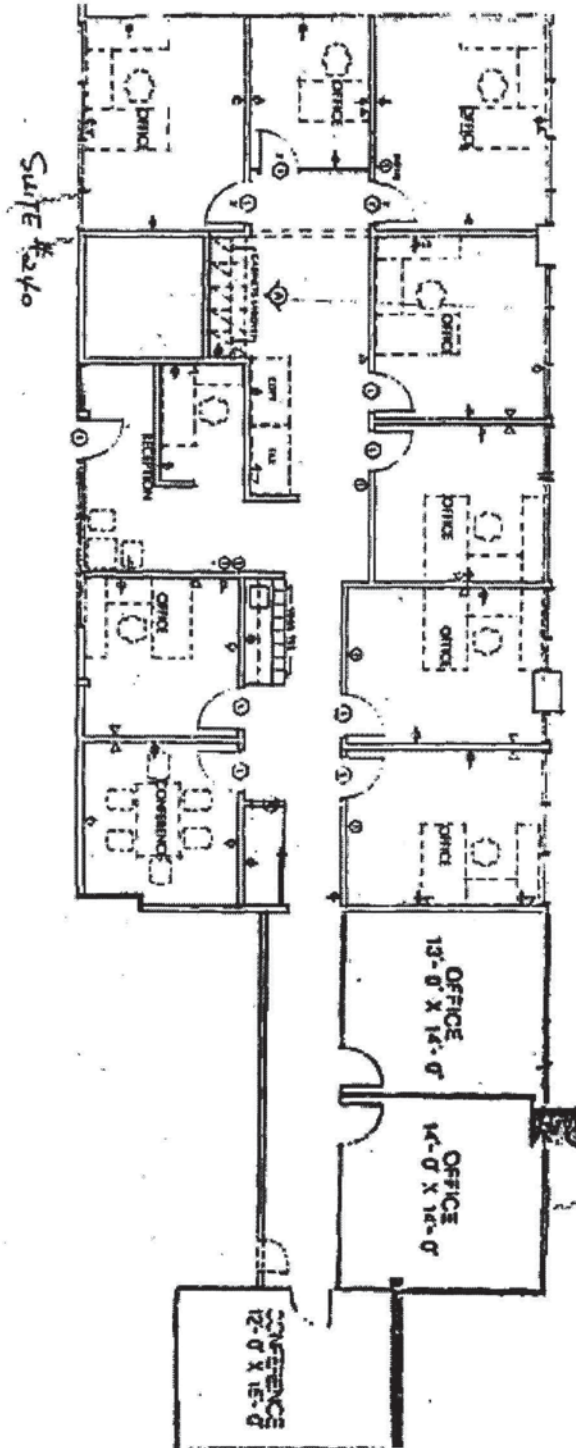


EXHIBIT B

COMMENCEMENT DATE MEMORANDUM AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain Lease Agreement ("Lease") dated _____, 20__, between County of Los Angeles, a body corporate and politic ("Tenant"), and _____, a _____ ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at _____ ("Premises"),

Landlord and Tenant hereby acknowledge as follow:

- 4) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____ ("Possession Date");
- 4) Tenant has accepted possession of the Premises and now occupies the same;
- 5) The Lease commenced on _____ ("Commencement Date");
- 6) The Premises contain _____ rentable square feet of space; and
- 7) Landlord has paid a commission in the amount of \$_____ to Tenant pursuant to Section 30.3 of the Lease.

[INCLUDE ONLY IF SECTION 5.2 PROVIDES FOR BASE RENT ADJUSTMENTS:]

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

- 4) Base Rent per month is _____.
- 8) The Base Index month is _____.
- 9) The Base Index is _____.
- 10) The first New Index month is _____.]

IN WITNESS WHEREOF, this memorandum is executed this _____ day of _____, 20____.

Tenant:

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____

Name _____
Its _____

Landlord:

Park Center Limited Partnership
a California Limited Partnership

By: _____



Name LARRY SUE
Its Managing General Partner

EXHIBIT C

HEATING, VENTILATION AND AIR CONDITIONING

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Tenant's Hours of Operation established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one zone for approximately each 1,000 square feet and one diffuser for each 200 square feet of usable/net square footage within the Premises. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.

EXHIBIT D

CLEANING AND MAINTENANCE SCHEDULE

A. DAILY (Monday through Friday)

1. Carpets vacuumed.
2. Composition floors dust-mopped.
3. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
4. Waste baskets, other trash receptacles emptied.
5. Chairs and waste baskets returned to proper position.
6. Fingerprints removed from glass doors and partitions.
7. Drinking fountains cleaned, sanitized and polished.
8. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
9. Bulb and tube replacements, as required.
10. Emergency exit signage and egress battery replacement (if applicable)
11. Graffiti expunged as needed within two working days after notice by Tenant
12. Floors washed as needed.
13. Standard kitchen/lunchroom/restroom supplies replenished, including, but, not limited to, paper supplies and soap.

B. WEEKLY

14. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.
15. Window sills, ledges and wood paneling and molding dusted.

C. MONTHLY

16. Floors washed and waxed in uncarpeted office area.
17. High-reach areas, door frames and tops of partitions dusted.
18. Upholstered furniture vacuumed, plastic and leather furniture wiped
19. Picture moldings and frames dusted.
20. Wall vents and ceiling vents vacuumed.

21. Carpet professionally spot cleaned as required to remove stains.
22. HVAC chiller water checked for bacteria, water conditioned as necessary.

D. QUARTERLY

23. Light fixtures cleaned and dusted, but not less frequently than quarterly.
24. Wood furniture polished.
25. Draperies or mini-blinds cleaned as required, but not less frequently than quarterly.
26. HVAC units serviced for preventative maintenance purposes, all filters changed.

E. SEMI-ANNUALLY

27. Windows washed as required inside and outside but not less frequently than twice annually.
28. All painted wall and door surfaces washed and stains removed.
29. All walls treated with vinyl covering washed and stains removed.

F. ANNUALLY

30. Furniture Systems and any other fabric or upholstered surfaces including chairs, couches, walls, etc., spot cleaned, or if determined to be necessary in Tenant's sole discretion, professionally cleaned in their entirety using a water extraction system.
31. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.
32. Touch-up paint all interior painted surfaces in a color and finish to match existing.

G. AS NEEDED

33. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
34. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.
35. Interior and exterior pest control inspections and remediation frequency is to be determined by a licensed exterminator.

36. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning:

- iv. heavy traffic areas cleaned as needed, with a minimum frequency of bi-monthly [six (6) times per year];
- v. moderate traffic areas cleaned as needed, with a minimum of once every six (6) months [two (2) times per year]; and
- vi. clean light traffic areas a minimum of once per year.

Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.

1. All walls repainted and wall coverings replaced throughout the Premises. The paint finish should be eggshell or semi-gloss as directed by Tenant and in a color acceptable to Tenant. In no event will Landlord be required to repaint or replace wall coverings more than one (1) time in a five (5) year period (the "Occurrence") except for touch-up paint as provided in Paragraph 6.C. of this Exhibit E. The initial tenant improvements completed prior to Tenant's occupancy or as a condition to the renewal of the Lease shall not constitute an Occurrence for the purpose of determining the frequency of this work.

1. All HVAC ducts cleaned as needed, but no less than every five (5) years.

H. GENERAL

Landlord shall, upon request of Tenant, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

EXHIBIT E

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

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

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

)
)
)
)
)
)
)

Space above for Recorder's Use

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

NOTICE: THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

This Subordination, Non-disturbance and Attornment Agreement ("Agreement") is entered into as of the ____ day of _____, 20__ by and among COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant"), [*Insert name of Landlord*], ("Borrower") and [*Insert name of Lender*], ("Lender").

Factual Background

A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.

B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").

C. Tenant and Borrower (as "Landlord") entered into a lease dated _____ (the "Lease") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "Premises").

D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a non-disturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

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

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

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

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

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

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

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

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

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

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

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

To Lender: _____

To Borrower: _____

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

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

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

By: _____
Name: _____
Title: _____

BORROWER: *[Insert name of Landlord]*

By: _____
Name: _____
Title: _____

LENDER: *[Insert name of Lender],*

By: _____
Name: _____
Title: _____

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

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

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

personally appeared _____,
Name of Signer(s)

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

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

WITNESS my hand and official seal.

Signature (Seal)

EXHIBIT F

TENANT ESTOPPEL CERTIFICATE

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

Attn: _____

Re: Date of Certificate: _____
 Lease Dated: _____
 Current Landlord: _____
 Located at: _____
 Premises: _____
 Commencement Date of Term: _____
 Expiration Date: _____
 Current Rent: _____

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

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

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

 (b) The current Rent is set forth above.

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

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

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

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

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

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

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

(e) No rental payments have been made more than one (1) month in advance.

4. All contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full, and all of Landlord's obligations with respect to tenant improvements have been fully performed, except: _____.

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

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____
Name: _____
Title: _____

EXHIBIT G

COMMUNITY BUSINESS ENTERPRISE FORM

INSTRUCTIONS: All Landlords shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of MBE/WBE participation. The information requested below is for statistical purposes only. The final analysis and consideration of the lease will be determined without regard to race, creed, color or gender. (Categories listed below are based on those described in 49 CFR Section 23.5)

I. Minority/Women Participation in Firm (Partners, Associate Partners, Managers, Staff, etc.)

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

II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

1. Type of Business Structure: (Corporation, Partnership, Sole Proprietorship, Etc.) _____

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



EXHIBIT H

MEMORANDUM OF LEASE

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

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

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

MEMORANDUM OF LEASE


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

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

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

Dated: _____, 20__.

LANDLORD:

Park Center Limited Partnership
By: 
Its: LARRY SWE
Managing General Partner
By: _____

Its: _____

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Acting Chief Executive Officer

By: _____

Dean Lehman, P.E.
Senior Manager, Property Division

ATTEST:

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

By: _____
Deputy

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA
Acting County Counsel

By: _____
Deputy

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

STATE OF CALIFORNIA

COUNTY OF _____

)
) SS.
)

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

personally appeared _____,
Name of Signer(s)

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

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

WITNESS my hand and official seal.

Signature (Seal)

EXHIBIT I

INTENTIONALLY DELETED