



County of Los Angeles
**CHIEF EXECUTIVE OFFICE
OPERATIONS CLUSTER**

FESIA A. DAVENPORT
Chief Executive Officer

DATE: September 7, 2022
TIME: 2:00 P.M. – 4:00 P.M.
LOCATION: **TELECONFERENCE CALL-IN NUMBER: 1(323)776-6996**
TELECONFERENCE ID: 439827168#

To Join Via Phone, Dial 1(323)776-6996, Then Press 439827168#.

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

[Click here to join the meeting](#)

**THIS MEETING WILL CONTINUE TO BE CONDUCTED VIRTUALLY TO ENSURE
THE SAFETY OF MEMBERS OF THE PUBLIC AND EMPLOYEES AS PERMITTED
UNDER STATE LAW**

AGENDA

Members Of The Public May Address The Operations Cluster On Any Agenda
Item After All Informational Items Are Presented.
Two (2) Minutes Are Allowed For Each Item.

1. **Call To Order – Koffi Kouassi/Anthony Baker**

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

A) Board Letter:

CODIFYING FEES CHARGED BY THE LOS ANGELES COUNTY
TREASURER AND TAX COLLECTOR AND LOS ANGELES COUNTY
DEVELOPMENT AUTHORITY FOR RECOVERY OF COSTS
ASSOCIATED WITH THE SALE OF TAX-DEFAULTED PROPERTY
TTC – Keith Knox, Treasurer and Tax Collector;
Elizabeth Buenrostro Ginsberg, Chief Deputy, Treasurer and Tax Collector;
Deondria Barajas, Assistant Treasurer and Tax Collector; and
Sergio Marquez, Operations Chief

B) Board Letter:

CONVEYANCE OF COUNTY OF LOS ANGELES OWNED REAL
PROPERTY TO THE CITY OF LA CAÑADA FLINTRIDGE, ASSESSOR'S
IDENTIFICATION NUMBERS: APNS: 5810-019-901 AND 904
CEO/RE – Michael Rodriguez, Chief Program Specialist

CONTINUED ON PAGE 2

- C) Board Letter:
FIVE-YEAR LEASE, DEPARTMENT OF PUBLIC HEALTH
10612 SHOEMAKER AVENUE, SANTA FE SPRINGS
CEO/RE – Michael Navarro, Chief Program Specialist
- D) Board Letter:
APPROVE AN EXCLUSIVE NEGOTIATING AGREEMENT WITH
CENTURY AFFORDABLE DEVELOPMENT, INC., FOR THE POTENTIAL
DEVELOPMENT OF COUNTY-OWNED PROPERTY AT THE NORTHEAST
CORNER OF NORTH MISSION ROAD AND GRIFFIN AVENUE IN THE
CITY OF LOS ANGELES
CEO/RE/LACDA – Lynn Katano, Director of Housing Investment & Finance
- E) Board Letter:
APPROVE AND AUTHORIZE THE EXECUTION OF A SOLE SOURCE
AMENDMENT TO AN EXISTING CONTRACT FOR SUPPLEMENTAL
SERVICES AGREEMENT NUMBER 4 TO PERFORM CONTINUED
PROGRAM SERVICES, STAFF AUGMENTATION, ACCESSIBILITY
EVALUATION TOOL DEVELOPMENT, DATABASE ENHANCEMENT, AND
ADDITIONAL STRATEGY AND PROGRAM MANAGEMENT SUPPORT
CEO/CP - Amir Alam, Manager and Matthew Bukirin, Principal Analyst

3. **PRESENTATION/DISCUSSION ITEMS:**

None available.

4. **Public Comment**
(2 Minutes Each Speaker)

5. **Adjournment**

FUTURE AGENDA TOPICS

CALENDAR LOOKAHEAD:

- A) CEO/CLASS – COUNTYWIDE CLASSIFICATION/COMPENSATION
ACTIONS TO IMPLEMENT THE OCTOBER 4, 2022, GENERAL RECLASS
BOARD LETTER
- B) CIO/LACDA – AMENDMENT TO PEOPLESFT TECHNICAL SUPPORT
SERVICES CONTRACT
- C) CIO/PW – CONTRACT FOR IMPLEMENTATION AND PROVISIONING OF
A CONSTRUCTION MANAGEMENT SOFTWARE WITH PROCORE
TECHNOLOGIES, INC.
- D) ASSESSOR – AUTHORIZATION FOR THE ASSESSOR TO AMEND SOLE
SOURCE AGREEMENT WITH ORACLE AMERICA, INC. TO PROVIDE
CONTINUOUS SUPPORT FOR THE DEVELOPMENT OF ASSESSOR'S
MODERNIZATION PROJECT (AMP) PHASE IV

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	9/7/2022		
BOARD MEETING DATE	9/27/2022		
SUPERVISORIAL DISTRICT AFFECTED	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th		
DEPARTMENT(S)	Treasurer and Tax Collector		
SUBJECT	CODIFYING FEES CHARGED BY THE LOS ANGELES COUNTY TREASURER AND TAX COLLECTOR AND LOS ANGELES COUNTY DEVELOPMENT AUTHORITY FOR RECOVERY OF COSTS ASSOCIATED WITH THE SALE OF TAX-DEFAULTED PROPERTY		
PROGRAM	Chapter 8 Agreement Sale Program and Tax Sale		
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:		
DEADLINES/ TIME CONSTRAINTS	N/A		
COST & FUNDING	Total cost: \$ N/A	Funding source:	
	TERMS (if applicable):		
	Explanation: The TTC estimates collecting \$2.4M in fees. The TTC and LACDA are proposing fee increases to recover costs to conduct State mandated Public Auctions and Chapter 8 Agreement Sales.		
PURPOSE OF REQUEST	Approval to adopt ordinances amending Los Angeles County Code Title 4 - Revenue and Finance to: <ul style="list-style-type: none"> • Codify the Treasurer and Tax Collector (TTC) and the Los Angeles County Development Authority (LACDA) fees to allow for the recovery of costs associated with Chapter 8 Agreement Sales of tax-defaulted properties to public agencies or qualified nonprofit organizations (Eligible Entities). • Update the TTC fees and to codify a new fee to allow for the recovery of costs associated with conducting title search, statutorily required party of interest notification, publication of notice of auction, and personal contact for tax-defaulted secured property subject to the tax collector's power to sell. 		
BACKGROUND (include internal/external issues that may exist including any related motions)	On October 31, 2017, as part of a motion related to Chapter 8 Agreement Sales, the Board directed the TTC and LACDA to determine if the current transaction and processing fees charged to Eligible Entities fully recover the Chapter 8 Agreement Sales costs. Although the COVID-19 pandemic delayed these fee studies, the TTC and LACDA have completed their respective fee studies and determined that existing fees are not recovering costs. The Auditor-Controller reviewed and approved the TTC's proposed fees in April 2021, and LACDA's Finance and Budget Division reviewed and approved the LACDA's proposed fees in November 2021.		
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:		
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: Board Priority #4: Homelessness – the Chapter 8 Agreement Sale Program requires public agencies or nonprofit organizations to purchase properties for public use including housing for sale or rent to serve low-income persons.		
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: <ul style="list-style-type: none"> • Keith Knox, Treasurer and Tax Collector (213) 974-2101 kknox@ttc.lacounty.gov • Elizabeth Buenrostro Ginsberg, Chief Deputy, Treasurer and Tax Collector (213) 974-0703 eginsberg@ttc.lacounty.gov • Deondria Barajas, Assistant Treasurer and Tax Collector (213) 974-2077 dbarajas@ttc.lacounty.gov • Sergio Marquez, Operations Chief (213) 974-0070 smarquez@ttc.lacounty.gov 		



KEITH KNOX
TREASURER AND TAX COLLECTOR

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 437, Los Angeles, California 90012
Telephone: (213) 974-2101 Fax: (213) 626-1812
ttc.lacounty.gov and propertytax.lacounty.gov

Board of Supervisors

HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

September 27, 2022

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:

**CODIFYING FEES CHARGED BY THE LOS ANGELES COUNTY
TREASURER AND TAX COLLECTOR AND LOS ANGELES COUNTY
DEVELOPMENT AUTHORITY FOR RECOVERY OF COSTS
ASSOCIATED WITH THE SALE OF TAX-DEFAULTED PROPERTY
(ALL SUPERVISORIAL DISTRICTS) (3-VOTES)**

SUBJECT

Approval to adopt an ordinance amending Los Angeles County Code (County Code) Title 4 – Revenue and Finance to codify the Treasurer and Tax Collector (TTC) and the Los Angeles County Development Authority (LACDA) fees to allow for the recovery of costs associated with Chapter 8 Agreement Sales of tax-defaulted properties to public agencies or qualified nonprofit organizations (Eligible Entities).

Approval to adopt an ordinance amending County Code Title 4 – Revenue and Finance to update the TTC fees and to codify a new fee to allow for the recovery of costs associated with conducting title search, statutorily required party of interest notification, publication of notice of auction, and personal contact for tax-defaulted secured property subject to the tax collector's power to sell (STPTS).

IT IS RECOMMENDED THAT THE BOARD AFTER THE PUBLIC HEARING,

1. Introduce, waive reading, and place on the agenda for adoption the attached ordinance (Exhibit A) amending County Code Title 4 – Revenue and Finance to codify the TTC and the LACDA fees to allow for the recovery of costs associated with Chapter 8 Agreement Sales of tax-defaulted properties to Eligible Entities pursuant to California Revenue and Taxation Code (R&TC), Division 1, Part 6, Chapter 8.

2. Introduce, waive reading, and place on the agenda for adoption the attached ordinance (Exhibit B) amending Los Angeles County Code Title 4 – Revenue and Finance to update the TTC fees and to codify a new fee to allow for the recovery of costs associated with the preparation and sale of tax-defaulted property pursuant to R&TC, Division 1, Part 6, Chapter 7, Sections 3701, 3702, 3704.7, and Chapter 8, Section 3798.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The TTC and LACDA are proposing fee increases for services associated with conducting State mandated Public Auctions and Chapter 8 Agreement Sales. The fee methodology calculation includes salary and employee benefits, and costs associated with publication, Title Search, and personal contact, as applicable to the TTC and LACDA. County Counsel and Auditor-Controller (Auditor) reviewed and approved this methodology for the TTC. Additionally, LACDA's Finance and Budget Division has reviewed and approved this methodology for LACDA.

Chapter 8 Agreement Sale Review Fees

State law permits Eligible Entities to initiate an agreement to purchase tax-defaulted property that is STPTS. Eligible Entities including the state, county, cities, taxing agencies, or nonprofit organizations, may acquire properties for a variety of public uses through this process without the necessity of bidding at a tax sale auction. Qualified nonprofit organizations may purchase tax-defaulted property for the express purpose of providing low income housing or for public use. State law requires that the cost of giving notice of the agreement be paid by the purchasing Eligible Entity.

On October 31, 2017, as part of a motion related to Chapter 8 Agreement Sales, the Board directed the TTC and LACDA to determine if the current transaction and processing fees charged to Eligible Entities fully recover the Chapter 8 Agreement Sales costs. Although the COVID-19 pandemic delayed these fee studies, the TTC and LACDA have completed their respective fee studies and determined that existing fees are not recovering costs. The Auditor reviewed and approved the TTC's proposed fees in April 2021 (Exhibit C), and LACDA's Finance and Budget Division reviewed and approved the LACDA's proposed fees in November 2021. The TTC and LACDA recommend the following fees:

A. TTC Fees for Chapter 8 Agreement Sale of Tax-Defaulted Parcel to Public Agencies or Nonprofit Organizations

Public Agency Chapter 8 Fees		
Item	Current Fee	New Fee
Preliminary Research	\$100	\$274
Final Research	\$300	\$586
Total:	\$400	\$860

Nonprofit Organization Chapter 8 Fees (without LACDA referral)		
Item	Current Fee	New Fee
Preliminary Research Fee	\$100	\$329
Final Research Fee	\$300	\$586
Total:	\$400	\$915

Nonprofit Organization Chapter 8 Fees (with LACDA referral)		
Item	Current Fee	New Fee
Preliminary Research Fee	\$100	\$397
Final Research Fee	\$300	\$586
Total:	\$400	\$983

Upon receiving the application package from an Eligible Entity, the TTC requests payment for the appropriate Preliminary Research Fee. For applications of nonprofit organizations which will involve construction or rehabilitation of a residential dwelling or a construction project for other public use, the TTC must refer to the LACDA to review and approve. At closing of the Chapter 8 Agreement Sale, the TTC adds the Final Research and Notification Fee to the purchase price to recover costs associated with research and notification to all parties of interest.

B. LACDA Fees for Chapter 8 Agreement Sale Application Review

New Process	Current Fee	New Fee
Application Review Fees:		
Technical Application and Feasibility Review	\$1,682 + \$864 (Nonprofit Review) + \$818 (Project Review)	\$2,356
Monitoring and Asset Management Fees:		
Initial Lease-up/Sale Review and Income Certification	\$3,786 + \$1,921 (Pre-Construction Review) + \$1,051 (Construction Monitoring) + \$814 (Initial Income Certification)	\$839
Annual Tenant Income and Occupancy Review (Rental)	\$537 (1-4 units) \$1,074 (5+ units)	\$707
Change of Title, as needed (For-Sale)	\$537	\$707
Total: (through Initial Lease-Up/Sale)	\$5,468	\$3,195

Upon receiving the referral from the TTC, the LACDA sends a secondary application to the nonprofit organization and requests advance payment for a Technical Review. During the Technical Review stage, the LACDA assesses the nonprofit organization's development experience and financial capacity, and provides a determination as to whether the project can be developed as proposed, based on its development budget and operating pro forma, construction scope of work, development timeline, and local zoning and land use regulations.

Prior to occupancy, the LACDA reviews tenant files for approved rental and for-residential sale projects. Additionally, rental projects require fees for long-term asset management, including review of tenant financial qualification and in-depth lease review. Tenant financial information and occupancy are monitored annually and throughout the 30 year affordability period.

TTC Preparation and Sale of Tax-Defaulted Property Fees

Tax-defaulted property that has not been purchased through a Chapter 8 Agreement and remains STPTS must be sold by the TTC through a tax sale auction. State law requires the TTC to recover the costs associated with auctioning tax-defaulted property.

Since the most recent amendment to these fees on February 23, 2016 (per ordinance 2016-0010 Section 1), Board-approved salaries and employee benefits have increased, as have the costs associated with services and supplies. As a result, the TTC conducted new fee studies, which the Auditor reviewed and approved (Exhibit D), and recommends the following fees:

Title Search, Personal Contact, Party of Interest Notification, and Publication Fees		
Item	Current Fee	New Fee
Title Search: Parties of Interest Report	\$ 145	\$165
Title Search: Date Down Report	0	40
Notification: Personal Contact	269	594
Notification: Parties of Interest	887	1,046
Publication: Notice of Auction	67	86
Total:	\$1,368	\$1,931

The TTC recovers these costs through fees imposed on tax-defaulted property redeemed by property owners prior to a tax sale or on purchasers of tax defaulted property at auction.

The Parties of Interest Report Fee includes the costs of ordering title searches to obtain the recorded documents connected to scheduled sales of tax-defaulted property.

The new Date Down Report Fee includes the cost to obtain updates to title searches to identify any changes in ownership and/or parties of interest.

The Personal Contact Fee includes the actual costs of the Sheriff's Department delivering the notification, TTC employee salaries and benefits, and necessary supplies.

The Parties of Interest Fee includes the costs of notifying parties of interest of the impending sale of tax-defaulted property.

The Notice of Auction Fee includes the newspaper publication costs to provide countywide public notice of the sale of tax-defaulted property.

Implementation of Strategic Plan Goals

The recommended action supports the County Strategic Plan Strategy III.3 - Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability.

FISCAL IMPACT/FINANCING

There is no net County cost associated with the recommended action as the TTC's and LACDA's fees allow for recovery of the actual costs incurred. TTC estimates \$2.4 million in annual fees to recover costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

California Government Code (GC) Sections 54985 and 54986(a) authorize your Board to impose a new fee or increase an existing fee, if not otherwise prohibited, in an amount reasonably necessary to recover the actual costs incurred in performing these services and/or enforcing the applicable code sections. Prior to either approving an increase in an existing fee or initially imposing a new fee, your Board shall hold at least one public meeting as part of a regularly scheduled meeting.

Pursuant to GC Section 66018, a public hearing is required prior to the approval of a change to an existing fee. The County must publish a notice of Public Hearing in accordance with GC Section 6062(a) and subsequent to this action, notify the public of these ordinance changes as required by GC Section 25124.

Pursuant to Proposition 26, local governments bear the burden of proving that a charge is not a tax which requires a vote of the electorate, that the charge is no more than necessary to cover the reasonable costs of the governmental activity, and that the amount of the fee allocated to the payor is fairly related to the benefits received by that payor.

The Title Search Fees are the direct cost charged by the TTC's contractor to perform such searches. The fees for Preparation and Sale of Tax-Defaulted Property by auction or by Chapter 8 Agreement cover the costs related to necessary processes, as

determined by fee studies, which the Auditor and County Counsel reviewed and approved. Thus, all fees cover the necessary and reasonable costs of these activities.

Chapter 8 Agreement Sales Fees

The R&TC allows Eligible Entities to initiate Chapter 8 Agreement Sales to purchase tax-defaulted properties that are STPTS, without the necessity of bidding at a public or sealed bid auction. R&TC Section 3800 requires that the cost of giving notice of the Chapter 8 Agreement Sales be paid by the purchasing Eligible Entity.

The TTC will charge three Preliminary Research Fees and one Final Research and Notification Fee on a per property basis for all Chapter 8 Agreement Sales proposals received. The TTC's recommended fees offset costs associated with the initial application review, preliminary research, and final research and notification.

Upon receiving the referral from the TTC, the LACDA issues the Application and Application Request Letter to the nonprofit organization, which includes LACDA's fee schedule for the application review and approval process. The LACDA's recommended fees recover necessary and reasonable costs associated with application review, compliance monitoring, and asset management. The LACDA will collect its fees directly from the nonprofit organization.

Preparation and Sale of Tax-Defaulted Property Fees

Pursuant to R&TC Section 3692, the TTC is required to sell tax-defaulted property that is STPTS.

Pursuant to R&TC Sections 3701 and 3704.7, the TTC must mail notices to all parties of interest for any scheduled sale of tax-defaulted property, and also attempt personal contact with the owner-occupant of a property that is the primary residence of the last known assessee.

Pursuant to R&TC Sections 3702 and 3798, the TTC must publish a notice of sale of tax-defaulted property in various newspapers throughout the County. Pursuant to R&TC Section 4112, the TTC shall recover the costs associated with these processes for any tax-defaulted property redeemed.

The Notification of Parties of Interest, Personal Contact, and Publication Fees cover the estimated costs related to the notification and personal contact processes, as determined by fee studies, which the Auditor reviewed and approved. All fees cover the necessary and reasonable costs of these activities.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed fee revisions will not impact current services.

Respectfully submitted,

KEITH KNOX
Treasurer and Tax Collector
County of Los Angeles

EMILIO SALAS
Executive Director
Los Angeles County Development Authority

KK:EBG:DB:SM:ms

Attachments

c: Assessor
Chief Executive Officer
Executive Officer, Board of Supervisors
Auditor-Controller
Acting County Counsel

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	9/7/2022		
BOARD MEETING DATE	9/27/2022		
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input checked="" type="checkbox"/> 5 th		
DEPARTMENT(S)	CEO		
SUBJECT	Glenhaven Park-Conveyance of County-owned real property to the city of La Cañada Flintridge		
PROGRAM			
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:		
DEADLINES/ TIME CONSTRAINTS	No time constraints		
COST & FUNDING	Total cost:	Funding source:	
	\$0	N/A	
	TERMS (if applicable):		
	Explanation:		
PURPOSE OF REQUEST	To convey a park to the City of La Cañada Flintridge as was originally approved by the Board of Supervisors on October 4, 1977.		
BACKGROUND (include internal/external issues that may exist including any related motions)	The Park totals approximately 20,670 square feet and was acquired by the County on March 7, 1974. The City incorporated in 1977, and on October 4, 1977, the Board of Supervisors approved the conveyance of the Park to the City. Although a recent review of title shows there was never a transfer of title for the Park from the County to the City (the deed was never recorded), the City has managed the Park since the Board-approved conveyance in 1977. The Park consists of two separate parcels, and both are proposed to be conveyed to the City. This matter came to light when a water district approached the City for a permit to operate a pump at the Park. County Counsel opined that this matter would need to go back to the Board in light of the recent changes to the Surplus Land Act. The conveyance of the Park will eliminate County exposure to any potential liability related to ownership of the parcels. It will also be consistent with the Board and City's actions since 1977 when the Park was originally supposed to be transferred to the City.		
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how		
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:		
DEPARTMENTAL CONTACTS	Michael Rodriguez (213) 974-4246 mgrodriguez@ceo.lacounty.gov		



FESIA A. DAVENPORT
Chief Executive Officer

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>

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

September 27, 2022

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:

**CONVEYANCE OF COUNTY OF LOS ANGELES OWNED REAL PROPERTY
TO THE CITY OF LA CAÑADA FLINTRIDGE
ASSESSOR'S IDENTIFICATION NUMBERS: APNS: 5810-019-901 AND 904
(FIFTH DISTRICT) (5 VOTES)**

SUBJECT

Authorize the conveyance of County of Los Angeles (County) real property, known as Glenhaven Park, located in the City of La Cañada Flintridge, to the City of La Cañada Flintridge.

IT IS RECOMMENDED THAT THE BOARD:

1. Find the Glenhaven Park property transfer is categorically exempt from the California Environmental Quality Act (CEQA) for the reasons stated herein and the reasons reflected in the record of the project.
2. Find that the Glenhaven Park property is local in character, pursuant to California Government Code section 25550.5.
3. Find that the Glenhaven Park property proposed to be conveyed to the City of La Cañada Flintridge for use by the City of La Cañada Flintridge as a public park is exempt surplus land, pursuant to Government Code section 54221(f)(1)(D), and therefore, not subject to the requirements for the disposition of surplus land, pursuant to the California Surplus Land Act.

4. Approve the gratis transfer of the County's right, title, and interest in the Glenhaven Park property to the City of La Cañada Flintridge, pursuant to Government Code section 25550.5 and authorize the Chief Executive Officer, or her designee, to execute the Quitclaim Deed; and any other documents necessary to complete the conveyance upon approval as to form by County Counsel.
5. Pursuant to Government Code section 25550.5, by unanimous vote, delegate authority to the Chief Executive Office to transfer of the County's right, title, and interest in real property and personal property located at the park property, to the City of La Cañada Flintridge with applicable restrictions, including the agreement of the City of La Cañada Flintridge to maintain such park property and personal property as a public park for the benefit and use of all residents of the County.
6. Authorize the Chief Executive Officer, or her designee, to execute any other documents necessary to complete the Glenhaven Park property transfer, and any amendments, upon approval as to form by County Counsel.

PURPOSE OF RECOMMENDED ACTION/JUSTIFICATION

The purpose of the recommended actions is to authorize the conveyance of Glenhaven Park (Park) to the City of La Cañada Flintridge (City), as was originally approved by the Board of Supervisors on October 4, 1977.

The Park totals approximately 20,670 square feet and was acquired by the County on March 7, 1974. The City incorporated in 1977, and on October 4, 1977, the Board of Supervisors approved the conveyance of the Park to the City. Although a recent review of title shows there was never a transfer of title for the Park from the County to the City, the City has managed the Park since the Board-approved conveyance in 1977. The Park consists of two separate parcels, and both are proposed to be conveyed to the City.

The conveyance of the Park will eliminate County exposure to any potential liability related to ownership of the parcels. It will also be consistent with the Board and City's actions since 1977 when the Park was originally supposed to be transferred to the City.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The proposed conveyance supports the Countywide Strategic Plan Goal III.3.2, which calls to maximize use of County assets, guide strategic investments, and support economic development, in ways that are fiscally responsible and align with the County's highest priority needs. The proposed conveyance is also consistent with the Strategic Asset Management Goal of strengthen connection between service priorities and asset decisions and Key Objective No. 5, Funding Highest Priority Needs. The conveyance of the Park will eliminate County exposure to any potential liability and maintenance costs related to the ownership of the parcels, will consummate the transfer approved by the Board in 1977, and will give the City legal title to the property.

FISCAL IMPACT/FINANCING

The conveyance of the Park to the City will have no fiscal impact. The Park is maintained and operated by the City and will be transferred to the City at no cost to the County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The conveyance of Glenhaven Park to the City is authorized by the California Government Code section 25550.5, which authorizes the transference of County parks situated within a city to the city for the promise of continuing to operate them as parks.

As required by California Government Code section 65402, notification of the proposed conveyance was submitted to the City's Planning Division of the Community Development Department, which has jurisdiction for determining conformance with the adopted general plan. No objection to this transfer of ownership was received within the 40 days after the notification was provided.

The parcel is exempt from the provisions of the Surplus Land Act because it is being transferred to another local agency, as defined in California Government Code section 54221(f)(1)(D).

County Counsel has reviewed the Quitclaim Deed (Deed) related to the proposed conveyance and has approved it as to form.

The Deed for the parcels will contain restrictions that (1) the property is to be used for open space, public recreation, and park purposes only; (2) the property shall be equally open and available to residents of incorporated and unincorporated territory, and there shall be no discrimination against or preference, gratuity, bonus, or other benefits given to residents of incorporated area not equally accorded residents of unincorporated territory; and (3) in the event that County of Los Angeles determines that the owner in possession is not complying with these restrictions, then the owner, shall execute a grant deed, and all rights, title, and interest in and to the property shall revert back to the County of Los Angeles upon providing a thirty (30) day notice to owner in possession of its failure to comply with these restrictions and without any necessity of any other affirmative action on the part of the County of Los Angeles.

ENVIRONMENTAL DOCUMENTATION

The project is categorically exempt from the provisions of CEQA. The transfer of the surplus government property to the City in order to preserve lands for park purposes is within certain classes of projects that have been determined not to have a significant effect on the environment in that it meets the criteria set forth in section 15325 (f) of the State CEQA guidelines, and Class 16 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. The project involves conveyance of surplus property to be used for park purposes. In addition, the project is not located in a sensitive environment and there are no cumulative impacts, unusual circumstances, or other limiting factors that would make the exemption inapplicable based on the project records.

Furthermore, upon conveyance of the Park property, the City will be responsible for complying with any CEQA requirements in connection with the use and improvements of the property.

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)

There is no impact to current services. The Park is currently maintained and operated by the City. This conveyance will eliminate potential liabilities to the County from owning the Park.

The Honorable Board of Supervisors
September 27, 2022
Page 5

CONCLUSION

It is requested that the Executive Office, Board of Supervisors, return the adopted, stamped Board letter to the Chief Executive Office, Real Estate Division, at 320 West Temple Street, 7th Floor, Los Angeles, CA 90012, for further processing.

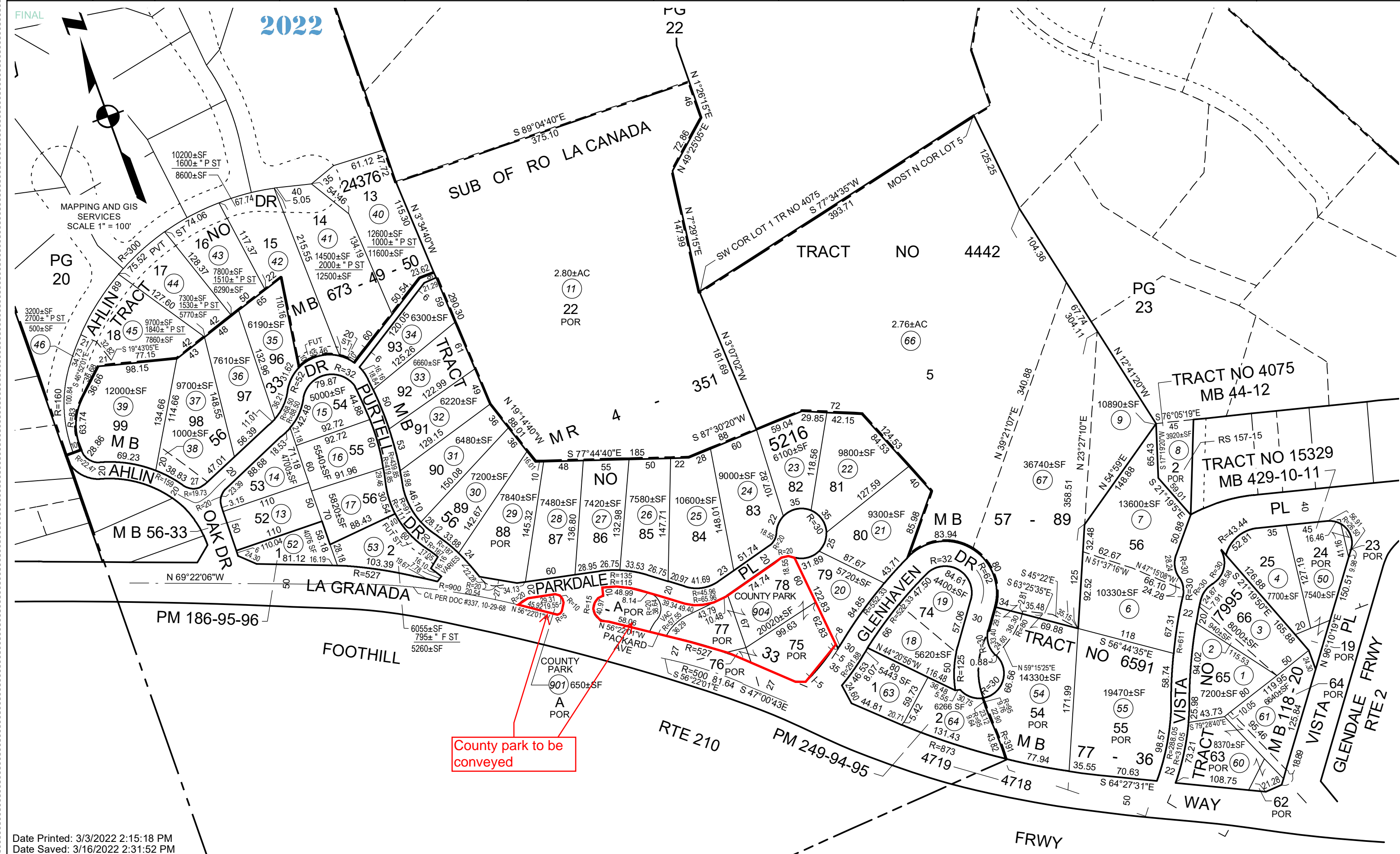
Respectfully submitted,

FESIA A. DAVENPORT
Chief Executive Officer

Attachment

FAD:JMN:JTC
JLC:MGR:RH:gw

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



12

**CHIEF ADMINISTRATIVE OFFICER
COUNTY OF LOS ANGELES**

713 HALL OF ADMINISTRATION / LOS ANGELES, CALIFORNIA 90012
974.1101



HARRY L. HUFFORD
CHIEF ADMINISTRATIVE OFFICER

October 4, 1977

MEMBERS OF THE BOARD
EDMUND D. EDELMAN
CHAIRMAN
PETER F. SCHABARUM
KENNETH HAHN
JAMES A. HAYES
BAXTER WARD

HONORABLE BOARD OF SUPERVISORS
County of Los Angeles
383 Hall of Administration

Gentlemen:

(5-VOTE)

CITY OF LA CANADA FLINTRIDGE (5)--
REQUEST FOR CONVEYANCE OF CLENHAVEN PARK

The City of La Canada Flintridge has requested that the Board of Supervisors convey title to the real and personal property at Glenhaven Park, a local park, located within the City. It has been the policy of the Board of Supervisors to convey title to a County-owned local park and the personal property thereon to the city in which it is located when requested by that city. Formerly located in the unincorporated territory, this property is now within the City limits following its recent incorporation.

The requested conveyance is authorized under Section 25550.5 of the Government Code without consideration other than the agreement of the City to maintain such area as a public park, amusement or recreational area for the benefit and use of all residents of the County. As a condition of transferring the personal property, the City must agree to maintain such personal property for use in the Park. A unanimous vote of the Board of Supervisors is required to effectuate the transfer.

By acceptance of the attached quitclaim deed and bill of sale, the City agrees to the conditions of the transfer. Both documents contain reversionary clauses immediately reverting title to the County in the event the City fails, refuses, or neglects to use the property as described.

The Department of Parks and Recreation classifies Glenhaven Park as a local park and concurs in transferring it to the City.

OCT 4 1977

000023

October 4, 1977

THEREFORE, IT IS RECOMMENDED THAT THE BOARD:

1. Find that Glenhaven Park is local in character.
2. Approve the conveyance of the real and personal property at Glenhaven Park to the City of La Canada Flintridge pursuant to Section 25550.5 of the Government Code, and instruct the Chairman to sign all instruments necessary to consummate the transfer.
3. Instruct the Executive Officer of the Board of Supervisors to make the appropriate delivery of the executed instruments.

Very truly yours,

Harry L. Hufford
HARRY L. HUFFORD
Chief Administrative Officer

HLH:CLB

WRV:pls

Attachments

cc: Each Supervisor
County Counsel
Auditor-Controller
Director of Parks and Recreation
City of La Canada Flintridge

12
On motion of Supervisor Schabarum, seconded by Supervisor Edelman, duly carried by at least a five-fifths vote, the foregoing was adopted. (Attachments referred to are on file in the office of the Board.)

000024

OCT 4 1977

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	9/7/2022	
BOARD MEETING DATE	9/27/2022	
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input checked="" type="checkbox"/> 4 th <input type="checkbox"/> 5 th	
DEPARTMENT(S)	PUBLIC HEALTH	
SUBJECT	Approve a 5-year lease renewal for 9,386 square feet of warehouse space and 18 on-site parking spaces at 10612 Shoemaker Avenue, Santa Fe Springs	
PROGRAM	Emergency Preparedness and Response Division	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why: N/A	
DEADLINES/ TIME CONSTRAINTS	The existing lease has been on month-to-month holdover since the current lease expired on September 30, 2021	
COST & FUNDING	Total cost: \$1,144,000 over 5 years.	Funding source: The rental costs will be funded 100 percent by federal funds and there is no net County cost needed for this action.
	TERMS (if applicable): The proposed will have an annual lease cost of \$206,226, wherein the County will pay electricity, janitorial, trash disposal and limited repairs. The landlord will pay operating and building maintenance costs. The landlord is contributing \$14,079 and there is an additional Tenant Improvement allowance of \$18,960 that the County will repay to the landlord, should the funds be utilized.	
	Explanation: Sufficient funding to cover the proposed rent for the first year of the lease term is included in the Fiscal Year (FY) 2022-23 Rent Expense budget and will be billed back to DPH. Beginning in FY 2023-24, ongoing funding for costs associated with the proposed lease will be part of the budget for DPH until lease termination.	
PURPOSE OF REQUEST	Approval of the recommended actions will authorize and provide the necessary warehouse space needs for DPH.	
BACKGROUND (include internal/external issues that may exist including any related motions)	The County leased the subject location since September 6, 2012. The facility adequately meets the warehouse space needs of DPH. The holdover is subject to landlord's consent, and they may terminate the County's tenancy with 60 days notice.	
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:	
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: 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
Chief Executive Officer

September 27, 2022

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
DEPARTMENT OF PUBLIC HEALTH
10612 SHOEMAKER AVENUE, SANTA FE SPRINGS
(FOURTH DISTRICT) (3 VOTES)**

SUBJECT

Approval of a proposed five-year lease renewal to provide the Department of Public Health (DPH) continued use of 9,386 square feet of warehouse space and 18 on-site parking spaces for DPH.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease renewal is exempt from the California Environmental Quality Act (CEQA), for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed lease renewal with LBA RV Company XVIII, LP, a Delaware limited partnership (Landlord), for approximately 9,386 square feet of warehouse space and 18 on-site parking spaces located at 10612 Shoemaker Avenue, Unit C, Santa Fe Springs, CA 90670, to be occupied by DPH. The proposed lease renewal is for a term of five years. The estimated maximum first year base rental cost is \$146,422. The estimated total lease costs, including Tenant Improvement (TI) costs, utilities, and janitorial expenses will be \$1,144,000 over the five-year term. The rental costs will be funded 100 percent by federal funds and there is no net County cost needed for this action.

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

3. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed lease renewal, and to take actions necessary and appropriate to implement the proposed lease renewal, including, without limitation, any early termination rights. We will return to the Board for authority to exercise the option to renew.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

DPH has leased warehouse and office space at 10612 Shoemaker Avenue since September 6, 2012. The current lease expired on September 30, 2021, and the County is currently in holdover with no holdover fee. DPH's Emergency Preparedness and Response Division (EPRD) utilizes the warehouse space to consolidate administrative and logistic functions, to provide space and distribution of Countywide Public Health emergency supplies on a day-to-day basis. EPRD receives mass quantities of medical materials to respond to Public Health emergencies. The warehouse provides DPH the required working space to handle the receipt, storage, sorting, staging, and distribution of medical materials during emergency medical events.

The warehouse accommodates the influx of medical supplies, to respond to natural disasters, chemical warfare, radiologic exposures, and biological pandemics.

DPH must be able to respond to immediate deployment orders originating from within DPH, and carry out deployments to support public health aspects of emergency operations led by other County departments (e.g., Fire, Sheriff, Health Services, etc.) and local cities within Los Angeles County.

There are five employees permanently assigned to this warehouse facility. The location is near public transportation routes and is located approximately 2.5 miles of the Interstate 5 Freeway and Interstate 605 Freeway.

DPH would like to continue their tenancy at this location. The existing facility is adequate in size and is centrally located within the County area. The proposed lease renewal will enable DPH to avoid relocation costs, potentially higher rental rates, the costs of TI buildout, the disruption to daily business operations, and possible delays in operational response times to County-wide emergencies because of a potential relocation.

There are no plans for teleworking nor hoteling at the current location, as the facility's main purpose is to serve as a warehouse with limited office space.

The facility is necessary for EPRD to accommodate the growing emergency responsibilities of DPH. The warehouse is centrally located in the City of Santa Fe Springs, within Service Planning Area 7, serving all areas of the County.

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 renewal is also consistent with the Strategic Asset Management Goal – strengthen connection between service priorities and asset decisions, and Key Objective 4 – Guide Key Decision-Making.

The proposed lease renewal supports the above goals and objective by allowing DPH to continue to provide their Countywide program to the public from a facility that is centrally located to be able to serve County-wide communities in need of emergency services.

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

FISCAL IMPACT/FINANCING

The aggregate base rent cost associated with the proposed lease renewal over the five-year term is \$786,000. The total estimated costs of the proposed lease, including TI costs, electric utility costs, and janitorial costs are \$1,144,000, as shown on Enclosure B-1. The rental costs will be funded by a cooperative agreement received from the Centers for Disease Control. The grant period runs from July 1 – June 30 annually and funding is based on federal allocations.

Sufficient funding to cover the proposed rent for the first year of the proposed lease renewal term is included in the Fiscal Year (FY) 2022-23 Rent Expense budget and will be billed back to DPH. DPH has sufficient funding in its FY 2022-23 Operating Budget to cover the proposed rent for the first year. Beginning in FY 2023-24, ongoing funding for costs associated with the proposed lease renewal will be part of the budget for the DPH.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

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

- Upon commencement of the proposed lease, the annual base rental rate will increase from \$11.52 per square foot, per year to \$15.60 per square foot, per year.
- The Base rent is subject to fixed increases of 3.5 percent per annum.
- A comparison of the existing lease terms and the proposed lease renewal are shown on Enclosure B-2.

- The Landlord will provide a base TI allowance of \$14,079 or \$1.50 per square foot, that may be utilized for paint, carpet and minor repairs of the premises. Any unused portion of the TI allowance will be credited toward the monthly rent.
- The Landlord will provide an additional TI allowance of up to \$18,960 or \$2.02 per square foot to be reimbursed by the County, which may be amortized over the five-year term at an interest rate of 6 percent per annum or be repaid in lump sum.
- The Landlord is responsible for the operating and maintenance costs of the building, and the County is responsible for utilities, janitorial and trash disposal costs, and certain repairs within the premises to mechanical, plumbing, fire-life safety, and electrical system repairs up to a \$10,000 dollar limit per system. The County is not subject to the building's operating expense increases.
- Parking for 18 on-site spaces is included at no additional cost.
- The County has the right to terminate the proposed lease renewal early any time after 36 months, with 9 months prior written notice. There is no early termination fee.
- The County has an option to extend the lease for an additional four years by giving the Landlord written notice of its intention to do so no later than 180 days, nor earlier than 270 days prior to the end of the initial term, at the Fair Market Rental Rate.
- The proposed lease renewal includes the right for the County to holdover with no holdover fee.
- The proposed lease renewal will be effective upon the first day of the of the first calendar month following approval by the Board and full execution of the proposed lease renewal.

The Chief Executive Office (CEO) conducted a market search of available warehouse space for lease within the general area of the current facility but was unable to identify any sites that could accommodate this requirement more economically. Based upon a review of available industry data, it has been established that the annual base rental range for a comparable industrial gross lease in the area is between \$15.60 and \$17.52 per square foot, per year. The base annual rental rate of \$15.60 per square foot, per year for the proposed warehouse lease represents a rate that is on the low end of the market range for the area. The 35 percent rise in the rental rate from the current lease rate is due to warehouses being the most in-demand type of commercial real estate. There is

also insufficient supply of warehouse space in the central Los Angeles area, which experiences high demand for this type of property use. The current holdover rental rate was well under fair market rent. Further, relocation to a new building would require costly new TIs and disrupt services. We recommend the proposed facility as the most suitable to meet the County's space requirements.

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.

Co-working office space was not considered as this program operates a warehouse distribution facility.

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 Santa Fe Springs has been sent in accordance with Government Code section 25351.

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

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

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

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease renewal will adequately provide the necessary warehouse space and parking for this County requirement. DPH concurs with the proposed lease renewal 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 Board 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
Chief Executive Officer

FAD:JMN:JTC
JLC:MN:FC:gw

Enclosures

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

DEPARTMENT OF PUBLIC HEALTH
10612 Shoemaker Ave. Santa Fe Springs
Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²			X
	B	Does lease co-locate with other functions to better serve clients? ²		X	
	C	Does this lease centralize business support functions? ²		X	
	D	Does this lease meet the guideline of 200 sq. ft of space per person? Please note this is warehouse space and the guideline does not apply as only 5 staff are assigned to this facility.			X
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline No. ² The warehouse parking ratio is 1.06/1000 sq.ft. as only five staff report to the site.		X	
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ²	X		
2.	<u>Capital</u>				
	A	Is it a substantial net County cost (NCC) program?		X	
	B	Is this a long-term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Enclosure C?	X		
	G	Was build-to-suit or capital project considered? ² There is no funding for a build-to-suit warehouse.		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?			
		1. ____ The program clientele requires a "stand alone" facility.			
		2. <u>X</u> 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. ____ The Program is being co-located.			
	E	Is lease a full-service lease? ² Warehouse facilities are not structured as full-service leases.		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?					

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

10612 SHOEMAKER AVENUE, UNIT C, SANTA FE SPRINGS
Department of Public Health

Leased Area (sq.ft.)	9,386		
Term (months)	60		
Annual Rent Adjustment Cap	3.5%		
	Cost Per RSF Per Month	Cost Per RSF Per Year	Amortized
Base Rent	\$1.30	\$15.60	
Tenant Improvement Reimbursable Allowance	\$2.02	\$24.24	\$21,993.00
	Labor	TESMA Equipment	Equipment Costs Amortized
Low Voltage Costs	\$0.00	\$0.00	\$0.00

	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	Total Rental Costs
Annual Base Rent Costs ⁽¹⁾	\$146,422	\$151,546	\$156,850	\$162,340	\$168,022	\$786,000
Tenant Improvement Costs ⁽²⁾	\$4,399	\$4,399	\$4,399	\$4,399	\$4,399	\$22,000
Total Paid to Landlord	\$150,820	\$155,945	\$161,249	\$166,739	\$172,421	\$808,000
Low Voltage Costs ⁽³⁾	\$0	\$0	\$0	\$0	\$0	\$0
Utilities ⁽⁴⁾	\$6,599	\$7,061	\$7,555	\$8,084	\$8,650	\$38,000
Janitorial ⁽⁵⁾	\$48,807	\$53,688	\$59,056	\$64,962	\$71,458	\$298,000
Total Annual Lease Costs	\$206,226	\$216,694	\$227,861	\$239,785	\$252,529	\$1,144,000

Footnotes

⁽¹⁾ The Base Rent is subject to 3.5 percent annual increases.

⁽²⁾ The Landlord will provide additional reimbursable TIs of \$2.02 per rentable square foot, amortized over 5 years, at an interest rate of six percent (6%).

⁽³⁾ There are no Low Voltage costs with this lease renewal.

⁽⁴⁾ The utilities (electric) are paid by the County (direct to the utility company). Expenses projected based upon historical expenses (estimate 7% SCE rate increase per year), subject to change.

⁽⁵⁾ The janitorial & trash disposal costs are paid by the County. These were projected based upon historical expenses (estimate 10% increase per year), subject to change.

*The Total Annual Lease Costs include the rounded totals for Base Rent, Tenant Improvement, Low Voltage costs, utilities and janitorial/trash disposal fees.

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

COMPARISON OF THE PROPOSED LEASE TO EXISTING LEASE

	Existing Lease: 10612 Shoemaker Avenue, Santa Fe Springs	Proposed Lease 10612 Shoemaker Avenue, Santa Fe Springs	Change
Area (Square Feet) ⁽¹⁾	9,150 sq.ft.	9,386 sq.ft.	+236 sq.ft.
Term (years)	5 years (10/01/2016 – 9/30/2021)	5 years plus one 4-year option to renew.	one 4-year option to renew.
Annual Base Rent (includes 18 parking spaces)	\$105,408 (\$11.52 per sq. ft. annually)	\$146,422 (\$15.60 per sq. ft. annually)	+\$41,014 annually
County's TI Cost ⁽²⁾	\$0	\$22,000 (\$2.02 per sq.ft.)	+\$22,000
Annual Parking Cost	N/A, 15 parking spaces included	N/A, 18 parking spaces included	+\$0 (+3 parking spaces)
Janitorial & Trash Disposal/Utility Costs ⁽³⁾	\$44,370 (Janitorial exp.) <u>\$ 6,167</u> (Utility exp.) \$50,537	\$48,807 (10% est.) <u>\$ 6,599</u> (7% est.) \$55,406	+\$4,869
Total Annual Lease Costs payable to Landlord	\$155,945	\$206,226	+\$50,281 annually
Rental rate adjustment	Annual fixed adjustment of 3 percent per year.	Annual fixed adjustment of 3.5 percent per year.	Annual fixed adjustment of 3.5 percent per year

(1) The space was remeasured by Landlord's architect Stevenson Systems pursuant to BOMA 2012 Industrial Standards resulting in an additional 236 square feet.

(2) County TI Cost: Reimbursable TIs are \$2.02 per RSF (i.e. \$18,960), amortized over 5 years, at an interest rate of 6% or \$22,000 after full amortization.

(3) Estimate annual increases of 10% for janitorial expenses and 7% for utility/electric expenses. Note: the County is also responsible for limited cost of repairs as needed to mechanical, plumbing, fire life safety, and electrical system up to a \$10,000 dollar limit per category.

**DEPARTMENT OF PUBLIC HEALTH
SPACE SEARCH –15 MILE RADIUS FROM
10612 SHOEMAKER AVE. SANTA FE SPRINGS**

Property ID	Name	Address	Ownership Type	Gross Sq Ft	Net Sq Ft	Vacant
Y201	Sheriff - Central Property Warehouse	14201 Telegraph Rd Whittier 90604	Financed	55,000	54,044	NONE
Y202	Sheriff - Central Supply Warehouse	14205 Telegraph Rd Whittier 90604	Financed	45,000	43,714	NONE
A555	Former Long Beach General Hospital (Warehouse)	3366 E Willow St. Signal Hill 90806	Owned	232,650		NONE
T413	Los Padrinos - Property Room Modular Building - 28	7285 E Quill Dr Downey 90242	Owned	1,680	1,492	NONE
A097	Public Library - Paramount Warehouse	7309 Adams St. Paramount 90723	Leased	12,825	12,496	NONE
32903	Rancho - Storage Shelter	7601 E Imperial Hwy Downey 90242	Owned	615	-	NONE
32900	Rancho - Pest Control Building	7601 E Imperial Hwy Downey 90242	Owned	1,184	1,013	NONE
4121	Rancho - Building Materials Warehouse	7601 E Imperial Hwy Downey 90242	Owned	4,048	3,263	NONE
3591	Rancho - Building Materials Warehouse	7601 E Imperial Hwy Downey 90242	Owned	4,765	3,998	NONE
0146	Rancho - Materials Management Warehouse	7601 E Imperial Hwy Downey 90242	Owned	29,795	28,578	NONE
1278	Rancho - Shop Materials Warehouse	7601 E Imperial Hwy Downey 90242	Owned	6,453	5,958	NONE
1280	Rancho - Shop Materials Warehouse	7601 E Imperial Hwy Downey 90242	Owned	8,920	8,260	NONE
1268	Rancho - Building Materials Warehouse	7601 E Imperial Hwy Downey 90242	Owned	2,233	2,083	NONE
2637	Rancho - Laundry Storage Building	7601 E Imperial Hwy Downey 90242	Owned	27,952	21,200	NONE
6060	Downey Admin Center - ISD/ITS Data Records Storage	9230 E Imperial Hwy Downey 90242	Owned	5,255	4,745	NONE

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Lease for the Department of Public Health –10612 Shoemaker Avenue, Santa Fe Springs – 4th Supervisorial District.

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

B. Determination of the Service Area – The proposed five-year lease renewal will provide DPH continued use of the warehouse space for its Emergency Preparedness Program.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: The warehouse provides centralized accessibility in the event of an emergency.
- Need for proximity to existing County facilities: N/A
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services, i.e., Metro Bus routes #3 and #120, with routes/connections to the Norwalk Metrolink Station. The site is within 2.5 miles of the Interstate 5 Fwy and Interstate 605 Fwy.
- 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 existing County buildings available to meet the Department's service needs.
- Compatibility with local land use plans: The City of Santa Fe Springs has been notified of the proposed County use which is consistent with its use and zoning for warehouse space at this location.
- Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed lease over the entire term is \$1,144,000, including base rent, TIs, janitorial and utility costs.

D. Analyze results and identify location alternatives

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

Based upon a review of available industry data, it has been established that the annual base rental range for a comparable industrial gross lease in the area is between \$15.60 and \$17.52 per square foot, per year. The base annual rental rate of \$15.60 per square foot, per year for the proposed warehouse lease represents a rate that is on the low end of 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 lease renewal will provide adequate and efficient warehouse space for EPRD's five employees 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 the Department's requirements.

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE**

LEASE AGREEMENT

COUNTY OF LOS ANGELES - Tenant

LBA RV COMPANY XVIII, LP a Delaware limited partnership – Landlord

10612 SHOEMAKER AVENUE, UNIT C

SANTA FE SPRINGS, CALIFORNIA

TABLE OF CONTENTS

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

18.	CONDEMNATION	17
18.1	Controlling Terms.....	17
18.2	Total Taking	17
18.3	Partial Taking.....	17
18.4	Restoration	18
18.5	Award	18
18.6	Waiver of Statute	18
19.	INDEMNIFICATION.....	18
19.1	Landlord's Indemnity	18
19.2	Tenant's Indemnity.....	19
20.	INSURANCE	19
20.1	Waiver	19
20.2	General Insurance Provisions – Landlord Requirements.....	19
20.3	Insurance Coverage Types And Limits.....	22
20.4	Landlord Requirements.....	22
21.	PARKING	23
21.1	Tenant's Rights	23
21.2	Remedies	23
22.	ENVIRONMENTAL MATTERS.....	24
22.1	Hazardous Materials	24
22.2	Landlord Indemnity	24
23.	ESTOPPEL CERTIFICATES.....	25
24.	TENANT IMPROVEMENTS	25
25.	LIENS.....	25
26.	SUBORDINATION AND MORTGAGES	25
26.1	Subordination and Non-Disturbance	25
26.2	Existing Deeds of Trust.....	25
26.3	Notice of Default	25
27.	SURRENDER OF POSSESSION.....	26
28.	SIGNAGE.....	26
29.	QUIET ENJOYMENT	26
30.	GENERAL	26
30.1	Headings	26
30.2	Successors and Assigns	26
30.3	Brokers	26
30.4	Entire Agreement.....	27
30.5	Severability	27
30.6	Notices.....	27
30.7	Governing Law and Venue.....	27
30.8	Waivers.....	27
30.9	Time of Essence	27
30.10	Consent	27
30.11	Community Business Enterprises	28
30.12	Memorandum of Lease	28
30.13	Counterparts	28
31.	AUTHORITY.....	28
32.	ACKNOWLEDGEMENT BY LANDLORD	28
32.1	Consideration of GAIN Program Participants	28
32.2	Solicitation of Consideration.....	29
32.3	Landlord Assignment	29
32.4	Smoking in County Facilities	30

33. OPTION TO EXTEND31

EXHIBITS

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

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") is entered into as of the _____ day of _____, 2022 between LBA RV-COMPANY XVIII, LP, a Delaware 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:	LBA RV-Company XVIII, LP 3347 Michelson Drive, Suite 200 Irvine, CA 92612 Attn: ROM & Asset Manager - Shoemaker Business Park Email: leasingnotices@lbarealty.com
(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 9,386 rentable square feet, designated as Unit C, in the Building (defined below), as shown on <u>Exhibit A</u> attached hereto.

(d) Building:	The Building located at 10612 Shoemaker Avenue, Santa Fe Springs, California, which is currently assessed by the County Assessor as APN 8011-014-048 (collectively, the "Property");
(e) Term:	Five (5) years, commencing the first day of the month following approval by the County of Los Angeles Board of Supervisors and full execution of the lease (the "Commencement Date"), and terminating at midnight on the day before the fifth 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:	July 1, 2022
(g) Irrevocable Offer Expiration Date: (see Section 33)	Intentionally Omitted
(h) Base Rent:	\$12,201.80 per month (i.e., \$1.30 per rentable square foot per month; \$146,421.60 per year for the first (1 st) year; and \$15.60 per rentable square foot per year)
(i) Early Termination (see Section 4.4)	Nine (9) months' notice on or after the 36th month of the lease term.
(j) Rentable Square Feet in the Premises:	9,386 rentable square feet (as measured per BOMA May 2017)
(k) Initial Departmental Use:	General warehouse and office use or for any lawful purpose, subject to Section 6.
(l) Parking Spaces:	18 unreserved spaces onsite, upon terms and conditions provided in Section 21.
(m) Tenant's Hours of Operation:	6 a.m. to 7:00 p.m. Monday through Friday, and 9 a.m. to 2 p.m. on Saturdays
(n) Asbestos Report:	Not Applicable.

(o) Seismic Report	A report dated November 23, 2021 prepared by the Department of Public Works.
(p) Disabled Access Survey	Not Applicable.

1.2 Defined Terms Relating to Landlord's Preparation of Premise

(a) Landlord's TI Allowance:	\$14,079 (\$1.50 per rentable square foot of premises)
(b) Tenant's TI Contribution:	\$18,960 (\$2.02 per rentable square foot of premises)
(c) Tenant's TI Contribution Amortization Rate:	See Section 24.2(b).
(d) Estimated Monthly Payments Attributable to Total TI Costs in Excess of Landlord's TI Allowance	\$366.55 per month, ending on the Termination Date of the Original Term.
(e) Tenant's Preparation of Premises Representative:	_____, or an assigned staff person of the Chief Executive Office-Real Estate Division
(f) Landlord's Preparation of Premises Representative:	<u>Brandie Osborn</u> , or an assigned staff person of Landlord
(g) Landlord's Address for Preparation of Premises Notices:	LBA RV-COMPANY XVIII, LP c/o LBA Realty LLC 3347 Michelson Drive, Suite 220 Irvine, California 92612 Attn: Regional Operations Manager - Shoemaker Telephone: (949) 833-0400 E-mail: leasingnotices@lbarealty.com
(h) Tenant's Address for Preparation of Premises 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

<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 - HVAC 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 Exhibit I - Landlord's Work/ Preparation of Premises</p>
---	--

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.

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 approval of this Lease by the Board of Supervisors and full execution of the Lease by both parties, and ending 60 months thereafter.

4.2 Early Termination

Tenant shall have the right to terminate this Lease at anytime after the Early Termination date specified in Section 1.1, by giving Landlord not less than nine (9) months prior written notice executed by Tenant's Chief Executive Officer or his/her designee.

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 Adjustment**

The monthly Base Rent is subject to three and a half (3.5%) percent annual increases on each anniversary of the Commencement Date as set forth in the table below:

Months	Rate per SF/Month	Monthly Rent
1 - 12	\$1.30	\$12,201.80
13-24	\$1.35	\$12,628.86
25-36	\$1.39	\$13,070.87
37-48	\$1.44	\$13,528.35
49-60	\$1.49	\$14,001.85

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 and for no other business or purpose, during Tenant's Hours of Operation, after Tenant's Hours of Operation, and on weekends and holidays; provided, however, Landlord shall not unreasonably withhold its consent to a change of use.

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 sixty (60) days written notice from Landlord (which notice may be delivered by Landlord during the Term such that Tenant shall be required to surrender possession on the last day of the Term) 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.

Nothing contained in this Section 7 shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Section 7 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law.

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. If and to the extent required by applicable governmental authorities, taking into account grandfathered rights, 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 thirty (30) 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 and not occupied by Tenant as a result thereof. 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 one hundred eighty (180) days for any reason, then Tenant may terminate this Lease by giving Landlord written notice within ten (10) 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, 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; provided, however, that if the nature of such repair or restoration is such that more than thirty (30) days is reasonably required for completion of the same, then such 30-day period shall be extended as may be reasonably required provided that Landlord shall have undertaken such repair or restoration within said 30-day period and shall diligently prosecute the same to completion.

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), subject to grandfathered rights, comply with all current laws, codes, and ordinances, including but not limited to the Americans With Disabilities Act, and are in good working order and condition;

- ii. The Building and the Premises comply with all covenants, conditions, restrictions and insurance underwriter's requirements;
 - iii. To Landlord's actual knowledge, the Premises, the Building and the Common Areas are free of the presence of Hazardous Materials (as hereinafter defined); and
 - iv. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation.
- (b) Landlord represents, to Landlord's actual knowledge, that the Premises and the Building contain no asbestos containing materials.
- (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 or Preparation of Premises.

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:
 - i. the structural elements of the Building, including without limitation, all permanent exterior walls, floors and ceilings, foundations, roof, plumbing in common areas, stairways, concealed electrical systems in common areas and intra-building telephone network cables;
 - ii. mechanical (including HVAC), electrical (repairs over \$10,000), plumbing (repairs over \$10,000) and fire/life systems serving the Building;
 - iii. the Common Areas; (including but not limited to driveways, landscaping, and other common areas); and
 - iv. exterior windows of the Building.

10.3 Tenant Obligations

Without limiting Landlord's repair and maintenance obligations, and subject to Section 20.4 hereof, Tenant shall, at Tenant's sole expense, keep the Premises (including all improvements, fixtures and furnishings therein) in good order, repair and condition at all times during the Lease Term, ordinary wear and tear excepted, and be responsible for (i) maintaining the interior of the Premises in good working condition (ii) the cost of repairing any area of the Property damaged by Tenant or by Tenant's agents, employees, invitees or visitors, and (iii) 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.

(d) Tenant, at its sole cost and expense shall also be responsible for certain maintenance and repairs to the premises. Tenant Repair obligations to include repairs to or replacements of:

i. Interior walls (interior paint), interior maintenance (interior floor covering)

ii. Exposed plumbing systems within the premises (up to a maximum of \$10,000).

iii. Exposed electrical systems within the premises (up to a maximum of \$10,000).

iv. Interior glass

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 ten (10) business days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). 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. 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. 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 \$10,000, 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. This Section shall not apply to Tenant Improvements, as defined in Section 24.

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. In addition, Landlord shall furnish HVAC at all times (i.e., twenty-four (24) hours per day, seven (7) days per week, three hundred sixty-five (365) days per year) to the mechanical 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 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) **Intentionally Omitted**

(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**

Tenant, at its sole cost and expense, shall provide janitorial service five (5) nights per week, or as needed (if less than five (5) nights per week), generally consistent with that furnished in comparable warehouse 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, with exception of those items designated as Landlord's responsibility.

(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 and common area per the specifications set forth in Exhibit D attached hereto.

11.2 Utilities

Tenant shall pay, at its sole cost, when due, charges related to its electricity usage, charges for the use of and charges associated with HVAC usage in the Premises, directly to the utility companies, trash removal service in connection with their premises, during the term of this lease or any renewals, extensions or holdovers thereof (either paid direct or reimbursed to the landlord).

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 (for exterior security lighting), gas, heating and common area power and lighting, trash removal service, fire/life safety systems, charges associated with the HVAC (for common area only), and other utility rents and charges accruing or payable in connection with 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.

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 for more than three (3) business days, Base Rent shall be prorated based upon the percentage of the Premises or the Building rendered unusable and not used by Tenant commencing on the fourth (4th) business day of such closure. 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 DEFAULT14.1 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 and collect all unpaid sums due or coming due under the Lease in accordance with the California Civil Code statutory lease remedies. 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 Landlord shall reimburse Tenant for the reasonable and actual costs of such cure, if and to the extent Tenant performs obligations that are otherwise the obligation of Landlord under the Lease, within thirty (30) days following Tenant's delivery to Landlord of a written invoice therefor. Landlord, at Landlord's election, may reimburse Tenant through deductions of 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.

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

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

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

17. ALTERATIONS AND ADDITIONS

17.1 Landlord Consent

Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. If Landlord fails to respond in writing within thirty (30) days after Tenant's request, and within five (5) days after a second 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 or its officers', contractors', licensees', agents', employees', guests', or visitors' ("**Landlord Parties**") negligence or willful misconduct, or arising from breach or default under this Lease by Landlord or Landlord Parties. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

19.2 Tenant's Indemnity

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

The provisions of this Section 19 shall survive the expiration or earlier termination of this Lease with respect to any claims occurring prior to such expiration or termination.

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. Renewal Certificates shall be provided to Tenant prior to the start date of the Lease.
- 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) or insurance broker. 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, 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. 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. 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

(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.

(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) 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.

(g) Deductibles and Self-Insured Retentions ("SIRs")

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

(h) 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.

(i) 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.

(j) 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
Umbrella	\$ 5 million
Each Occurrence:	\$ 1 million

ii. Worker's Compensation in statutory amounts, and Employer's Liability coverage.

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 including the additional insured provisions required under this Lease, or letter evidencing self-funding will be provided to Landlord after execution of this Lease and annually 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:

i. Provide coverage for 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

21. PARKING

21.1 Tenant's Rights

Tenant shall have the right to the number of exclusive 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 specifically reserves the right to change the size, configuration, design, layout, location and all other aspects of the parking facilities and Tenant acknowledges and agrees that Landlord may, without incurring any liability to Tenant and without any abatement of Rent under this Lease, from time to time, close-off or restrict access to the parking facilities, or relocate Tenant's parking spaces to other parking structures and/or surface parking areas within the Complex, for purposes of permitting or facilitating any such construction, alteration or improvements with respect to the parking facilities or to accommodate or facilitate renovation, alteration, construction or other modification of other improvements or structures located on the Complex. Landlord may delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control attributed hereby to the Landlord and such owner. Notwithstanding the foregoing, Landlord shall provide alternative parking arrangements within 200 feet of the premises or within the office campus complex in the event Tenant parking rights are interrupted. Tenant shall not be responsible for any parking tax or other charges imposed by governmental authorities in connection with the use of such parking, which taxes and/or charges shall be paid by Landlord.

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.

Notwithstanding the foregoing, in no event shall Landlord be liable for consequential damages and/or punitive damages in connection with this Section 22(b).

23. ESTOPPEL CERTIFICATES

Tenant shall, within 10 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. TENANT IMPROVEMENTS/PREPARATION OF PREMISES

Following the Commencement Date, Landlord shall construct the Tenant Improvements noted in **Exhibit I**, in the manner set forth below:

24.1 Condition of Premises

Tenant acknowledges that it is already in possession of the Premises, and that Landlord shall be deemed to have delivered possession of the Premises as of the Commencement Date of this Lease, to Tenant with no alterations or improvements being made by Landlord except the following:

24.2 Tenant Improvement Allowance.

Within a commercially reasonable time after the receipt of a duly executed copy of this Lease and County-approved preliminary plans (if applicable) or outline specifications (if needed), and provided Landlord approves of such plans and specifications, Landlord shall cause a licensed California architect to prepare final working drawings and specifications (if needed) for the proposed interior tenant improvements as described in the scope of work set forth in Exhibit I (those interior tenant improvements described in the scope of work set forth in Exhibit I, as may be modified if mutually approved by Landlord and Tenant, collectively, the "Tenant Improvements"), unless, in Landlord's reasonable discretion, the Tenant Improvements are of such a scope that retaining an architect to prepare such final working drawings and specifications is unnecessary (in which case Landlord shall

have no obligation to retain an architect to prepare final working drawings and specifications).

Landlord shall pay for the costs to design, permit and construct the Tenant Improvements (collectively, the "Tenant Improvement Costs") if applicable, in an amount up to, but not exceeding, \$33,039. Of this amount

(a) \$14,079 (i.e., \$1.50 per rentable square foot of the Premises) will be the Landlord's contribution ("Tenant Improvement Allowance");

(b) \$18,960 (i.e., \$2.02 per rentable square foot of the Premises) will be the Tenant's contribution ("Tenant's TI Contribution"), to be reimbursable by Tenant to the Landlord at an interest rate of 6% per annum over the Term of the Lease, payable monthly together with Tenant's payment of rent, or shorter period if Tenant elects to pay earlier. The Tenant's TI Contribution may be repaid in a lump sum in its entirety or a portion thereof at any time during the lease term.

(c) The Tenant Improvement Costs include, without limit, (i) all hard costs associated with the construction of the Tenant Improvements, (including materials, labor, after-hours charges, trash removal costs, contractor's fees and general conditions), (ii) all soft costs associated with the construction of the Tenant Improvements, such as architectural fees, engineering fees, plan check, permits, Title 24, license fees (if applicable), and (iii) all costs incurred by Landlord to perform any upgrades or improvements to the Premises, Building or Common Areas required to comply with applicable laws if necessary to obtain a building permit or other authorization the parties elect to obtain for the Tenant Improvements.

(d) In addition to Exhibit I, the Tenant Improvements may include other work the County may request with prior consent from the Landlord, which shall not be unreasonably withheld (provided, however, Landlord may withhold its consent to any such other work in Landlord's sole and absolute discretion if the cost of such other work would cause the Tenant Improvement Costs to exceed the combined Tenant Improvement Allowance and Tenant's TI Contribution).

(e) Within a commercially reasonable time after Tenant delivers a written demand to Landlord therefor, Landlord shall provide to Tenant a statement reasonably detailing all Tenant Improvement Costs spent to date.

24.3 Working Drawings (if applicable)

The working drawings (if applicable) are to be prepared by the aforementioned architect (if necessary, as further described in Section 24.2 above) in accordance with preliminary plans prepared by the County space planner. The Tenant Improvements shall be performed using Building standard materials, procedures and specifications, unless otherwise set forth in Exhibit I or approved by Landlord (which approval may be withheld by Landlord in its sole and absolute discretion if the use of any non-Building-standard materials, procedures or specifications would cause the Tenant Improvement Costs to exceed the Tenant Improvement Allowance).

24.4 No Interference.

Landlord shall endeavor to commence work within three (3) months of the later of (i) receipt of a fully-approved set of preliminary plans or outline specifications or drawings prepared by the County space planner (or, if Landlord determines the same are necessary under Section 24.2, the completion of approved final working drawings), and (ii) receipt of permits (if required) from the City, unless delay is caused by Tenant, or any force majeure events (iii) within three (3) months of full execution of this Lease.

Tenant acknowledges that Tenant is currently in possession of the Premises and some interruptions and/or interference with Tenant's business and use of the Premises may occur during the course of Landlord's completion of the Tenant Improvements, but agrees that no interruptions or inconveniences to Tenant or its business suffered as a result of the completion of the Tenant Improvements shall constitute an eviction of Tenant from the Premises, whether constructive or otherwise, and Tenant shall in no event be excused from paying any Rent that it is scheduled to pay pursuant to the Amended Lease.

24.5 Bids (if applicable)

Upon the mutual approval of all necessary plans and specifications (and, if applicable, final working drawings) by Landlord and Tenant (collectively, the "Approved Plans") Landlord shall submit three (3) bids for the construction of the Tenant Improvements to the County for its review prior to award of the contract(s). The bids shall include an itemized list of all materials and labor and shall include all additional costs including A/E fees, permits, reasonable contractor's profit and overhead. The Tenant Improvement Costs shall include a Landlord's supervision fee of 4% based on hard costs only.

If the response of the lowest qualified bidder who submitted a bid to Landlord to perform the Tenant Improvements on the Approved Plans exceeds the Tenant Improvement Allowance, then Landlord and Tenant shall value engineer such Tenant Improvements and re-bid the same until Landlord receives a responsive and complete bid based on the value engineered Approved Plans from one or more licensed and qualified general contractors that is equal to or less than the Tenant Improvement Allowance. After Landlord has approved a bid for the performance of the Tenant Improvements shown on the Approved Plans (as may have been value engineered), Landlord shall retain the general contractor that provided such bid to perform such Tenant Improvements. Thereafter, if, at any time during such general contractor's performance of the Tenant Improvements, Landlord reasonably estimates that the total cost to Landlord of designing, permitting and constructing such Tenant Improvements exceeds the Tenant Improvement Allowance, then Landlord and Tenant shall value engineer the Tenant Improvements so as to bring such cost below the Tenant Improvement Allowance. In no event shall Landlord be required to perform any Tenant Improvements the cost of which would cause the Tenant Improvement Costs to exceed the Tenant Improvement Allowance.

24.6 Unused Tenant Improvement Allowance

If there remains any unused portion of the Tenant Improvements Cost (Landlord's Tenant Improvement Allowance) after Landlord has completed the Tenant

Improvements and paid all Tenant Improvement Costs, then such unused portion shall be credited toward the next monthly rent due.

25. LIENS

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

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 thirty (30) 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 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

Landlord and Tenant agree that Tenant shall have the right to keep its existing monument signage in place. Subject to Landlord's prior approval, not to be unreasonably withheld, conditioned or delayed, 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 CRESA Los Angeles ("CRESA"), the Tenant's Broker, and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. Landlord and Tenant agree that the Landlord shall be solely responsible for the payment of any brokerage commission to CRESA and that Tenant shall have no responsibility therefore. CRESA shall receive from Landlord or Landlord's broker, a commission payment 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) 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

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

30.12 Memorandum of Lease

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

30.13 Counterparts: Electronic Signatures

This Lease and any other documents necessary for the consummation of the transaction contemplated by this Lease may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Lease and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Lease had been delivered had been signed using a handwritten signature. Landlord and Tenant (i) agree that an electronic signature, whether digital or encrypted, of a party to this Lease is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intended to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Lease based on the foregoing forms of signature. If this Lease has been executed by electronic signature, all parties executing this document are expressly consenting under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act ("UETA")(Cal. Civ. Code § 1633.1, et seq.), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

31. AUTHORITY

Only the County's Board of Supervisors ("Board of Supervisors") has the authority, by formally approving and/or executing this Lease, to bind Tenant to the terms included herein. 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 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 20 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. OPTION TO EXTEND

33.1 Option Terms.

Provided that no material Default has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have one (1) option to renew this Lease for an additional period of forty-eight (48) months (the "First Extension Term").

33.2 Exercise of Option.

Tenant must exercise its options to extend this Lease by:

- (a) giving Landlord written notice of its intention to do so (its "Notice of Intent") no later than one hundred eighty (180) days, nor earlier than two hundred seventy (270) days prior to the end of the initial Term, and
- (b) after Market Rental Value has been determined as provided below, and after the Board of Supervisors has approved the exercise of the option to renew, by giving written notice of its election to exercise such option. It is understood that Tenant will not exercise its option until after the Board of Supervisors has approved doing so, which will not be prior to the determination of the Market Rental Value,

as provided below. If the Board of Supervisors has not approved the exercise of such option prior to the expiration of the Term of this Lease as then in effect, then Tenant's Extension Option shall be null, void and of no further force and effect, and the Lease shall terminate as of the last day of the Term of this Lease.

33.3 Terms and Conditions of the Extension Terms.

The Extension Terms shall be on all the terms and conditions of this Lease, except that the Base Rent during Extension Terms shall be equal to Fair Market Rental Value for the Premises as of the commencement of the applicable Extension Term ("Adjusted Market Rental Value") to be determined as set forth below, and Landlord shall have no additional obligation for free rent, leasehold improvements or for any other tenant inducements for the Extension Terms.

33.4 Market Rental Value.

The term "Market Rental Value" shall be the rental rate that comparable Premises in the submarket in which the Premises is located would command for the same term as the Extension Term on the open market at the time Tenant provides its Notice of Intent, as determined jointly by Landlord and Tenant. For purposes hereof, the term "comparable Premises" shall mean premises in a Building similar in size and location to the Building, excluding any improvements installed and paid for by Tenant within the Premises of the Building. In determining the Market Rental Value, appropriate consideration shall be given to Tenant's creditworthiness, the annual amount per rentable square foot that Landlord has accepted in current transactions between non-affiliated parties from new, non-expansion, non-renewal and non-equity tenants of comparable creditworthiness for comparable premises for a comparable use for a comparable period of time, the annual rental rates per square foot, the standard of measurement by which the rentable square footage is measured, the ratio of rentable square feet to usable square feet, the type of escalation clause (e.g., whether increases in additional rent are determined on a net or gross basis, and if gross, whether such increases are determined according to a base year or a base dollar amount expense stop), the extent of Tenant's liability under the Lease, parking rights and obligations, signage rights, abatement provisions reflecting free rent and/or no rent during the period of construction or subsequent to the commencement date as to the space in question, brokerage commissions, if any, which would be payable by Landlord in similar transactions, length of the lease term, size and location of the Building being leased, and other general applicable conditions of tenancy for such comparable transactions.

33.5 Opinions.

Landlord shall submit its opinion of Market Rental Value to Tenant within fifteen (15) days after Landlord's receipt of the Notice of Intent, and Tenant shall respond thereto within ten (10) days thereafter by either (a) accepting Landlord's opinion of Market Rental Value (in which case, such Market Rental Value shall be used to determine Base Rent during the Extension Term) or (b) submitting Tenant's opinion of Market Rental Value. If Landlord and Tenant cannot agree upon the Market Rental Value of the Premises within fifteen (15) days thereafter, then Landlord and Tenant within five (5) days shall each submit to each other their final written statement of Market Rental Value ("Final Statement"). Within ten (10) days thereafter Landlord and Tenant shall together appoint one real estate appraiser (who shall be a Member of the American Institute of Real Estate Appraisers) (or, if both Landlord and Tenant agree, a certified property manager with ten (10) years'

experience) who will determine whether Landlord's or Tenant's Final Statement of Market Rental Value is the closest to the actual (in such appraiser's opinion) Market Rental Value of the Premises. If Landlord and Tenant cannot mutually agree upon an appraiser within said ten (10) day period, Tenant may apply to the Presiding Judge of the Superior Court for Los Angeles County, requesting said Judge to appoint the M.A.I. qualified appraiser. The appraiser so appointed shall promptly determine whether Landlord's or Tenant's Final Statement of Market Rental Value is the closest to the actual (in such appraisers' opinion) Market Rental Value of the Premises, and such Final Statement of Market Rental Value shall be the Market Rental Value used in determining Base Rent during the Extension Term. The fees and expenses of the appraiser shall be borne equally by Landlord and Tenant. The appraiser appointed or selected pursuant to this Section shall have at least ten (10) years' experience appraising commercial properties in Los Angeles County.

33.6 Amendment of Lease.


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

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

LANDLORD:

LBA RV Company XVIII, LP,
a Delaware limited partnership

By: LBA Fund V Industrial GP VI, LP,
a Delaware limited liability company,
its General Partner

By: 
Name: Alison Vukovich
Its: Authorized Signatory

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John T. Cooke
Assistant Chief Executive Officer

ATTEST:

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

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
Acting County Counsel

By: _____
Deputy

EXHIBIT A

FLOOR PLAN OF PREMISES

(to be inserted by landlord)

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) Tenant was in possession of the Premises as of the effective date of the lease ("Possession Date");
- 2) Tenant has accepted possession of the Premises and now occupies the same;
- 3) The Lease commenced on _____ ("Commencement Date");
- 4) The Premises contain _____ rentable square feet of space; and
- 5) Landlord has paid a commission in the amount of \$_____ to Tenant's Broker, CRESA, pursuant to Section 30.3 of the Lease.

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

Tenant:

Landlord:

COUNTY OF LOS ANGELES,
a body corporate and politic

_____,
a _____

By: _____
Name _____
Its _____

By: _____
Name _____
Its _____

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; provided, however, Tenant hereby acknowledges and agrees that the thermostat controls are located in the Premises and controlled by Tenant. 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 **(Landlord responsible for exterior only)**
10. Emergency exit signage and egress battery replacement (if applicable)
11. Graffiti expunged as needed within two working days after notice by Tenant **(Landlord responsibility)**
12. Floors washed as needed.
13. Standard kitchen/lunchroom/restroom supplies replenished, including, but, not limited to, paper supplies and soap.
14. Exclusive day porter service - N/A

B. WEEKLY

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

C. MONTHLY

17. Floors washed and waxed in uncarpeted office area.
18. High-reach areas, door frames and tops of partitions dusted.
19. Upholstered furniture vacuumed, plastic and leather furniture wiped

- 20. Picture moldings and frames dusted.
- 21. Wall vents and ceiling vents vacuumed.- **included in existing Janitorial service, not included in HVAC maintenance.**
- 22. Carpet professionally spot cleaned as required to remove stains.

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. **(Landlord responsibility)**

E. SEMI-ANNUALLY

- 27. All painted wall and door surfaces washed and stains removed.
- 28. All walls treated with vinyl covering washed and stains removed.

F. ANNUALLY

- 29. Windows washed as required inside and outside but not less frequently than twice annually. **(Landlord responsibility)**
- 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. **(Landlord responsibility)**
- 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.**(Landlord responsibility)**

35. Exterior pest control inspections and remediation frequency is to be determined by a licensed exterminator. **(Landlord responsibility)**
36. Interior pest control inspections and remediation frequency is to be determined by a licensed exterminator. **(Tenant responsibility)**
37. 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:
 - i. heavy traffic areas cleaned as needed, with a minimum frequency of bi-monthly [six (6) times per year];
 - ii. moderate traffic areas cleaned as needed, with a minimum of once every six (6) months [two (2) times per year]; and
 - iii. clean light traffic areas a minimum of once per year.

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

38. 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.
39. All HVAC ducts cleaned as needed, but no less than every five (5) years. **(Landlord responsibility)**

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.

Tenant to be responsible for janitorial (cleaning and maintenance) within the premises, with the exception of items noted above as the Landlord's responsibility. Landlord shall be responsible for building common area cleaning and maintenance.

**EXHIBIT E
FORM SNDA**

THIS INSTRUMENT PREPARED BY
AND AFTER RECORDING RETURN TO:

POLSINELLI
900 W 48th Place, Suite 900
Kansas City, MO 64112
Attention: _____

Loan No. _____

SPACE ABOVE LINE RESERVED FOR RECORDER'S USE

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

THIS SUBORDINATION, NON-DISTURBANCE, AND ATTORNMENT AGREEMENT (the "**Agreement**") is made as of _____, 20____ by and among _____, a [individual] [name of state] [corporation] [limited partnership] [limited liability company] ("**Tenant**"), _____, a [name of state] [corporation] [limited partnership] [limited liability company] ("**Borrower**"), and _____ [Name of the Trust], its successors and/or assigns (hereinafter "**Lender**").

33. Recitals

A. Borrower is the owner in fee simple of the real property described in Exhibit A attached hereto, together with the improvements thereon (individually and collectively, the "**Property**").

B Tenant is the tenant under a lease dated _____, ____ (the "**Lease**") by and between Tenant, as lessee, and Borrower, as lessor, for certain premises (the "**Premises**") located on the Property.

B. Lender is the owner and holder of a \$_____ loan (the “**Loan**”) originally made by _____, a _____ (the “**Original Lender**”), to Borrower, which is evidenced by a Promissory Note made payable by Borrower to the order of Original Lender (the “**Note**”) and secured in part by a first deed of trust, mortgage, or deed to secure debt (the “**Security Instrument**”). The Security Instrument, the Note and all other documents and instruments evidencing and/or securing the Note or now or hereafter executed by Borrower or others in connection with or related to the Loan including any assignments of leases and rents, other assignments, security agreements, financing statements, guarantees, indemnity agreements (including environmental indemnity agreements), letters of credit, or escrow/holdback arrangements, together with all amendments, modifications, substitutions or replacements thereof, are sometimes herein collectively referred to as the “**Loan Documents**”.

C. Lender, Borrower and Tenant desire to enter into this Agreement to establish certain rights, safeguards and obligations with respect to their interests and provide further for various contingencies as hereinafter set forth.

34. Agreement

In consideration of the mutual covenants and agreements herein contained, the parties hereto, intending to be legally bound hereby, agree and covenant as follows:

1. Warranties and Representations. Tenant represents and warrants to Lender that (a) the Lease is in full force and effect, (b) Tenant is not in default thereunder, past any permitted grace or cure period in the Lease, (c) Borrower is not in default thereunder, past any permitted grace or cure period in the Lease, and (d) Tenant has not previously subordinated the Lease to any other security instrument or lien on the Property.

2. Subordination. Notwithstanding anything to the contrary set forth in the Lease, Tenant hereby subordinates the Lease, and all of the terms, covenants and provisions thereof and all of Tenant’s right, title and interest in and to the Lease and the leasehold estate created thereby, to the Security Instrument and the liens thereof (including without limitation all renewals, increases, modifications, spreaders, consolidations, replacements and extensions thereof) and the liens, terms, covenants, provisions and conditions thereof and to all present or future advances under the obligations secured thereby. The interests subordinated hereby include without limitation any and all provisions of the Lease, including any extension or renewal rights, options to purchase, rights of first refusal, and other such rights.

3. Non-Disturbance. Notwithstanding Section 2 above, Lender agrees that, so long as (i) the Lease remains in full force and effect (including the duration of any properly exercised extension or renewal provisions therein), (ii) Tenant is not in default under the Lease, beyond any cure period provided therein, and (iii) Tenant is not in default under this Agreement, then:

Lender shall not diminish or interfere with Tenant's possession of the Premises, and Tenant's rights and privileges under the Lease shall not be diminished or be the subject of any interference by Lender; and

Lender will not join Tenant as a party defendant in any action or proceeding to foreclose the Security Instrument or to enforce any rights or remedies of Lender under the Security Instrument which would terminate or extinguish the Lease or Tenant's leasehold interest in and estate under the Lease.

Notwithstanding the foregoing provisions, Lender may name or join Tenant as a party in a foreclosure proceeding with respect to the Security Instrument if under the laws of the State where the Property is located it is procedurally necessary or desirable to do so, but in such event (and provided that the conditions described in clauses (i), (ii) and (iii) above are then satisfied) Lender shall in no way diminish or otherwise affect the rights and privileges granted to, or inuring to the benefit of, Tenant under this Agreement.

4. Attornment to Lender; Payment of Rent to Lender in Event of Default.

Tenant is hereby notified that the Lease and the rent and all other sums due thereunder have been assigned by Borrower to Lender as security for the Loan. Tenant agrees that if Borrower is in default under the Security Instrument or any other Loan Documents after Lender gives notice to Tenant (in the manner hereinafter provided) respecting such default, Tenant shall be deemed to have attorned to Lender as its new landlord under the Lease, and Tenant shall thereafter pay directly to Lender all rentals and all other payments to be made by Tenant under the Lease. Such payments will be made regardless of any right or setoff, counterclaim or other defense which Tenant may have against Borrower, whether as tenant under the Lease or otherwise. No proof of default shall be required and Tenant shall have no obligation or right to inquire whether any default has actually occurred or is existing. Borrower irrevocably authorizes Tenant to rely upon and comply with any notice or demand by Lender of any rental or other amounts that may be or become due under the Lease, or for the performance of any obligations under the Lease. Borrower irrevocably agrees that Tenant shall not be liable to Borrower, or any Person (as hereinafter defined) claiming under Borrower, for making any payment or rendering any performance to Lender. By its execution of this Agreement, Borrower irrevocably makes and delivers the above instructions.

5. Attornment to Subsequent Owners.

(a) If Lender or its nominee or designee succeeds to the rights of Borrower under the Lease through a foreclosure action (whether by power of sale or by judicial action), delivery of a deed in lieu of foreclosure or otherwise, or if another Person or entity purchases the Property upon or following designee, or such purchaser (hereinafter collectively the "**New Landlord**"), Tenant shall attorn to and recognize New Landlord as Tenant's landlord under the Lease. Tenant's obligation to attorn to New Landlord shall be self-operative and not require any further writing or action by any party; however, Tenant shall promptly execute and deliver any instrument that New Landlord may reasonably request to evidence

such attornment. Upon such attornment, the Lease shall continue in full force and effect as a direct lease between the New Landlord and Tenant upon all terms, conditions, and covenants as are set forth in the Lease.

(b) Notwithstanding anything to the contrary contained in this Agreement, upon a Succession (defined below) New Landlord shall not in any event be liable for any of the following:

(i) any previous act, omission, default, misrepresentation, or breach of warranty, of any previous landlord (including Borrower) or any other Person or party in connection with the Lease or any obligations accruing prior to a Succession;

(ii) any setoff, offset, abatement, defense, claim, or counterclaim which has previously accrued to Tenant against any previous landlord (including Borrower), or any other Person or party in connection with the Lease prior to a Succession;

(iii) the performance or observance of any amendment or modification to the Lease or any assignment of the Lease or sublease of the Premises (other than pursuant to the provisions of the Lease) made without the prior written consent of Lender;

(iv) any prepayment of rent, additional rent, or other payments, for more than one (1) month which Tenant might have paid any prior landlord (including Borrower) or any other Person or party in connection with the Lease;

(v) the return of any security deposit or other deposit made under the Lease, unless the deposit has been paid to New Landlord;

(vi) any obligation to make, pay for, perform, or reimburse any person, for any repairs, replacements, improvements, demolition, damages, construction, allowances, or other costs and expenses under the Lease or in connection with the Lease, whether in connection with any tenant improvement allowance, warranty or otherwise;

(vii) the performance or completion of any repairs to the Property or to the Premises that are required as a result of fire or other casualty or by reason of condemnation unless New Landlord shall be obligated under the Lease to make such repairs and shall have received sufficient casualty insurance proceeds or condemnation awards to finance the completion of such repairs;

(viii) any option or right of first offer or right of first refusal contained in the Lease, or otherwise existing, to acquire all or any portion of the Property, or any superior leasehold interest therein;

(ix) any right of reimbursement Tenant may have against any previous landlord (including Borrower) for overpayment of operating or common area maintenance, taxes, or insurance, as a result of any reconciliation that may be made for any of those items.

A “**Succession**” means (a) foreclosure under the Security Instrument; (b) any other exercise by Lender of rights and remedies (whether under the Security Instrument or under applicable law, including bankruptcy law) as holder of the Loan and/or the Security Instrument, as a result of which New Landlord becomes owner of the Premises; or (c) delivery by Borrower to Lender or New Landlord of a deed or other conveyance of Borrower’s interest in the Premises in lieu of any of the foregoing.

6. Lease Modifications. Tenant agrees that, without the prior written consent of Lender, Tenant shall not (i) materially amend or modify, terminate or cancel the Lease or any extensions or renewals thereof; (ii) make any prepayments of any rent or additional rent in excess of one (1) month; (iii) subordinate or permit the subordination of the Lease to any lien subordinate to the Security Instrument, or (iv) assign the Lease or sublease the Premises or any portion thereof other than pursuant to the provisions of the Lease.

7. Notice of Default; Opportunity to Cure. Tenant agrees that prior to exercising any of its rights and remedies under the Lease in the event of any default by Borrower thereunder, including any rights of termination, abatement, offset, defense or self-help provisions contained in the Lease, Tenant shall give written notice to Lender of the occurrence of default by Borrower and Borrower’s failure to cure such default pursuant to the terms of the Lease, specifying, with reasonable clarity, the events constituting such default. In the event of a monetary default, Tenant shall give Lender ten (10) calendar days after the date of receipt of such notice to cure such monetary default. In the event of a non-monetary default, Tenant shall give Lender a cure period equal to the longer of (i) thirty (30) days after the cure period provided to Borrower under the Lease; (ii) thirty (30) days after Lender’s receipt of Tenant’s notice to Lender of a Borrower default, or (iii) if the default is not reasonably susceptible of being cured by Lender without having possession of the Property, thirty (30) days after Lender has obtained possession of the Property; provided that in each case, if such default cannot reasonably be cured within such cure period and Lender has diligently commenced to cure such default or commenced enforcement remedies against Borrower within the time contemplated by this Section 7, such cure period shall be extended for so long as necessary for Lender, in the exercise of due diligence, to cure such default. Tenant acknowledges that Lender is not obligated to cure any Borrower default, but if Lender elects to do so, Tenant agrees to accept cure by Lender as that of Borrower under the Lease and will not exercise any right or remedy under the Lease for a Borrower default. Performance rendered by Lender on Borrower’s behalf is without prejudice to Lender’s rights against Borrower under the Security Instrument or any of the other Loan Documents.

8. Notices. Any notice required or permitted to be given hereunder must be in writing and given (a) by depositing same in the United States mail, addressed to the party to be notified, postage prepaid and certified with return receipt requested; (b) by

delivering the same in person to such party; or (c) by depositing the same into the custody of a nationally recognized overnight delivery service addressed to the party to be notified. In the event of mailing, notices shall be deemed effective three (3) days after posting; in the event of overnight delivery, notices shall be deemed effective on the next business day following deposit with the delivery service; in the event of personal service, notices shall be deemed effective when delivered. For purposes of notice, the addresses of the parties shall be as follows:

If to Lender, to: [Name of the Trust]
c/o KeyBank National Association
11501 Outlook Street, Suite 300
Overland Park, Kansas 66211
Re: Loan No. _____

With a copy to: Polsinelli
2950 N. Harwood St., Suite 2100
Dallas, Texas 75201
Attention: John Duncan, Esq.

If to Borrower, to: _____

If to Tenant, to: _____

From time to time any party may designate another or additional addresses for all purposes of this Agreement by giving the other parties no less than ten (10) days' advance notice of such change of address in accordance with the notice provisions hereof.

9. Notice Under Lease. If the Lease entitles Tenant to notice of the existence of any Security Instrument and the identity of any lender, this Agreement shall constitute such notice to Tenant with respect to the Security Instrument and this Lender.

10. Limitation of Liability. Lender shall not, by virtue of this Agreement, the Security Instrument, the other Loan Documents or any other instrument to which Lender may be a party, be or become a mortgagee-in-possession or become subject to any liability or obligation to Tenant under the Lease or otherwise, unless specifically set forth herein. In the event that Lender or any New Landlord shall acquire title to the Premises, Lender or such New Landlord (as the case may be) shall have no obligation, nor incur any liability, beyond Lender's or New Landlord's then equity interest, if any, in the

Premises, and Tenant shall look exclusively to such equity interest of Lender or New Landlord (as the case may be), if any, for the payment and discharge of any obligations imposed upon Lender or New Landlord under this Agreement or under the Lease or for recovery of any judgment from Lender or New Landlord, and in no event shall Lender, New Landlord, nor any of their respective officers, directors, shareholders, agents, representatives, servants, employees or partners, ever be personally liable for any such judgment or obligations.

11. Miscellaneous. This Agreement may not be modified or terminated orally. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their heirs, representatives, successors and assigns. The term "**Person**" shall mean any individual, joint venture, corporation, partnership, trust, unincorporated association or other entity. Any inconsistency between the Lease and the provisions of this Agreement shall be resolved in favor of this Agreement.

12. Waivers. BORROWER, TENANT AND LENDER EACH HEREBY AGREE NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS AGREEMENT, THE SECURITY INSTRUMENT OR THE OTHER LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER, TENANT AND LENDER, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH RIGHT TO TRIAL BY JURY WOULD OTHERWISE ACCRUE. BORROWER, TENANT AND LENDER EACH ARE HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY EACH OTHER.

13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State in which the Property is located.

14. Counterparts and PDF Signatures. To facilitate execution of this Agreement, this Agreement may be executed in one or more counterparts as may be convenient or required. All counterparts of this Agreement shall collectively constitute a single instrument; but, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. It shall not be necessary for the signature of, or on behalf of, each party to this Agreement, or that the signature of all persons required to bind any such party, appear on each counterpart of this Agreement. Each signature page to any counterpart of this Agreement may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart of this Agreement identical thereto except having attached to it additional signature pages. Delivery of an executed counterpart of a signature page to this Agreement by facsimile, PDF or other electronic means shall be equivalent to, and have the same impact and effect as, an original counterpart and shall be valid, enforceable and binding. Documents executed, scanned (in .PDF or similar

reprographic format), and/or executed electronically using electronic signature software (e.g. DocuSign or similar software), or similar methods (each a method of “**Electronic Execution**”) and transmitted electronically shall be deemed original signatures for purposes of this Agreement and all matters related thereto, with such Electronic Execution having the same legal and binding effect as original signatures.

15. Hazardous Substances. Tenant acknowledges and agrees that Tenant has never permitted, and will not permit, the generation, treatment, storage or disposal of any hazardous substance (as defined under federal, state, or local law) on the Premises or Property, except for such substances of a type and only in a quantity normally used in connection with the occupancy or operation of buildings similar to that in which the Premises are situated (such as non-flammable cleaning fluids and supplies normally used in the day to day operation of first class establishments similar to the improvements located on the Property) and which substances so excepted are being held, stored, and used in strict compliance with federal, state, and local laws. TENANT SHALL BE SOLELY RESPONSIBLE FOR AND SHALL REIMBURSE AND INDEMNIFY BORROWER, NEW LANDLORD OR LENDER, AS APPLICABLE, FOR ANY LOSS, LIABILITY, CLAIM OR EXPENSE, INCLUDING WITHOUT LIMITATION, CLEANUP AND ALL OTHER EXPENSES (INCLUDING, WITHOUT LIMITATION, LEGAL FEES) THAT BORROWER, NEW LANDLORD OR LENDER, AS APPLICABLE, MAY INCUR BY REASON OF TENANT’S VIOLATION OF THE REQUIREMENTS OF THIS SECTION 15.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGES FOLLOW]**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as the day and year first stated above.

Tenant:

_____,
a _____ [corporation] [limited partnership]
[limited liability company]

By: _____,
a [corporation] [limited partnership] [limited
liability company] as [General Partner] [Member]
[Managing Member]

(a)

By: _____

Name: _____

Title: _____

STATE OF _____)
) ss
COUNTY OF _____)

On this ____ day of _____, 20____, before me, appeared _____ to me personally known, who being by me duly sworn, did say that s/he is the _____ [president] [vice president] [general partner] [manager] [managing member] of _____, a _____ [corporation] [general] [limited] [partnership] [limited liability company] [, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation] and that the said instrument was signed [and sealed] on behalf of said _____ [corporation] [general] [limited] [partnership] [limited liability company] by authority of its [board of directors][members], and said _____, [acting as the general partner of said partnership] acknowledged said instrument to be the free act and deed of said _____ [corporation] [general] [limited] [partnership] [limited liability company].

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the day and year last above written.

Notary Public in and for
said County and State

Print Notary's Name: _____

My Commission Expires:

Lender: [Name of the Trust]
By: KeyBank National Association,
as Authorized Agent

(c) By: _____
Name: _____
Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

Sworn to before me and subscribed in my presence by

_____, a _____ of

KeyBank National Association, as authorized agent for [NAME OF THE TRUST],

this _____ day of _____, 20____, on behalf of [NAME OF THE TRUST].

Notary Public in and for Said County and
State

(Type, print or stamp the Notary's name
below his or her signature.)

My Commission Expires:

EXHIBIT A

LEGAL DESCRIPTION

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: Upon prior written request from Tenant, Landlord shall submit this form 22. 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				
	Hispanic/Latin American				
	Asian American				
	Portuguese American				
American Indian/Alaskan Native			Section D. OPTION TO PROVIDE REQUESTED INFORMATION We do not wish to provide the information required in this form.		

All Others			Firm Name: _____
			Signature/Title: _____
			Date: _____

EXHIBIT H

INTENTIONALLY OMITTED

EXHIBIT I

LANDLORD'S WORK/PREPARATION OF PREMISES

GENERAL:

1. Tenant Improvements shall conform to the requirements of all governing building, plumbing, mechanical, and electrical codes, and any and all other applicable requirements including State of California Administrative Code and The Americans With Disabilities Act. Landlord shall be responsible for obtaining all necessary permits, the cost of which shall be applied against the Tenant Improvement Allowance.
2. Scope of work shall include all labor, materials, supplies, equipment, services, specialties, transportation, and the cost thereof, required to complete Tenant Improvements for said project.
3. Submittals:
 - A. Construction Drawings and Furniture Installation Plans: If necessary (as further described in Section 24.2), submit one set of reproducible and four sets of blueline prints to Tenant for review and approval prior to start of construction or order placement (if needed).
 - B. Miscellaneous: Submit three (3) copies of all warranties, operation manuals, and other pertinent information to Tenant upon completion of Tenant Improvements.
4. Tenant Improvement work requested by Tenant, will only be performed to the extent the Tenant Improvement Costs do not exceed the Tenant Improvement Allowance and Tenant's TI Contribution, i.e. the combined project TIs (unless and to the extent Tenant pays Landlord such over-allowance amount).

Tenant in its sole discretion, shall determine how the Tenant Improvement funds will be allocated to address Deferred Maintenance Items and Tenant Improvement Items including but not limited to the following:

Deferred Maintenance Items:

1. Replace fluorescent light bulbs and diffusers throughout office area.
2. Replace all damaged or missing ceiling tiles in offices where required.
3. Repair ceiling leaks in offices where required.
4. Pressure wash and repair concrete floor in warehouse area (Tenant to move equipment as needed).
5. Clean HVAC supply and HVAC return grills throughout office area.
6. Steam clean or shampoo carpet throughout office area without moving furniture.
7. Service and repair kitchen sink and restroom plumbing draining issues.
8. Provide service and rebalancing of the HVAC system throughout office area.
9. Repair walkway area surfaces in front of Premises for safety.
10. Repair sheet metal-peeling away from the underside of roof in warehouse area.
11. Repair interior doors in office area.

Tenant Improvement Items:

1. Provide building standard paint throughout office area without moving furniture.
2. Provide a key to the gate at the Southeast corner of property for safer truck ingress and egress.
3. Install a truck high loading gate inside warehouse truckwell for safety.
4. Repair or replace broken metal walk-in door within the roll up door.

Certificate Of Completion

Envelope Id: 52167453D8D243C6983EBF833697A337

Status: Completed

Subject: Please DocuSign: County of Los Angeles Lease-LBA-10612 Shoemaker(14400654.9) (HOA 103650897.1) ...

Source Envelope:

Document Pages: 66

Signatures: 1

Envelope Originator:

Certificate Pages: 5

Initials: 0

Cheryl Plosker

AutoNav: Enabled

3347 Michelson Drive, Suite 200

Envelope Stamping: Enabled

Irvine, CA 92612

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

CPlosker@lbarealty.com

IP Address: 209.203.86.66

Record Tracking

Status: Original

Holder: Cheryl Plosker

Location: DocuSign

7/18/2022 12:35:07 PM

CPlosker@lbarealty.com

Signer Events

Alison Vukovich

avukovich@lbarealty.com

Authorized Signatory

Security Level: Email, Account Authentication
(None)**Signature**

DocuSigned by:


7AFBFBE93E814FD...Signature Adoption: Drawn on Device
Using IP Address: 209.203.86.66**Timestamp**

Sent: 7/18/2022 12:38:08 PM

Viewed: 7/18/2022 1:34:30 PM

Signed: 7/18/2022 1:34:47 PM

Electronic Record and Signature Disclosure:

Accepted: 7/18/2022 1:34:30 PM

ID: 1eff4c60-3b8d-4aee-86e9-b673ba0049fe

In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp**

Evelyn Manning

emanning@lbarealty.com

COPIED

Sent: 7/18/2022 1:34:49 PM

Viewed: 7/18/2022 1:39:27 PM

Security Level: Email, Account Authentication
(None)**Electronic Record and Signature Disclosure:**

Not Offered via DocuSign

Witness Events**Signature****Timestamp****Notary Events****Signature****Timestamp****Envelope Summary Events****Status****Timestamps**

Envelope Sent

Hashed/Encrypted

7/18/2022 12:38:08 PM

Certified Delivered

Security Checked

7/18/2022 1:34:30 PM

Signing Complete

Security Checked

7/18/2022 1:34:47 PM

Completed

Security Checked

7/18/2022 1:34:49 PM

Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, LBA Realty (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign, Inc. (DocuSign) electronic signing system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after signing session and, if you elect to create a DocuSign signer account, you may access them for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of a DocuSign envelope instead of signing it. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures

electronically from us.

How to contact LBA Realty:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: tharper@lbarealty.com

To advise LBA Realty of your new e-mail address

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at tharper@lbarealty.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

In addition, you must notify DocuSign, Inc. to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in the DocuSign system.

To request paper copies from LBA Realty

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to tharper@lbarealty.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with LBA Realty

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to tharper@lbarealty.com and in the body of such request you must state your e-mail, full name, US Postal Address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows® 2000, Windows® XP, Windows Vista®; Mac OS® X
Browsers:	Final release versions of Internet Explorer® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safari™ 3.0 or above (Mac only)
PDF Reader:	Acrobat® or similar software may be required to view and print PDF files
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	Allow per session cookies

** These minimum requirements are subject to change. If these requirements change, you will be asked to re-accept the disclosure. Pre-release (e.g. beta) versions of operating systems and browsers are not supported.

Acknowledging your access and consent to receive materials electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.

By checking the 'I agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and
- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify LBA Realty as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by LBA Realty during the course of my relationship with you.

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	9/7/2022		
BOARD MEETING DATE	9/27/2022		
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input checked="" type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th		
DEPARTMENT(S)	Los Angeles County Development Authority (LACDA)		
SUBJECT	APPROVE AN EXCLUSIVE NEGOTIATING AGREEMENT (“ENA”) WITH CENTURY AFFORDABLE DEVELOPMENT, INC. (“CENTURY”) FOR THE POTENTIAL DEVELOPMENT OF COUNTY-OWNED PROPERTY AT THE NORTHEAST CORNER OF N. MISSION ROAD AND GRIFFIN AVENUE IN THE CITY OF LOS ANGELES		
PROGRAM	Housing Investment and Finance		
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:		
DEADLINES/ TIME CONSTRAINTS	N/A		
COST & FUNDING	Total cost: \$50,000 (\$25,000 non-refundable ENA fee and \$25,000 deposit to cover transaction expenses)	Funding source: Paid by Century	
	TERMS (if applicable):N/A		
	Explanation: There is no impact on the County General Fund as a result of the actions contemplated in this letter		
PURPOSE OF REQUEST	Approval of an Exclusive Negotiation Agreement between the County of Los Angeles and Century, a California nonprofit public benefit corporation, to negotiate the potential development of an affordable housing project on County-owned property located at the northeast corner of N. Mission Road and Griffin Avenue, with APNs 5210-015-902, -904, -905, and -906, in the City of Los Angeles. The letter also recommends approval for the LACDA to act on behalf of the County in the negotiation and execution of the ENA		
BACKGROUND (include internal/external issues that may exist including any related motions)	Century was procured through an RFP that was issued by the LACDA, acting on behalf of the County, on October 19, 2021. The County is interested in entering into an ENA with Century to determine if the parties can reach an agreement on the terms to potentially develop the County-owned Property with a proposed affordable housing project, which may include up to 300 residential units with supportive housing for homeless individuals and families and homeless individuals and families living with a mental illness, in addition to low-income units. The Property is located in a community in great need of affordable housing and is part of the County’s LAC+USC Restorative Care Village efforts.		
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:		
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Lynn Katano, Director of Housing Investment & Finance (626) 586-1806, Lynn.Katano@lacda.org		



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
Chief Executive Officer

September 27, 2022

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

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

Dear Supervisors/Commissioners:

**APPROVE AN EXCLUSIVE NEGOTIATING AGREEMENT WITH
CENTURY AFFORDABLE DEVELOPMENT, INC., FOR THE POTENTIAL
DEVELOPMENT OF COUNTY-OWNED PROPERTY AT THE NORTHEAST CORNER
OF NORTH MISSION ROAD AND GRIFFIN AVENUE
IN THE CITY OF LOS ANGELES
(FIRST DISTRICT) (3 VOTES)**

SUBJECT

This letter recommends approval of an Exclusive Negotiation Agreement (ENA) between the County of Los Angeles (County) and Century Affordable Development, Inc. (Century), a California nonprofit public benefit corporation, to negotiate the potential development of an affordable housing project on County-owned property located at the northeast corner of North Mission Road and Griffin Avenue, with APNs 5210-015-902, -904, -905, and -906, in the City of Los Angeles (Property). The letter also recommends approval for the Los Angeles County Development Authority (LACDA) to act on behalf of the County in the negotiation and execution of the ENA.

IT IS RECOMMENDED THAT THE BOARD OF SUPERVISORS:

1. Find that the proposed actions are not a project under the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and the record.

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

2. Find that the Property is exempt surplus land per Government Code section 54221(f)(1)(a). The County entered into an ENA after a competitive bid for a 100 percent affordable housing project. The Property will be used to provide affordable housing to veterans and families within the County.
3. Authorize and delegate authority to LACDA to act on behalf of the County to execute the proposed ENA between the County and Century, presented in substantially final form, for the potential development of the Property. The proposed ENA will have a term of 180 days, with the option for a maximum of two 90-day extensions, if needed, in order to negotiate the potential project, collect deposits and fees in connection with the terms of the proposed ENA, and to administer the expenses and accounting associated with the proposed ENA, and for its Executive Director, or designee, to execute any and all related or ancillary documents or amendments to the proposed ENA necessary to effectuate the action authorized hereby.
4. Authorize LACDA to act on behalf of the County to manage the predevelopment phase of the proposed potential development.

IT IS RECOMMENDED THAT THE BOARD OF SUPERVISORS, ACTING AS THE COMMISSIONERS OF LACDA:

1. Find that the proposed actions are not a project under CEQA for the reasons stated in this Board letter and the record.
2. Authorize LACDA to serve as the agent of the County and authorize the Executive Director, or his designee, to execute the proposed ENA between the County and Century, approved as to form by County Counsel, for an initial six-month term, and to extend the term of the proposed ENA for a maximum of up to two 90-day ENA extension periods, if needed, in order to negotiate the potential project, collect deposits and fees in connection with the terms of the proposed ENA, and to administer the expenses and accounting associated with the proposed ENA.
3. Find that the Property is exempt surplus land per Government Code section 54221(f)(1)(a). The County entered into an ENA after a competitive bid for a 100 percent affordable housing project. The Property will be used to provide affordable housing to veterans and families within the County.
4. Authorize the Executive Director, or his designee, to execute any and all related or ancillary documentation or amendments, approved as to form by County Counsel, which are necessary to effectuate the action authorized hereby.
5. Authorize the Executive Director, or his designee, to manage the predevelopment phase of the proposed potential development of the Property.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to authorize execution of the proposed ENA, presented in substantially final form, between the County acting through LACDA, and Century, which will allow for the negotiation of the potential development of an affordable housing project on the Property. LACDA will manage the predevelopment phase of the proposed development. The predevelopment phase activities include overseeing or participating in the following activities established under the ENA Schedule of Performance (Exhibit C): overseeing the entitlement process and timeline, reviewing proposed financing structure and project plans, managing the right of entry agreement, reviewing the outreach plan and participating in outreach activities, and negotiating the terms for a potential Option to Lease Agreement.

Implementation of Strategic Plan Goals

The approval of the proposed project and ENA is consistent with the following Strategic Goals and Objective: 1) Countywide Strategic Plan Goal 1 - to make investments that transform lives; 2) Strategic Asset Management Goal - to prioritize needs to optimize highest and best use of assets; and 3) Key Objective 5 - to fund highest priority needs. The proposed project supports these goals and objective by addressing the County's homeless crisis and transforming a County-owned asset into safe, decent, affordable, and supportive housing that will serve the needs of special needs populations and families with limited means.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund as a result of the actions contemplated in this letter. As part of the ENA, Century will be required to pay a non-refundable ENA fee of \$25,000 and an initial ENA deposit of \$25,000, which may be replenished to cover the transaction expenses.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County is interested in entering into an ENA with Century to determine if the parties can reach an agreement on the terms of the potential development of the Property with a proposed affordable housing project, which may include up to 300 residential units with supportive housing for homeless individuals and families, and homeless individuals and families living with a mental illness, in addition to low-income units. The Property is located in a community in great need of affordable housing and is part of the County's LAC+USC Restorative Care Village efforts. The Property is comprised of four parcels, which total approximately 100,630 square feet in size, or approximately 2.3 acres. The proposed development of the Property presents an opportunity to advance the County's key objectives for the area, which include enhancing the community and creating affordable housing opportunities for homeless and low-income populations.

Century plans to use prefabricated construction techniques to deliver the proposed potential development, which will include up to 300 units, and 11,000 square feet of community-serving space dedicated to workforce development and peer respite programs. All units will be reserved for households earning between 30 percent and 60 percent of area median income, with two units reserved for property management personnel. Fifty percent of the units will be set-aside as supportive housing and the remaining units will serve low-income persons.

Century will execute and comply with a Community Benefits Agreement (CBA) related to the development of this proposed potential development. This CBA will be included as part of the proposed ENA negotiations. The CBA shall be aligned with the regional community benefit priorities developed through the Health Innovation Community Partnership (HICP). The HICP is a coalition of partners serving the residents and communities of Los Angeles' eastside neighborhoods, including East Los Angeles, Boyle Heights, El Sereno, Lincoln Heights, and Northeast Los Angeles. The HICP has established seven priority areas for community benefits including: health and wellness, community stability, economic development, opportunity, safety, transportation, and environmental justice.

Century was selected through a Request for Proposals (RFP) process, and as part of its proposal, Century included a stakeholder engagement strategy that incorporates working with residents that live in close proximity to the project area and including other key stakeholders from the area. The outreach strategy includes a two-phased approach. The first phase is project design and conception, which seeks to develop relationships with local stakeholders, and listen to, understand, and respond to feedback and/or concerns about the development, forming lines of communication and trust, and mobilizing support for the ultimate development concept and on-going service provision. Following the project design phase, Century will maintain a posture of engagement into the operations phase where it will offer a nurturing, healing environment, where residents have safe and affordable housing, and can acquire the skills and assistance needed to gain stability and self-sufficiency in maintaining housing, healthier life choices, effective parenting, and other life skills.

The proposed potential development is a preliminary proposal that is subject to change through negotiations, as well as input derived from the community outreach efforts. The proposed ENA will include the following terms:

- An initial term of 180 days with options to extend the term for a maximum of two 90-day periods, if needed.
- A non-refundable ENA fee of \$25,000 and an initial ENA deposit of \$25,000, which may be replenished to cover the transaction expenses.
- The County shall not be responsible for reimbursing Century for any expenses incurred to assess the feasibility of a housing development project at the Property.

If negotiations with Century are successful, LACDA and/or the County will return to the Board with an Option to Lease Agreement for review and approval. Such proposed potential development on the Property is pursuant to Government Code section 25539.4, and therefore, exempt from the California Surplus Land Act (Government Code section 54220, et seq.).

ENVIRONMENTAL DOCUMENTATION

The actions are not a project, pursuant to CEQA, because it is an activity that is excluded from the definition of a project pursuant to section 15378 (b) of the State CEQA guidelines. The proposed action is an administrative activity of government, which will not result in direct or indirect physical change to the environment. The County and LACDA are only seeking authority to negotiate potential agreements under the ENA. No commitment to any project is being made at this time. Review of the CEQA requirements must be completed before any commitment to a project occurs.

CONTRACTING PROCESS

Century was procured through an RFP that was issued by LACDA, acting on behalf of the County, on October 19, 2021. Prospective proposers attended a mandatory pre-proposal conference on November 10, 2021. The submission deadline was January 6, 2022.

As a result of the RFP, the County received a total of six proposals. The proposals were evaluated based on the following criteria described in the RFP:

1. Development Team Experience
2. Financial Capacity – Funding Sources Experience
3. Community Engagement Experience
4. Project Concept-Financing Strategy and Approach
5. References
6. County Requirements

Century's proposal received the highest score, with 964 points out of 1,050. Over the past 26 years, Century has exhibited a long track record of financing, developing, managing, and operating permanent supportive and affordable housing communities. Century's real estate development portfolio includes over 2,000 residential affordable and supportive housing units across 23 completed developments in Los Angeles and San Bernardino Counties; an additional 1,182 residential affordable and supportive housing units across 12 developments under construction or in predevelopment in Los Angeles, Riverside and Orange Counties; and four master-planned communities in Los Angeles County creating regional impacts with nearly 4,000 total homes to be constructed by Century and its partners (and over 1,500 units to be developed by Century independently).

Honorable Board of Supervisors/Commissioners
September 27, 2022
Page 6

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed actions will allow the County to explore the potential to increase affordable and supportive housing opportunities.

CONCLUSION

It is requested that the Executive Office of the Board of Supervisors return one certified copy of the Minute Order and an adopted stamped copy of this Board letter to the Chief Executive Office, Real Estate Division, 320 West Temple Street, 7th Floor, Los Angeles, CA 90012 for further processing. Additionally, please forward one adopted, stamped copy of the Board letter to LACDA, 700 West Main Street, Alhambra, CA 91801.

Respectfully submitted,

FESIA A. DAVENPORT
Chief Executive Officer

EMILIO SALAS
Executive Director
Los Angeles County Development Authority

FAD:JMN:JTC
JLC:MR:gw

Enclosures

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

ENCLOSURE

EXCLUSIVE NEGOTIATION AGREEMENT

by and between

THE COUNTY OF LOS ANGELES

and

CENTURY AFFORDABLE DEVELOPMENT, INC.

EXCLUSIVE NEGOTIATION AGREEMENT

THIS EXCLUSIVE NEGOTIATION AGREEMENT (this "**Agreement**") is effective this ____ day of _____, 2022 (the "**Effective Date**"), by and between the County of Los Angeles, a public body, corporate and politic ("**County**"), acting by and through the Los Angeles County Development Authority, a public body corporate and politic (the "**LACDA**") and CENTURY AFFORDABLE DEVELOPMENT, INC. ("**Developer**"), a California non-profit public benefit corporation, on the terms and conditions set forth below. Each of County and DEVELOPER are sometimes referred to collectively herein as the "**Parties**" and individually as a "**Party**."

RECITALS

- A. The County owns real property located on located at the northeast corner of Mission Road, and Griffith Avenue, which is comprised of four parcels with Assessor's Parcel Numbers (APN) 5210-015-902, 5210-015-904, 5210-015-905, and 5210-015-906, as further described in Exhibit "A" ("**Property**").
- B. Developer has provided the County with a proposal to develop an affordable housing project, which may include up to 300 residential units with supportive housing for homeless individuals and families and homeless individuals and families living with a mental illness ("**Proposed Project**") on the Property. Notwithstanding the foregoing description, the Proposed Project is a preliminary proposal that is subject to change through negotiation.
- C. A preliminary design concept plan for the Proposed Project is attached as Exhibit B.
- D. The County and Developer desire to build a project that is consistent with the County goals of: (i) creating affordable housing; (ii) completing affordable housing options in the most efficient and effective manner, and (iii) enhancing the land use and economic development goals of surrounding communities.
- E. On _____, 2022 the County's Board of Supervisors ("**County Board**") authorized the LACDA to act on its behalf and for its Executive Director, or his designee, to execute this Agreement with Developer, for the purpose of (i) analyzing the potential development of the Proposed Project on the Property and (ii) negotiating the potential terms and conditions of a potential development agreement as well as any other necessary agreements ("**Project Agreements**"). The contemplated development of the Proposed Project and execution of the Project Agreements and any other associated agreements are collectively referred to as the "**Transaction**."
- F. The execution of the Project Agreements is subject to and contingent upon the County Board's approval after compliance with the California Environmental Quality Act ("**CEQA**").

- G. The County is required to comply with CEQA in connection with the consideration and analysis of the environmental impacts of the development of the Proposed Project. Because the County has not committed to any project, including the Proposed Project, this Agreement does not constitute or evidence an approval by the County of, or commitment of the County to any action for which environmental review is required under CEQA. The County retains the absolute sole discretion to make decisions with respect to the Proposed Project, which discretion includes: (i) deciding not to proceed with development of the Proposed Project, (ii) deciding to proceed with development of the Proposed Project, and (iii) deciding to proceed with any alternative development of any portion of the Property (the "**Potential County Actions**"). There shall be no approval or commitment by the County regarding the Transaction or any alternative development of any portion of the Property, unless and until the County, or other agency serving as the Lead Agency with respect to the Proposed Project, considers the environmental impacts of the Proposed Project, in full compliance with CEQA.
- H. Developer has or will have obtained all required entitlements for the Proposed Project, including adoption of California Environmental Quality Act ("**CEQA**") findings, and shall comply with all applicable requirements of the governmental body having or asserting land use jurisdiction over the Proposed Project (such governmental body may be referred to hereinafter as the "**Entitling Agency**"), as well as any other applicable legal requirements related to the development, construction and operation of the Proposed Project, including, but not limited to, compliance with the County's Local and Targeted Worker Hire Policy and Community Benefits Agreement, as applicable.

Now, Therefore, in consideration of the foregoing Recitals, which are hereby deemed a contractual part hereof, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Exclusive Negotiation Agreement: Good Faith Negotiations

- A. **Exclusive Negotiation.** During the Term (defined in Section 2.A), so long as Developer is negotiating in good faith and is not otherwise in default of its obligations under this Agreement, the County will not solicit offers or proposals from other parties concerning potential development of the parcels within the Property. The Parties will negotiate exclusively and in good faith in accordance with this Agreement regarding the negotiations and drafting of the Project Agreements. Notwithstanding the foregoing, the County may, from time to time, be contacted by other developers regarding the Property and that such contact is expressly permitted so long as the County does not initiate the contact and indicates to such developers that the County has executed this Agreement and that the County is prohibited from: (i) discussing anything concerning these negotiations with such developers; (ii) considering any offer or proposal from such other

developers; or (iii) negotiating with any such developers, until this Agreement expires or is terminated pursuant to its terms.

- B. Essential Terms. The Parties acknowledge and agree that this Agreement does not establish all the essential terms of the Transaction and that although they have set forth herein a framework for negotiation of the essential terms of the Transaction: (i) they have not set forth herein nor agreed upon many of the essential terms of the Transaction, including, among other things, the price or terms of and timing of any development; (ii) they do not intend this Agreement to be a statement of the essential terms of the Transaction; and (iii) the essential terms of the Transaction, if agreed to by the Parties, shall be set forth, if at all, in documentation and agreements negotiated, approved and executed by duly authorized representatives of each of the Parties after any and all applicable requirements of CEQA have been completed and determinations/findings made by the CEQA lead agency.

2. Duration of this Agreement

- A. Term. This Agreement shall commence on the Effective Date and shall terminate one hundred eighty (180) days thereafter (the "**Term**"). Notwithstanding the foregoing, if (i) the Parties have not executed and delivered the Project Agreements within such period and (ii) substantial progress has been made toward fulfillment of the requirements of this Agreement, the Parties may determine, in the County's sole and absolute discretion, to extend the Term for a maximum of two consecutive ninety (90) day periods. The LACDA's Executive Director, or his designee, has been authorized to execute any Term extensions entered into pursuant to this Section 2.A.
- B. Execution. No agreement or documentation that may hereafter be negotiated between the Parties with respect to the Project Agreements shall become final and binding unless and until: (i) the County and Developer have complied with all applicable requirements of CEQA pertaining to the Transaction; (ii) such documentation is approved by the Entitling Agency; and (iii) such documentation is executed by the authorized representatives of each of the Parties.
- C. Approval of the Potential County Actions. Prior to the satisfaction of the terms set forth in Section 2.B., no: (i) negotiation or preparation of any development documentation (including a Development Agreement), including without limitation, any specific terms and provisions or any form of document; (ii) review or approval by the County of various stages of proposed plans and specifications for the Proposed Project; nor (iii) cooperation or participation by the County in development applications or submittals for the Proposed Project (including, the County's execution of any such applications or submittals),

shall constitute the County's approval of the Proposed Project or the Transaction or a commitment to take any actions.

3. ENA Fee and Deposit

- A. ENA Fee. In consideration for County agreement to negotiate exclusively with Developer, on or before the date of full execution of this Agreement, Developer shall pay to County consideration in the amount of Twenty-five Thousand Dollars (\$25,000) via wire transfer or Automated Clearing House electronic funds transfer as directed by the County in writing (the "**ENA Fee**"). The ENA Fee is non-refundable, except as otherwise specifically provided in this Agreement. The Parties agree that the County is required to deposit the ENA Fee in an interest bearing account, and furthermore, where the ENA Fee is specifically refundable pursuant to the terms of this ENA, any refund of all or a portion of the ENA Fee to Developer will not include any interest earned on the ENA Fee (if any).
- B. Deposit. Prior to and as a condition precedent to the execution of this Agreement by County, Developer shall also submit to the County, a deposit in the amount of Twenty-five Thousand Dollars (\$25,000.00) ("**Initial Amount**") via wire transfer or Automated Clearing House electronic funds transfer as directed by County in writing (the "**Deposit**"), which Deposit shall cover costs related to the evaluation of the Proposed Project and negotiation of the potential Project Agreements and other related agreements ("**Transaction Expenses**"). The Transaction Expenses shall include, without limitation the actual cost of in-house staff time (including County overhead and administrative costs but excluding in-house costs incurred by County Counsel and County project managers) and third party consultation fees (including, but not limited to, consultants, engineers, architects, outside counsel and advisors) for the performance of financial analyses, design review (including reviewing Developer's plans and specifications for the Proposed Project and engineering and other reports related to the Proposed Project), negotiations, appraisals, document preparation and other reasonable services related to the Proposed Project and the Transaction. County shall provide documentation of Transaction Expenses to Developer, provided that the form of documentation will be such that is available to County and the County and in its possession, in County and County's sole good faith determination. During the Term, whenever the Deposit balance reaches Ten Thousand Dollars (\$10,000.00) or less, Developer will replenish the Deposit to the Initial Amount, upon written notice from the County. Notwithstanding anything to the contrary contained herein, if County is requested to perform any engineering studies, technical services or other similar services, or supervision of on-site testing or inspections, or if the Deposit is insufficient to cover Transaction Expenses, County shall have the right to request additional monies, which may exceed the Initial Amount, as may be reasonably necessary to cover the costs of providing those services or Transaction Expenses. If Developer

does not consent and make such additional payments or replenish the Deposit as set forth herein, County may decline to provide the services and/or terminate this Agreement.

- i. In the event that this Agreement terminates or is terminated, the Deposit will become non-refundable to the extent necessary to pay Transaction Expenses incurred or contractually committed to be paid as of the date of termination, and County shall return to Developer any portion of the Deposit that is not needed to pay such Transaction Expenses. The Parties agree that County (a) has no obligation to pay interest on the Deposit to Developer, and (b) is not required to deposit the Deposit in an interest bearing account. Interest, if any, earned on the Deposit, may remain in the Deposit account and may be added to the amount of the Deposit. Any refund of all or a portion of the Deposit to Developer will not include any interest earned on the Deposit.

4. Agreements to be Negotiated.

- A. Project Agreements. The County and Developer shall work in good faith to negotiate and jointly prepare the Project Agreements. The Project Agreements shall include, without limitation, provisions relating to the design and development of the Proposed Project, a schedule of performance, and the Parties' obligations during the term of the Project Agreements.
- B. Other Agreements. If the Transaction will involve other agreements, such as licenses and/or dedications, each of those agreements shall be addressed in the Project Agreements and negotiated in accordance with applicable County policies and procedures and the County Board's authority.

5. County Responsibilities.

- A. Exclusive Negotiations. So long as Developer is negotiating in good faith and is not otherwise in Default (as defined in Section 12.C) of its obligations under this Agreement, the County shall negotiate exclusively and in good faith with Developer, as set forth in Section 1.A.
- B. Schedule of Performance. The County shall meet the milestones required of the County, as set forth in the schedule of performance attached hereto as Exhibit C, which schedule may be modified during the Term as agreed between the Parties (the "**Schedule of Performance**").
- C. County Discretion. The County is not approving, committing to, or agreeing to undertake: (i) the Proposed Project or any development; (ii) disposition, sale or lease of land to Developer; or (iii) any other acts or activities requiring the subsequent independent exercise of discretion by the County.

- D. Funding. The County has not agreed to fund, subsidize or otherwise financially contribute in any manner toward the development of the Proposed Project.
 - E. Other Covenants. The County shall perform such other covenants and obligations required of the County as explicitly set forth in this Agreement.
6. Developer's Responsibilities.

Without limiting any other provision of this Agreement, during the Term, Developer, at its sole cost and expense, shall prepare and submit the following information and documents and perform the following acts, all in furtherance of the negotiation process:

- A. Project Information. The County, together with Entitling Agency and all other agencies having regulatory jurisdiction over the Proposed Project, will require planning and design approval for the Proposed Project. Developer shall meet with representatives of the County and Entitling Agency to review and come to a clear understanding of the planning and design requirements of Entitling Agency and other agencies, as may be required, for the Proposed Project.
- B. Schedule of Performance. Developer shall meet the milestones required of Developer, as set forth in the Schedule of Performance, unless otherwise modified during the Term as agreed between Parties through written notice.
- C. Notice of Governmental Meetings. Developer shall provide at least two (2) weeks' prior written notice to the County of any substantive meetings with governmental officials (including staff) relating to the Proposed Project and allow the County to attend such meetings, at the County's sole discretion. Developer shall keep the County fully informed during the Term regarding all substantive matters and meetings affecting the Proposed Project.
- D. Environmental Documents and Entitlements. Developer shall provide to the County, in accordance with the Schedule of Performance, conceptual plans, renderings, schematic drawings, programmatic plans and copies of all other information and documentation (the "**Project Plans**") that is submitted to the Entitling Agency, which is necessary to make appropriate findings pursuant to CEQA. Developer shall bear all costs and expenses associated with the preparation and certification of any required environmental documents and of the Project Plans.
- E. Further Information. The County reserves the right, at any time, to request from Developer, and Developer shall provide in a timely manner, additional or updated non-legally privileged information about Developer or the Proposed Project as requested by the County.

- F. Design Review Process. Developer shall engage and coordinate with the County on the design of the Proposed Project, and the design shall be subject to the County's review and approval (as well as that of any other agency having jurisdiction) as set forth in the proposed Project Agreements. Developer shall provide at least two (2) weeks' prior written notice to the County of all design meetings and a three (3) week review period for each design submittal.
- G. Other Covenants. Developer shall perform such other covenants and obligations required of Developer as explicitly set forth in this Agreement.
7. No Commitment to Any Project; Independent Judgment.
- A. No Commitment to Any Project. The Parties acknowledge and agree that the County: (a) has not committed to, authorized or approved the development of the Proposed Project or any other proposed improvements on the Property; (b) retains the absolute sole discretion to modify the Proposed Project as may be necessary to comply with CEQA or for any other reason; (c) may modify the Proposed Project, or decide not to proceed with the Proposed Project, as may be necessary to comply with CEQA, or for any other reason as determined in the County's sole and absolute discretion; and (d) is not precluded from rejecting the Proposed Project, or from weighing the economic, legal, social, technological, or other benefits of the Proposed Project against its unavoidable environmental risks when determining whether to approve the Proposed Project. Further, the Parties acknowledge and agree that no activities that would constitute a project under CEQA, including the Proposed Project, may be commenced until necessary findings and consideration of the appropriate documentation under CEQA are considered and feasible mitigation measures and alternatives to the Proposed Project, including the "no project" alternative, required in connection with CEQA may be adopted by the Entitling Agency.
- B. Independent Judgment. The County will exercise independent judgment and analysis in connection with any required environmental reviews or determinations under CEQA for the Proposed Project, shall have final discretion over the scope and content of any document prepared under CEQA and shall have final discretion over the extent of any studies, tests, evaluations, reviews or other technical analyses. Any consultants retained for the purpose of preparing CEQA documentation shall reasonably comply with any directions from the County with respect thereto.
8. Inspections.

During the Term, Developer may conduct such inspections, tests, surveys, and other analyses ("**Inspections**") as Developer and the County may deem reasonably necessary to determine the condition of the Property or the feasibility of designing, developing, constructing, leasing and financing the Project and shall

complete such Inspections as promptly as reasonably possible within the Term. Any entry onto the Property by Developer or its employees, agents, contractors, successors and assigns, shall be in accordance with a Right of Entry agreement, in the form attached hereto as Exhibit D (the "**ROE**"). Pursuant to the ROE, Developer shall coordinate and schedule the time(s) of its entry on to the Property to meet the County requirements. No entry on the Property by any Developer Party may materially interfere, conflict with or impair any other operations or activities on the Property, as set forth in the ROE.

9. Plans, Reports, Studies, and Entitlements.

- A. County Information. The County, in its reasonable discretion, may make available to Developer, upon Developer's written request, existing information and plans regarding the Property and needed for the development of the Proposed Project.
- B. Provision of Development Documents. All plans and any reports, investigations, studies (including reports relating to the soil, geotechnical, subsurface, environmental, and groundwater conditions of the Property, entitlement applications, CEQA-related and other environmental documents, and reports filed in connection therewith) with respect to the Property, Proposed Project and Developer's intended use of the Property (collectively, the "**Development Documents**") shall be prepared at Developer's sole cost and expense. Developer shall timely provide the County without representation as to warranty, subject to the confidentiality provisions in Section 15, without cost or expense to the County, copies of all final non-legally privileged Development Documents prepared by or on behalf of Developer. Developer shall include in its contractors' and consultants' contracts the right to assign the Development Documents to the County.
- C. Entitlements. The County, as the owner of the Property, and as market participant in this Agreement shall cooperate with Developer in Developer's attempt to procure the necessary entitlements for the Proposed Project, provided (i) such entitlements and any related applications, submittals, and/or covenants do not encumber the County's fee interest in the Property or place obligations on the County; and (ii) Developer timely provides the County with copies of all proposed and final filings, submittals and correspondence relating to any entitlement applications. Should Developer abandon an entitlement application, the County shall have the right to take over such application and Developer shall cooperate with the County to complete any such entitlement process started by Developer provided that the County shall indemnify, or defend and hold Developer harmless from any future actions of the County or any of its successors and assigns in connection therewith with such usage of the application or Developer's cooperation. If the Proposed Project is not built, Developer shall cooperate with the County to seek removal of any entitlement obtained by Developer

for the Property, which the County desires to be removed. Developer acknowledges and agrees that nothing in this Agreement constitutes a waiver of the County's regulatory or police powers with respect to the Transaction or the Proposed Project, and that the County's regulatory review and regulation of the Proposed Project, the desired entitlements and the construction and operation of the Proposed Project shall not be subject to any terms or conditions set forth in this Agreement. The obligations contained in this Section 9.C shall survive termination, expiration or revocation of this Agreement.

10. Indemnity and Insurance.

- A. Indemnity. Developer shall indemnify, defend (with counsel reasonably approved by the County) and hold harmless County and its affiliates, including LACDA and any nonprofit corporation or other entity in which County is a member, and its and their respective subsidiaries, members, shareholders, beneficiaries, attorneys, agents, trustees, successors, assigns, and any individual (employee, officer, partner, director, member, commissioner or board member) employed by or acting on behalf of any of the above entities, from any liability, claims, losses, costs, expenses, or damages (including, without limitation, reasonable attorneys' fees and costs) (collectively, "**Claims**"), in any way arising out of acts or omissions related to the following, and without requirement that the County first pay such Claims: (i) any acts or omissions of any Developer Party (as defined below) that constitute (a) a material breach of any Developer obligation under this Agreement, (b) negligence by a Developer Party that arises out or is related to this Agreement or the Property, or (c) willful misconduct by a Developer Party that arises out or is related to this Agreement or the Property, including Claims that accrue or are discovered before or after termination of this Agreement; (ii) any dispute among the Developer Parties; (iii) damage to property or bodily injury or death of any person caused by any Developer Party entry on the Property; (iv) any entry upon the Property by any Developer Party; (v) any Inspection made by any Developer Party; or (vi) the planning and preparation of, or challenge to any report or Development Documents (including the cost of such reports or Development Documents) related to the Proposed Project, except to the extent such Claims arise solely from the gross negligence or willful misconduct of County. The term "**Developer Party**" means, for purposes of indemnification only, Developer, its employees, agents, representatives, consultants, service providers, and contractors. The obligations contained in this Section 10.A shall survive the termination, expiration or revocation of this Agreement.
- B. Insurance. Prior to any entry by any Developer Party on the Property, Developer shall provide the County with evidence of insurance in the form and subject to the requirements set forth in the ROE.

11. Failure to Reach Agreement.

This Agreement is an agreement to enter into exclusive negotiations with respect to the Transaction. Each Party expressly reserves the right to decline to enter into any other agreement, if the Parties working in good faith fail to agree to terms satisfactory to all Parties with respect to the Transaction. Except as expressly provided in this Agreement, none of the Parties shall have any obligation, duty or liability hereunder in the event the Parties fail to timely agree upon and execute the Project Agreements. If the Parties have not executed the Project Agreements prior to the expiration or termination of this Agreement, then upon expiration or termination of this Agreement, any rights or interest that Developer may have under this Agreement shall cease without requiring any notice from the County, and the County shall have the right thereafter to use, develop (alone or with any other entity) or dispose of the Property as the County shall determine appropriate in their sole and absolute discretion.

12. Termination, Default and Remedies.

- A. Right to Terminate. In addition to any other right of termination set forth in this Agreement, either Party may terminate this Agreement upon thirty (30) days prior written notice to the other Party, if such terminating Party in good faith determines any of the following: (i) a successful consummation of the Transaction is not likely, (ii) the Proposed Project is not feasible, (iii) the Proposed Project is not capable of being financed in a commercially reasonable manner, or (iv) the Proposed Project is not likely to be developed and constructed in a timely manner.
- B. Breach. The occurrence of any one or more of the following events shall constitute a breach under this Agreement (each a "**Breach**"):
 - i. The failure of a Party to perform any obligation, or to comply with any covenant, restriction, term, or condition of this Agreement;
 - ii. The failure of a Party to meet the milestones set forth in the Schedule of Performance; or
 - iii. Any material representation or warranty made by a Party proves to be false or misleading in any material respect at the time made.
- C. Default. A Breach shall become a default under this Agreement (each a "**Default**") if the Party committing the Breach fails to cure the Breach within the following time periods:
 - i. For all monetary Breaches, five (5) Business Days after receipt of written notice of monetary breach;
 - ii. For all non-monetary Breaches, twenty (20) Business Days after receipt of written notice ("**Cure Notice**") thereof from the aggrieved

Party specifying such non-monetary Breach in reasonable detail, delivered in accordance with the provisions of this Agreement, where such non-monetary Breach could reasonably be cured within such twenty (20) Business Day period; or

- iii. Where such non-monetary Breach could not reasonably be cured within such twenty (20) Business Day period, such reasonable additional time as is necessary to promptly and diligently complete the cure but in no event longer than forty (40) Business Days ("**Outside Date**"); provided that the breaching Party promptly commences to cure such non-monetary Breach after receiving the Cure Notice and thereafter diligently and continuously pursues completion of such cure.

D. Unavoidable Delay.

- i. If a non-monetary Breach is due to an Unavoidable Delay (as defined below), then the Party claiming the delay shall have the right to extend the Outside Date by a period equal to the duration of the Unavoidable Delay by written notice to the other Party. The duration of the Unavoidable Delay shall be deemed to commence only after written notice of such Unavoidable Delay is delivered to the other Party, provided that if written notice of such Unavoidable Delay is given within five (5) Business Days after the commencement of the delay, then the date of the commencement of the Unavoidable Delay shall be retroactive to the actual commencement date of the delay. A written notice of Unavoidable Delay must reasonably specify: (i) the nature of the delay; (ii) the date the delay commenced and (if not ongoing) ended; and (iii) the reason(s) such delay is an Unavoidable Delay. Upon the documentation of an Unavoidable Delay pursuant to this Section 12.D, the Outside Date shall be delayed by the period of the Unavoidable Delay; provided, however, under no circumstances may the Outside Date be extended by more than a total of forty (40) Business Days as a result of Unavoidable Delay without the written consent of both Developer and the County.
- ii. The term "**Unavoidable Delay**" shall mean a delay beyond the control of the Party claiming the delay which satisfies each of the following requirements:
 - a. The delay would prevent or hinder the performance or satisfaction of an obligation under this Agreement by any reasonable person similarly situated and shall not apply to a delay peculiar to the Party claiming the delay such as the failure to order materials in a timely fashion).

b. The delay must arise out of: (A) a strike or labor dispute; (B) inclement weather in excess of the ten (10) year average for Metropolitan Los Angeles during the applicable month; (C) an earthquake or other natural disaster; (D) general inability to procure or general shortage of labor, equipment, materials, or supplies in the open market, or failure of transportation (but, in each case, not attributable to a mere increase in price or a Party's acts or failure to act but to a general market condition); (E) acts of a public enemy, hostilities of war, insurrections, riots, mob violence, sabotage, acts of terrorism, terrorist threats, and malicious mischief; (F) casualty causing material damage to previously constructed Improvements; (G) communicable disease outbreak, epidemic, or pandemic; and (H) generally applicable government orders or directives not resulting from a violation of applicable legal requirements or any other action or inaction of a Party.

E. Remedies. If any Default occurs, the non-defaulting Party shall have the right, but not the obligation, to avail itself of any one or more of the following remedies:

- i. The non-defaulting Party may, at its sole election, terminate this Agreement upon not less than five (5) days prior written notice of termination provided to the defaulting Party.
- ii. Unless otherwise provided herein, in addition to the foregoing, the non-defaulting Party may exercise any right or remedy it has under this Agreement, or which is otherwise available at law or in equity or by statute. All rights, privileges and elections or remedies of the Parties are cumulative and not alternative to the extent permitted by law (including suit for damages) or in equity.

F. Upon Termination of Agreement. Upon termination of this Agreement, (1) any rights or interest that Developer may have hereunder shall cease and the County shall have the right thereafter to use, develop (alone or with any other entity) or dispose of the Property as the County shall determine appropriate in their sole and absolute discretion; and (2) any rights or interest that the County may have hereunder shall cease. In any event, the Development Documents shall become the property of the County.

13. Entire Agreement; Amendments.

This Agreement, including all exhibits, constitutes the entire understanding among the Parties and supersedes all other agreements, oral or written, with respect to the subject matter herein. Additionally, this Agreement may not be amended except in writing signed by all of the Parties.

14. Covenant Against Discrimination.

Developer shall not discriminate against, nor segregate, in employment or the development, construction, sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of all or portions of the Property, nor deny the benefits of or exclude from participation in, the Project and all activities of Developer in connection with the Property, any person, or group of persons, on account of race, color, religion, creed, national origin, ancestry, sex, sexual preference/orientation, marital status, age, disability, medical condition, Acquired Immune Deficiency Syndrome (AIDS), acquired or perceived, or retaliation for having filed a discrimination complaint.

15. Confidentiality.

- A. Proprietary Documents. The Parties anticipate that during the Term each shall from time to time disclose and provide to the other certain proprietary reports, correspondence and other information related to the Project. Unless otherwise required by law, no Party shall disclose (except to its own and to the other Party's employees, officers, directors, agents, advisors, existing and prospective lenders, investors, counsel, and consultants) information regarding or related to the Proposed Project which is not already public and which has been delivered to such Party pursuant to the terms hereof.
- B. Public Disclosure. Notwithstanding the foregoing Section 15.A, Developer acknowledges and agrees that County, as a government agency, (i) is subject to broad disclosure obligations under applicable law, including the Public Records Act, and (ii) hold the County Board meetings which are open to the public and at which information concerning the Proposed Project may be disclosed including reports to the County Board describing the Proposed Project, and including any documents to be approved by the County Board. Nothing in this Agreement shall prohibit any disclosure required by law.

16. Compliance with Laws.

During the Term, Developer, at its expense, shall comply with all applicable federal, state and local laws, ordinances, regulations, rules and orders with respect to the subject matter of this Agreement.

17. Successors and Assigns.

This Agreement shall be binding on and inure to the benefit of the Parties and their respective permitted successors and assigns.

18. Notices.

All notices shall be in writing and either (a) personally served at the appropriate address (including by means of professional messenger service or recognized

overnight delivery service, provided that any such delivery is confirmed by written receipts signed on behalf of the receiving Party or by adequate proof of service) or (b) deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, addressed to the appropriate addressee and shall be deemed received and effective on the day such notice is actually received if received before 5:00 p.m. on a regular business day, or on the following business day if received at any other time. All addresses of the Parties for receipt of any notice to be given pursuant to this Proposed Project are as follows:

To the County:

Los Angeles County Development Authority
700 West Main Street
Alhambra, CA 91801
Attention: Director
Housing Investment and Finance

With a copy to:

Office of the County Counsel
County of Los Angeles
500 West Temple St., 6th Floor
Los Angeles, CA 90012-2932
Attention: Behnaz Tashakorian
Email: btashakorian@counsel.lacounty.gov

To the Developer:

Century Affordable Development, Inc.

1000 Corporate Point
Culver City, CA 90230
Attention: Brian D'Andrea, President
Email: bdandrea@century.org

With a copy to:

19. Interpretation.

- A. Construction. This Agreement shall be construed in accordance with its fair meaning, and not strictly for or against either Party.

- B. Gender. When the context of this Agreement requires, (i) the neuter gender includes the masculine and feminine and any entity, and (ii) the singular includes the plural.
- C. Section Headings. The headings of the Sections of this Agreement are inserted solely for convenience of reference and are not intended to govern, limit or aid in the construction of any term or provision hereof. Unless otherwise explicitly provided, all references to "Sections" are respectively to articles or sections of this Agreement.
- D. Interpretation. The word "including" shall be construed as though the words "but not limited to" were, in each case, appended thereafter, and shall not be deemed to create a limitation to the list that follows "including."
- E. Incorporation of Recitals. The Recitals of this Agreement are incorporated herein by reference.
- F. Exhibits. All references in this Agreement to exhibits shall be construed as though the words "hereby made a part hereof and incorporated herein by this reference" were, in each case, appended thereto. In the event of a conflict between this Agreement and any of the exhibits attached hereto, the terms of this Agreement shall govern.
- G. No Third-Party Beneficiaries. Except as expressly set forth in this Agreement, no parties other than the Parties and their successors and assigns, shall be a beneficiary of the rights conferred in this Agreement, and no other party shall be deemed a third-party beneficiary of such rights.
- H. Severability. If (i) any provision of this Agreement is held by a court of competent jurisdiction as to be invalid, void or unenforceable and (b) the invalidity or unenforceability of such a provision does not deny a Party the material benefit of this Agreement, then the remainder of this Agreement which can be given effect without the invalid provision shall continue in full force and effect and shall in no way be impaired or invalidated.
- I. No Partnership. Nothing in this Agreement shall be deemed or construed as creating a partnership, joint venture, or association between the Parties, or cause either Party to be responsible in any way for the debts or obligations of the other Party.
- J. No Assignment by Developer. The Parties acknowledge and agree that the County has entered into this Agreement in reliance on Developer's unique abilities to develop the Project; consequently, Developer shall have no right to assign its rights or duties under this Agreement.
- K. Prevailing Party. In the event that either Party to this Agreement brings an action to enforce the terms of this Agreement or declare the Party's rights

under this Agreement, each Party shall bear its own costs and expense, including attorneys' fees, regardless of prevailing Party.

20. Limitations of this Agreement

This Agreement does not constitute a commitment of any kind by the County regarding the sale, transfer, or development of all or any part of the Property. Execution of this Agreement by the County is merely an agreement to enter into a period of exclusive negotiations according to the terms hereof, reserving final discretion and approval by the County Board as to any Project Agreements and all proceedings and decisions in connection therewith.

21. Execution Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed original, but all of which together shall constitute one and the same instrument. The delivery of a signed counterpart of this Agreement by facsimile or email shall have the same legal effect as delivery of an original signed counterpart by hand. This Agreement shall only be effective as a binding legal agreement among the Parties after signed counterparts have been exchanged among Parties. The submission of a draft of this Agreement to a Party is not intended as an offer. The Parties may terminate negotiation at any time prior to the exchange of signed counterparts among the Parties and no duty of good faith or fair dealing shall apply to the negotiation among the Parties prior to the exchange of signed counterparts among the Parties.

(Signature Page to Follow)

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

COUNTY OF LOS ANGELES,
a public body corporate and politic

LOS ANGELES COUNTY
DEVELOPMENT AUTHORITY,
a public body, corporate and politic

By: _____
Name:
Title: Executive Director

APPROVED AS TO FORM:

Dawyn R. Harrison
Acting County Counsel

By: _____
Behnaz Tashakorian
Principal Deputy County Counsel

[Signatures continue on the next page]

DEVELOPER:

CENTURY AFFORDABLE DEVELOPMENT, INC.,
a California nonprofit public benefit corporation

By: _____
Brian D'Andrea, President

EXHIBIT A

Depiction of Property

EXHIBIT B

Preliminary Design Concept Plan

(attached)

EXHIBIT C

Schedule of Performance

1.	Developer shall submit to the County an application with the Entitling Agency commencing the entitlement process for all entitlements needed to complete CEQA review and adoption of findings by the Entitling Agency, as the lead agency under CEQA. Developer shall submit an updated entitlement timeline to the County based on feedback from the Entitling regarding those entitlements needed to complete CEQA review and adoption of finding by the Entitling Agency, as the lead agency under CEQA, and all other entitlements necessary to construct and operate the Project.	Within One Hundred and Eighty (180) days of the Effective Date.
2.	Developer shall submit to the County project financial information (the "Project Financial Information") that shall include: (1) an estimate of development costs, including construction and non-construction costs, such as the proposed development agreement for the County land; (2) a proposed construction and operating pro forma which identifies all sources and uses of funds; (3) evidence that Developer has the financial resources necessary for development of the Proposed Project, such as preliminary loan approvals and/or audited financial statements, or other form of evidence reasonably acceptable to the County.	Within Sixty (60) days of the Effective Date.
3.	The County will provide to the Developer its evaluation (the "Project Evaluation") of the Project Plans and Project Financial Information.	Within Thirty (30) days of the date of receipt of the Project Plans and Project Financial Information.
4.	Pursuant to the Right-of-Entry Agreement, Developer may conduct inspections, tests, surveys, and other analyses ("Inspections") as Developer and the County deem reasonably necessary to determine the condition of the	Within the One Hundred Eighty (180) day ENA Term.

	Proposed Properties or the feasibility of designing, developing, constructing and financing the Project and shall complete such Inspections as promptly as reasonably possible.	
5.	Developer to provide the County with an outreach plan explaining how it plans to incorporate community comments and concerns regarding the Project, including design. The outreach plan shall include a schedule of meetings, proposed topic and the community groups and individuals who would be invited to the meetings.	Within forty-five (45) days of the Effective Date.
6.	Based on the information submitted by Developer and the Project Evaluation, the Parties shall negotiate and finalize the terms of a Development Agreement and shall process any CEQA review documents as may be necessary. Developer shall bear all costs and expenses associated with the preparation and certification of any required environmental documents (including an Environmental Impact Report, if required by CEQA) and of the Project Plans.	Ninety (90) days after Project Evaluation is provided to Developer.

EXHIBIT D

Form of Right of Entry Agreement

This Right of Entry Permit ("Permit") is made and entered into this ____ day of _____, 2019, by and between the County of Los Angeles, a public body, corporate and politic, acting by and through the Los Angeles County Development Authority, a public body corporate and politic Los Angeles County Development Authority a public body corporate and politic ("County"), and _____ ("Permittee"). The County and Permittee agree as follows:

1. **PREMISES:** Permittee, after execution by the County, is hereby granted permission to enter the County property identified as County Assessor's Parcel Numbers ("APN") _____, also known as _____, as described in Exhibit "A", attached hereto and incorporated herein by this reference ("Premises"). Entry constitutes acceptance by Permittee of all conditions and terms of this Permit.
2. **PURPOSE:** The sole purpose of this Permit is to allow Permittee and its subcontractors to enter the Premises to conduct _____.
3. **TERM:** The term of this Permit shall be for a period of _____ months, commencing upon the date that the County executes this Permit. This Permit shall terminate _____ months after the Commencement Date. The hours of operation for this Permit shall be between 8:00 a.m. and 5:00 p.m. The term may be extended by mutual agreement in writing between Permittee and the County.
4. **CONSIDERATION:** Consideration for this Permit shall be Permittee's faithful performance of its obligations under this Permit.
5. **ADDITIONAL CHARGES:** Permittee agrees to pay any charges for utilities that may be required and for the safekeeping of the Premises for the prevention of any accidents as a result of the Permittee's activities thereon.
6. **NOTICE:** Notices desired or required to be given by this Permit or by any law now or hereinafter in effect may be given by enclosing the same in a sealed envelope, Certified Mail, Return Receipt Requested, addressed to the party for whom intended and depositing such envelope with postage prepaid in the U.S. Post Office or any substation thereof, or any public letter box, and any such notice and the envelope containing the same shall be addressed to Permittee as follows:

or such other place in California as may hereinafter be designated in writing by the Permittee. The Notices, Certificates of Insurance and Envelopes containing the same to the County shall be addressed to:

Los Angeles County Development Authority
700 West Main Street
Alhambra, CA 91801
Attn: Director of Housing Investment & Finance
Fax No. (626) 943-3816

7. **INDEMNIFICATION:** Permittee agrees to indemnify, defend and save harmless the County of Los Angeles and their agents, elected and appointed officers and employees from and against any and all liability, expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, or property damage, including damage to the County property, arising from or connected with Permittee's operations, or its services hereunder, including any Workers' Compensation suits, liability, or expense, arising from or connected with services performed by or on behalf of Permittee by any person pursuant to this Permit.
8. **GENERAL INSURANCE REQUIREMENTS:** While this permit is in effect, Permittee or its contractor shall, at its sole cost and expense, obtain and maintain in full force and effect throughout the term of this Permit, insurance, as required by the County, in the amount and coverages specified on, and issued by insurance companies as described in Exhibit "B".

Notification of Incidents, Claims or Suits: Permittee shall report to the County any accident or incident relating to Permittee's entry which involves injury or property damage which may result in the filing of a claim or lawsuit against Permittee and/or the County in writing within three business days of occurrence.

9. **RESERVED**
10. **RESERVED**
11. **OPERATIONAL RESPONSIBILITIES:** Permittee shall:
 - a. Comply with and abide by all applicable rules, regulations and directions of the County.
 - b. Comply with all applicable County ordinances and all State and Federal laws, and in the course thereof obtain and keep in effect all permits and licenses required to conduct the permitted activities on the Premises.
 - c. Maintain the Premises and surrounding area in a clean and sanitary condition to the satisfaction of the County.
 - d. Conduct the permitted activities in a courteous and non-profane manner; operate without interfering with the use of the Premises by the County. The County has the right to request Permittee to remove any agent, servant or employee who fails to conduct permitted activities in the manner heretofore described.

- e. Assume the risk of loss, damage or destruction to any and all fixtures and personal property belonging to Permittee that are installed or placed within the area occupied.
- f. Repair or replace any and all County property lost, damaged, or destroyed as a result of or connected with the conduct or activities of the Permittee. In the event utility services, including but not limited to sewer services, for the Premises are interrupted, Permittee shall promptly make repairs. Should Permittee fail to promptly make any and all repairs required by the County during or following completion of Permittee's project, the County may have repairs made at Permittee's cost and Permittee shall pay costs in a timely manner.
- g. Pay charges for installation and service costs for all utilities used for the conduct of the permitted activities, if needed.
- h. Permittee agrees to restore the Premises, prior to the termination of this Permit, and to the satisfaction of the County, to the conditions that existed prior to the commencement of the permitted activities, excepting ordinary wear and tear or damage or destruction by the acts of God beyond the control of Permittee. This shall include removal of all rubbish and debris, as well as structures placed on the Premises by Permittee in order that the Premises will be neat and clean and ready for normal use by the County on the day following the termination of this Permit. Should Permittee fail to accomplish this, the County may perform the work and Permittee shall pay the cost.
- i. Allow the County to enter the Premises at any time to determine compliance with the terms of this Permit, or for any other purpose incidental to the performance of the responsibilities of the County.
- j. Provide all security devices required for the protection of the fixtures and personal property used in the conduct of the permitted activities from theft, burglary or vandalism, provided written approval for the installation thereof is first obtained from the County.
- k. Prohibit all advertising signs or matter from display at the Premises, other than signs displaying the name of Permittee.
- l. Prohibit the sale of food.
- m. Keep a responsible representative of the Permittee available on the Premises during the times that Permittee is using said Premises for the purposes stated in Section 2 above. This person shall carry copies of this Permit for display upon request.
- n. Prior to entry onto the Premises pursuant to this Permit, notify the County, in writing, of the times and dates the work or activity is to take place.

- o. Request permission of the County to enter occupied portions of the Premises not less than twenty-four (24) hours in advance, together with a description of the nature and extent of activities to be conducted on the Premises.
 - p. At Permittee's sole cost and expense, be responsible for the cost of repairing the parking lot, sidewalks, driveways, landscaping and irrigation systems on the Premises which may be damaged by Permittee or Permittee's agents, employees, invitees or visitors, during and/or following the construction of Permittee's project, to the County's satisfaction. Said repairs shall include the restoration of said landscaping and rerouting of said irrigation systems affected by Permittee's work on the Premises, if necessary.
- 12. **INDEPENDENT STATUS:** This Permit is by and between the County and Permittee and is not intended and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture or association as between the County and Permittee. Permittee understands and agrees to bear the sole responsibility and liability for furnishing Workers' Compensation benefits to any person for injuries arising from or connected with services performed on behalf of Permittee pursuant to this Permit.
- 13. **EMPLOYEES:** All references to the "Permittee" in the Permit are deemed to include the employees, agents, assigns, contractors, and anyone else involved in any manner in the exercise of the rights therein given to the undersigned Permittee.
- 14. **LIMITATIONS:** It is expressly understood that in permitting the right to use said Premises, no estate or interest in real property is being conveyed to Permittee, and that the right to use is only a nonexclusive, revocable and unassignable permission to enter the Premises in accordance with the terms and conditions of the Permit for the purpose of conducting the activities permitted herein.
- 15. **ASSIGNMENT:** This Permit is personal to Permittee, and in the event Permittee shall attempt to assign or transfer the same in whole or part all rights hereunder shall immediately terminate.
- 16. **AUTHORITY TO STOP:** In the event that an authorized representative of the County finds that the activities being held on the Premises unnecessarily endanger the health or safety of persons on or near said property, the representative may require that this Permit immediately be terminated until said endangering activities cease, or until such action is taken to eliminate or prevent the endangerment.
- 17. **DEFAULT:** Permittee agrees that if default shall be made in any other terms and conditions herein contained, the County may forthwith revoke and terminate this Permit.

18. **ALTERATIONS AND IMPROVEMENTS:** Permittee has examined the Premises and knows the condition thereof. Permittee accepts the Premises in the present state and condition and waives any and all demand upon the County for alteration, repair, or improvement thereof. Permittee shall make no alteration or improvements to the Premises, except those identified in Section 2 hereof, without prior written approval from the County, and any fixtures and/or personal property incidental to the purposes described in Section 2 hereof shall be removed by Permittee prior to the termination of this Permit, and in the event of the failure to do so, title thereto shall vest in the County. All betterments to the Premises shall become the property of the County upon the termination of this Permit.
19. **County LOBBYIST ORDINANCE:** Permittee is aware of the requirements of Chapter 2.160 of the Los Angeles County Code with respect to County Lobbyists as such are defined in Section 2.160.010 of said Code, and certifies full compliance therewith. Failure to fully comply shall constitute a material breach upon which the County may terminate or suspend this Permit.
20. **INTERPRETATION:** Unless the context of this Permit clearly requires otherwise: (i) the plural and singular numbers shall be deemed to include the other; (ii) the masculine, feminine and neuter genders shall be deemed to include the others; (iii) "or" is not exclusive; and (iv) "includes and "including" are not limiting.
21. **ENTIRE AGREEMENT:** This Permit contains the entire agreement between the parties hereto, and no addition or modification of any terms or provisions shall be effective unless set forth in writing, signed by both the County and Permittee.
22. **TIME IS OF THE ESSENCE:** Time is of the essence for each and every term, condition, covenant, obligation and provision of this Permit.
23. **POWER AND AUTHORITY:** The Permittee has the legal power, right and authority to enter into this Permit, and to comply with the provisions hereof. The individuals executing this Permit on behalf of any legal entity comprising Permittee have the legal power, right and actual authority to bind the entity to the terms and conditions of this Permit.
24. **SURVIVAL OF COVENANTS:** The covenants, agreements, representations and warranties made herein are intended to survive the termination of the Permit.

PERMITTEE:

_____,
INSERT DEVELOPER NAME, a California nonprofit public benefit corporation

By: _____
INSERT NAME
Executive Director

Who hereby personally covenants, guarantees and warrants that he/she has the power and authority to obligate the Permittee to the terms and conditions in this Permit. Please sign before a Notary Public and return for approval. Upon approval a signed copy will be mailed to Permittee.

[Signatures continue on the next page]

This Permit has been executed on behalf of the County on the _____ day of _____, 20__.

COUNTY OF LOS ANGELES,
a public body corporate and politic

LOS ANGELES COUNTY
DEVELOPMENT AUTHORITY,
a public body, corporate and politic

By: _____
Name:
Title: Executive Director

APPROVED AS TO FORM:
Dawyn R. Harrison
Acting County Counsel

By _____
Behnaz Tashakorian
Principal Deputy County Counsel

RIGHT OF ENTRY PERMIT
PERMITTEE: **INSERT NAME**

EXHIBIT "A"
LEGAL DESCRIPTION

EXHIBIT "B"
INSURANCE REQUIREMENTS
RIGHT OF ENTRY PERMIT
PERMITTEE: INSERT NAME

SEE ATTACHMENT (INSERT LATEST NOFA ATTACHMENT)

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	9/7/2022			
BOARD MEETING DATE	10/4/2022			
SUPERVISORIAL DISTRICT AFFECTED	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th			
DEPARTMENT(S)	Chief Executive Office			
SUBJECT	AECOM Supplemental Services Agreement Amendment No. 4 for Continued and Additional Program Services			
PROGRAM	Deferred Maintenance Program Services Phase III			
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
SOLE SOURCE CONTRACT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain why: This is for a sole source amendment to an existing contract the was competitively solicited. This proposed amendment is required because the remaining funds on the existing contract will be exhausted in October 2022 and additional services are needed from AECOM to support the Facility Reinvestment Program (FRP) during the time required to complete a new solicitation and award a new contract for replacement services. Furthermore, due to AECOM's expertise and years of programming development in SAMS, it would be prohibitive in time and money to seek a new services provider prior to October 2022.			
DEADLINES	None			
COST & FUNDING	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Total cost: \$5,755,000</td><td style="width: 50%;">Funding source: Net County Cost – Extraordinary Maintenance Budget</td></tr> </table>		Total cost: \$5,755,000	Funding source: Net County Cost – Extraordinary Maintenance Budget
Total cost: \$5,755,000	Funding source: Net County Cost – Extraordinary Maintenance Budget			
	TERMS (if applicable): The agreement end date is estimated for October 4, 2023. The County will have the sole option to extend this agreement term an additional one (1) year period.			
	Explanation: The proposed Supplemental Services Agreement will be funded with \$2,932,717 in Extraordinary Maintenance net County cost from the Extraordinary Maintenance Services and Supplies Budget to cover the Fiscal Year 2022-23 costs. If the County selects the option to extend services for an additional year, the additional cost of \$2,822,283 will be funded with Extraordinary Maintenance net County cost from the Fiscal Year 2023-24 Extraordinary Maintenance Services and Supplies Budget. This will increase the Deferred Maintenance Program Services Phase III total not-to-exceed amount to \$26,003,727.			
PURPOSE OF REQUEST	Approval of the recommended actions will authorize the execution of a Supplemental Services Agreement with AECOM Technical Services, Inc., to support the FRP by providing Strategic Asset Management System (SAMS) technology support, continued program services, staff augmentation for CEO, accessibility evaluation tool development, enhancements to the Strategic Asset Management System (SAMS), and provide additional strategy and program management support.			
BACKGROUND (include internal/external issues that may exist including any related motions)	The supplemental services include ongoing support of Phase III Deferred Maintenance Program tasks, asset management training for County personnel, AECOM team personnel outsourced to the CEO, developing a tool to facilitate the County's accessibility evaluations, updates to the SAMS website, mobile applications, database and reporting systems and strategy support for the deferred maintenance program.			
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:			
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: This program supports Board Priority #7, Sustainability, by implementing projects that improve energy and operating efficiencies that maximize or extend the lifecycles of the County's capital assets.			

DEPARTMENTAL CONTACTS	Amir Alam, Manager (CEO), (213) 974-2620, AAlam@ceo.lacounty.gov Matt Bukirin, Principal Analyst (CEO), (213) 974-2535, MBukirin@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
Chief Executive Officer

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

October 4, 2022

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:

**DEFERRED MAINTENANCE PROGRAM SERVICES PHASE III
APPROVE AND AUTHORIZE THE EXECUTION OF A SOLE SOURCE AMENDMENT
TO AN EXISTING CONTRACT FOR SUPPLEMENTAL SERVICES AGREEMENT
NUMBER 4 TO PERFORM CONTINUED PROGRAM SERVICES, STAFF
AUGMENTATION, ACCESSIBILITY EVALUATION TOOL DEVELOPMENT,
DATABASE ENHANCEMENT, AND ADDITIONAL STRATEGY AND PROGRAM
MANAGEMENT SUPPORT
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Approval of the recommended actions will authorize the execution of a sole source amendment, Supplemental Services Agreement Number 4 with AECOM Technical Services, Inc., (AECOM), to perform Strategic Asset Management System (SAMS) technology support, continued program services, staff augmentation for the Chief Executive Office (CEO), accessibility evaluation tool development, enhancements to the SAMS, and provide additional strategy and program management support for the County's deferred maintenance program, hereinafter referred to as the Facility Reinvestment Program (FRP).

IT IS RECOMMENDED THAT THE BOARD OF SUPERVISORS:

1. Find that the recommended actions to authorize a Supplemental Services Agreement Number 4 with AECOM, do not meet the definition of a project under the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and in the record of the proposed activity.

2. Approve and delegate authority to the Chief Executive Officer, or her designee, to execute Supplemental Services Agreement Number 4 with AECOM to extend deferred maintenance program management services for one year at a not-to-exceed amount of \$2,932,717, with the option to extend the services for up to one additional year for continued program services for an additional not-to-exceed amount of \$2,822,283. This will increase the Deferred Maintenance Program Services Phase III total not-to-exceed amount to \$26,003,727.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will delegate authority to the Chief Executive Officer, or her designee, to execute a sole source amendment, Supplemental Services Agreement Number 4 with AECOM to the Deferred Maintenance Program Phase III agreement. This will extend the term of the agreement for one year at a cost of \$2,932,717, plus an option to extend for one additional year at an additional cost of \$2,822,283, to continue to provide SAMS technology support, staff augmentation for the CEO, develop an accessibility evaluation tool, provide enhancements to SAMS, and provide additional strategy and program management support for the County's FRP. The proposed Supplemental Services Agreement Number 4 is for a total not-to-exceed amount of \$5,755,000, increasing the maximum amount from \$20,248,727 to \$26,003,727. The proposed scope of work is included in the proposal dated August 10, 2022 (Enclosure A).

A Board memo was issued on August 3, 2022 (Enclosure B), notifying the Board of negotiations for a sole source amendment to the AECOM agreement as required by Board policy for sole source contracts and amendments. The extension of these services will continue required FRP management support and align SAMS functionality with the Internal Services Department (ISD) workflows and practices. The SAMS modifications will improve Facility Condition Assessment (FCA) surveys, project development, reports and FRP project prioritization. The revised agreement end date will be one year from the date of execution, which is estimated to be October 4, 2023. Los Angeles County (County) will have the sole option to extend this agreement term an additional one (1) year period.

Project Background

Phase I Pilot Program for Building Condition Assessment and Asset Management Database Development Services

The origin of the County's development of the structure and goals of the current deferred maintenance program began with a Board motion in September 2010, whereby the CEO was directed to "provide a systematic approach to the ongoing assessment of County

building conditions, long-term maintenance and capital repair and/or replacement schedules, and a basis for long-term planning and budgetary recommendations related to the ongoing operation of County facilities”. Through collaboration with ISD, the CEO opted to engage third-party consultants to assess the County facilities and develop an asset management database to systematically track, prioritize, and address the highest priority deferred maintenance needs.

In November 2011, the Department of Public Works (DPW), at the request of the CEO, issued a Request for Proposal (RFP) for building condition assessment and asset management database development services. In September 2012, AECOM was awarded a consultant services agreement at a not-to-exceed amount of \$1,032,000 for a one-year pilot program (Phase I Agreement) to develop the scope of the assessments and content and functionality of the asset management database.

Phase II Facility Condition Assessments and Development of SAMS

Upon the CEO's recommendation in 2014, the Board authorized the award of the Phase II Agreement at a not-to-exceed amount of \$13,500,115, which included the full scope of the facility condition assessments and development of asset management database and mobile survey application, now respectively known as SAMS and SAMS Survey. The Phase II Agreement included the assessment of 1,154 County-owned facilities totaling 24.1 million square-feet, excluding those of Health Services and Sheriff's Departments, which were later assessed as part of the currently active Phase III Agreement.

Since its inception, SAMS has become a central tool in the Countywide strategic management of its capital assets. SAMS is providing data that supports the prioritization and strategic selection of the highest priority projects for the FRP, it informs master planning of facility conditions and building lifecycles and offers an interactive interface that projects cost estimates over scalable durations of time facilitates capital planning.

As the development of SAMS progressed, the factors for the prioritization of projects have become more sophisticated by considering the consequences of failure to ensure the County's assets, that are most vital to the wellbeing of its constituents, are ranked as the highest priorities. In addition, the assessment of the rate of deterioration has become more nuanced by factoring environmental conditions that affect the lifecycles of building systems and disaggregating the deterioration of subsystems to more accurately estimate cost, predict and address a system before it fails.

In support of the Strategic Asset Management Plan, the CEO and ISD, with the assistance from DPW, have implemented the FRP to deliver a targeted \$750 million in system repair and replacement projects to address a significant portion of the County's backlog of

deferred maintenance. This effort is on a scale never-before experienced in the County's history and insight and analysis of the AECOM consultants has been vital in developing and vetting project delivery plans as well as monitoring and reporting delivery performance. In addition, the AECOM team of consultants that augmented the ISD FCA teams supported the goal of updating facility condition data within the five-year industry standard, which is a cornerstone to the successful management of capital assets.

Phase III Survey and Assessment of Department of Health Services (DHS) and Sheriff Facilities and Surface Parking Lots

In August 2016, DPW released an RFP for FCA services for DHS and Sheriff's facilities. On April 11, 2017, the Board authorized the CEO to execute the Phase III Agreement with AECOM for an amount not-to-exceed \$14,822,641 to survey and assess the condition of 656 County-owned and County-maintained Sheriff's and DHS facilities and surface parking lots, totaling approximately 22.4 million-square-feet; update the asset management database for the County FRP; and perform facility condition assessments on newly-acquired or constructed County-owned and/or County-maintained facilities.

On February 19, 2019, the Board approved a Supplemental Services Agreement Number 1 for the assessment of newly found buildings for an additional \$444,714, increasing the total not-to-exceed amount of the agreement to \$15,267,355. The change in scope consisted of a net increase of 155 additional undocumented buildings and surface parking lots, totaling approximately 2.3 million additional square feet.

On January 7, 2020, the Board approved a Supplemental Services Agreement Number 2 to increase the Phase III Assessments scope of work to perform the FCAs, data collection, and review for the 1.1 million square-foot Men's Central Jail facility for an additional \$430,645, increasing the total not-to-exceed amount of the agreement to \$15,698,000.

On October 27, 2020, the Board approved a Supplemental Services Agreement Number 3, which included services to extend the term of program management staff augmentation services for one year, with the option to extend for one additional year, enhance the SAMS, and provide FCA team support to ISD with the first reassessment cycle since the initial assessments, for an additional \$4,550,727, increasing the total not-to-exceed amount of the agreement to \$20,248,727.

These actions approved by the Board amended the current Phase III Agreement for program management services, which included facility condition assessments of all DHS and Sheriff's facilities owned and operated by the County, as well as continued program management support and development of user and data improvements to the SAMS database.

Recommended Supplemental Services Agreement Number 4

The proposed scope of work will increase productivity, capabilities, and accuracy in the tools, processes and resulting data that culminate in the reports that guide decisions for strategic asset management. The scope of work covers continued program management services including SAMS technology support, continued staff augmentation for CEO, accessibility evaluation tool development, SAMS enhancements, and additional strategy and program management support services.

Continued Program Management Services

AECOM will continue to provide program management, SAMS technology support to maintain system functionality, and training for ISD, DPW and CEO staff. This includes coordination with County stakeholders interfacing with County and ISD Information Technology (IT) staff as needed for SAMS server, data and reporting issues, and updating the SAMS User Manual and Wiki page.

Program Management Staff Augmentation

AECOM will extend program management services to support CEO with project coordination, reporting, SAMS support, special initiative projects and training.

CEO staff resources are stretched while concurrently overseeing the development and implementation of the FRP, assisting with regular focus group meetings to evaluate SAMS features, and resolving various workflow and technical issues that also require SAMS modifications. AECOM's staff augmentation support in analyzing issues, identifying challenges, presenting technical consequences and recommending options to modify SAMS, has been essential in maintaining timely progress in fine tuning SAMS functionality. AECOM's technical expertise has expedited many solutions to various workflow and reporting challenges.

The proposed services include one part-time Program Manager and one Planner to facilitate increased department collaboration, lead and participate in special initiative projects, and provide training curriculum and workshops. The proposal also includes part-time hours for AECOM project staff, management and executive support and project coordination.

Accessibility Evaluation Tool Development

AECOM will work with the County to develop a new tool that will enable the SAMS to support evaluation of accessibility features in County facilities. This will require engaging County stakeholders, reviewing applicable current laws and standards, and developing a

tool (i.e., website and iPad application). AECOM will also develop a process for evaluation, quality assurance and quality control, cost estimation, piloting, and training County staff on the tool.

SAMS Enhancements

These system enhancements will include overhauling the parking lot assessment tools in SAMS to improve horizontal area data collection, updating replacement value calculation for parking lots to better reflect lot values. AECOM will also update SAMS to reflect the revised supervisorial district boundaries, develop annual maintenance estimates for assets in SAMS, and continue to implement small refinements proposed by County staff to increase efficiency and data quality.

Additional Strategic Asset Management Services

The amendment also recommends additional services to ensure long-term data integrity and planning for the County's FRP. These support services include technical guidance on asset management best practices, technical guidance on advanced Operations and Maintenance data integrations into SAMS and implementation of other as-needed SAMS refinements.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended action supports the County's Strategic Plan Goal III.3 - of Operational Effectiveness Fiscal Responsibility and Accountability through the efforts of repairing and maintaining County facilities to sustain the delivery of County programs and services. The enhancements to the SAMS database are a key element of the County's Strategic Asset Management Plan.

FISCAL IMPACT/FINANCING

The proposed Supplemental Services Agreement Number 4 will be funded with \$2,932,717 currently allocated in Extraordinary Maintenance Budget in Fiscal Year 2022-23. If the County selects the option to extend services for an additional year, the additional cost of \$2,822,283 will be funded with Extraordinary Maintenance funds from the Fiscal Year 2023-24 Budget.

The proposed Supplemental Services Agreement Number 4 with AECOM will be for a maximum not-to-exceed amount of \$5,755,000. This will increase the total not-to-exceed agreement amount to \$26,003,727.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

A standard supplemental agreement will be used and will be reviewed and approved as to form by County Counsel.

The proposed Supplemental Services Agreement Number 4 will be in full compliance with federal, State, and County regulations. The existing agreement contains the standard terms and conditions supporting the Board's ordinances, policies, and programs.

ENVIRONMENTAL DOCUMENTATION

The recommended action, approval of the proposed Supplemental Services Agreement Number 4, is not a project pursuant to CEQA because it is an activity that is excluded from the definition of a project by section 21065 of the California Public Resources Code, and section 15378(b) of the State CEQA Guidelines. The activities are an administrative action of government that will not result in direct or indirect physical changes to the environment. The proposed actions include enhancements to the SAMS database, and, as such, are organizational or administrative activity of the government that will not result in direct or indirect changes to the environment and involve the creation of a government funding mechanism which does not involve commitment to any specific project which may result in a potentially significant physical impact on the environment, and which has no adverse impact on the environmental factors. The appropriate environmental documentation, as required under CEQA, will be completed and the Board will be requested to make appropriate CEQA findings, as necessary, when any activities which would constitute a project under CEQA are recommended for approval.

CONTRACTING PROCESS

On April 11, 2017, the Board authorized the CEO to execute a Phase III Agreement with AECOM for an amount not-to-exceed \$14,822,641. On February 19, 2019, January 7, 2020, and October 27, 2020, the Board authorized Phase III Supplemental Services Agreements 1, 2, and 3 respectively, which increased the total not-to-exceed amount of the Phase III Agreement to \$20,248,727. Approval of the proposed Supplemental Services Agreement Number 4 will increase the scope of work for the Phase III Agreement, which was competitively solicited utilizing the RFP process. The term of this agreement shall commence upon the date of execution by the County and is estimated to expire on October 4, 2023. The County will have the sole option to extend this agreement term for an additional one (1) year period. The extension option may be exercised at the sole discretion of the Chief Executive Officer, or her designee, as authorized by the Board of Supervisors.

During Fiscal Year 2022-23, the CEO will work with AECOM, ISD and DPW, to develop a long-term program management and operational support plan that is self-supported by

The Honorable Board of Supervisors
October 4, 2022
Page 8

County staff and/or their consultants to no longer be reliant on this AECOM agreement. This plan includes evaluating and developing staffing levels and training for County personnel.

A new solicitation for a contract to provide software support/enhancements and maintenance for SAMS will be developed and released by June 2023 and is anticipated for award by January 2024.

The Community Business Enterprises participation data and three-year contracting history for AECOM is on file with DPW.

DPW has evaluated and determined that the Los Angeles County Code, Chapter 2.201 (Living Wage Program) does not apply to the recommended agreement.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed Supplemental Services Agreement Number 4 will provide new and continued critical support in managing the Countywide FRP in an efficient and cost-effective manner.

CONCLUSION

Please return one adopted copy of this Board letter to the Chief Executive Office, Capital Programs Division.

Respectfully submitted,

FESIA A. DAVENPORT
Chief Executive Officer

FAD:JMN:JTC
VBM:AMA:MB:ns

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Internal Services
Public Works

AECOM
 300 S Grand Ave, Los Angeles, CA. 90071
 T 213-593-8100 www.aecom.com



August 10th, 2022

County of Los Angeles
 Chief Executive Office – Capital Programs
 Kenneth Hahn Hall of Administration, Room 754
 500 W. Temple Street
 Los Angeles, CA 90012

Attention: Mr. Matthew Bukirin

Subject: **County of Los Angeles Deferred Maintenance Program Services Phase 3
 Supplemental Service Agreement 4 Proposal (Change Order Request 9)**

Dear Matthew,

The purpose of this Change Order to Contract CP-20A is to provide funding proposals for the County to exercise through Fiscal Year 2023-2024 for ongoing project support to the Phase 3 program. The fees presented include labor hours, and expenses required to deliver these services. This proposed change order will increase the total contract value with services provided for 24months. AECOM proposes the following continued and new tasks as part of this scope of work:

Scope Overview

- 1.0 Continued Program Level Tasks:** Ongoing support of Phase 3 Deferred Maintenance Program tasks, and asset management training for County personnel.
- 2.0 Staff Augmentation:** AECOM team personnel outsourced and managed directly through the Chief Executive Office (CEO) as requested through CEO.
- 3.0 Accessibility Evaluation Tool Development:** AECOM will develop a tool to facilitate the County's Accessibility Transition Plan.
- 4.0 SAMS Technology Development:** Development of updates to SAMS web site, mobile applications, database development, and reporting systems.
- 5.0 Advanced Strategic Asset Management Services:** Technical guidance and improvements for SAMS.
- 6.0 Other Direct Costs (ODCS):** Nonlabor costs associated with the delivery of the proposed tasks which include travel, server hosting, etc.

Detailed Scope Description

1.0 Tasks: Continued Program Level Tasks

- 1.1 Program Management:** Continue to provide program oversight, client and client's team coordination and support for 24months.
 - Provide financial and performance oversight of contracted services
 - Coordinate and engage with County stakeholders
 - Additional support for County Reassessment, Training, and Quality Programs when needed

1.2 SAMS Technology Support: Continued general technology and operation support to the County for the SAMS web site and iPad application by AECOM and the application developer. This task will be supported by a 2-person team for up to 16 hours per week with additional oversight staff as needed. They will continue to work closely with the County IT and assessment team. Task elements that the AECOM team will provide include:

- Interfacing with ISD-IT as needed for server and data connectivity issues
- Interfacing with the County Assessment team to provide support and troubleshooting
- Interfacing with CEO or ISD teams for unique data or reporting requests
- Participation in the monthly SAMS County user meetings

1.3 Training and Support for County Staff: With new updates of process, application, and web site throughout 2021 and 2022, AECOM will plan one (1) group training session per month to the County staff. Additional training will be planned as-needed, up to the capacity of this task element.

- Train new staff in scheduling, field assessment, QAQC, project builder, final QAQC and capital planning protocols
- Create ongoing QAQC insights based on previously collected data
- Create retraining opportunities with specific documentation
- Specific safety training as needed
- Promote a quality-focused culture aligning to the 2020 Strategic Asset Management Plan Objectives
- Provide training to the County management communicate how SAMS works within the CEO's larger County Asset Management initiatives

1.4 Annual update to SAMS User Manual and Wiki page: The website and app has expanded and changed since the training materials were revised in 2019. This task will provide a major update to the materials in FY22-23 (Year 1), and then have a smaller incremental update in FY23-24 (Year 2). AECOM suggests the following:

- Comprehensive update of User Manuals based on 2021 SAMS Theme upgrade/update, SAM Survey updates, and implementation of new or modifications of existing features
- Comprehensive update of Help Wiki based on updates to SAMS, SAM Survey, and implementation of new or modifications of existing features

2.0 Tasks: Staff Augmentation

In continued service of supporting the County's Chief Executive Office and Internal Services Department, AECOM proposes the following extension of current services:

2.1 CEO Staff Augmentation: The Chief Executive Office (CEO) has requested that AECOM continue to provide Program Management Staff to augment project management and service needs, which include:

- Project coordination and follow-up
- CEO integrated status reporting
- Facilitating increased department collaboration
- Leading and participating in special initiative projects
- Creating internal training curriculum and workshops

Proposed CEO Staff Augmentation Team Includes:

- Program Manager I: Approximately 8hrs/week
 - Responsibilities: Review FRP financial data, track variances, QA reports
- FCA Designer III: Approximately 20hrs/week
 - Responsibilities: Review of Monthly reports, ISD Coordination, SAMS Analysis
- Project Manager IX: As needed
 - Responsibilities: Coordination of AECOM tasks, overall task performance

3.0 Tasks: Accessibility Tool Development

Development of a new tool that will enable the County SAMS system to support evaluation of accessibility features at County facilities. AECOM team will engage with County stakeholders, review current applicable laws and standards, develop a tool and process for evaluation, pilot the tool and evaluation process, finalize the tool, and train the County on how to use it. The following series of tasks outline how AECOM plans to deliver the tool to the County.

3.1 Tool Planning & Outreach: AECOM work with the County to develop tool requirements, performance criteria, and overall scope acceptance prior to tool development:

- Scoping workshops to receive input from County stakeholders and define the tool parameters
- Determine user groups/roles for accessibility tool and evaluations
- Confirmation of code sections, diagrams, and Accessibility Transition Plan sections requiring the accessibility tool
- Determine method for implementing future code updates to accessibility tool
- Determine if additional County data is required for the tool
- Develop a mockup report to be used for the development process
- Define the physical tool needs for the Accessibility Evaluation
- Development of “Standard Recommended Actions” with approval by Client
- Confirmation of Space Classifications based on SAMS referenced standards.

3.2 Tool Development: Based on findings in task 3.1, AECOM will develop the tool with following subtasks:

3.2.1 Web Site Development

- Develop user roles
- Develop Framework for future code updates
- Develop API to transfer other data points existing in SAMS to the new accessibility evaluation iPad app for physical Assets.
- Develop Accessibility Self-Evaluation tool – AECOM will work with the County to create a web page, importing questionnaire and other forms and data points from the County related to the Self-Evaluation process. Then, AECOM will help the County to develop a self-evaluation report.
- Develop Identification of publicly accessible space and path of travel (Title 2) tool – AECOM requests that the County to identify the publicly accessible space and path of travel for its facilities following the Title 2 of the accessibility requirement. AECOM will help create a verification platform for this task for the County staff to provide necessary information. This is to ensure the process is tailored to the need and does not under or over evaluate facilities or create an inefficient reporting process.

3.2.2 iPad App Development

- Develop questionnaire for each accessibility component
- Develop Space classification tool – This is to help filter necessary accessibility code and diagram necessary to streamline the evaluation process
- Import confirmed code reference and diagrams for each accessibility component
- Develop evaluation process and interface for dimension measurement including photo capture for each accessibility component
- Develop Standard Recommend Actions selection tool

3.2.3 QA/QC Interface

- AECOM will work with the County to identify the data QA/QC process and create a web site platform to perform the QA/QC task including measurement, code verification and photos check.
- The QAQC interface will be based on SAMS but will be specific to accessibility

3.2.4 Project Development and Cost Estimation Interface

- Based on the current SAMS project development (PD) and cost estimation (CE) process, AECOM will
- Confirm with the County and develop the approach of how to create projects by bundling findings, separated from the current SAMS PD interface.
- Develop the ability to assign/verify/edit recommended actions
- Assign accessibility findings to a Uniformat classification similar to SAMS as well as code references
- Develop a cost estimation interface
- Develop a report for the use in the County's Transition Plan

3.2.5 Capital Planning Interface

- AECOM will work with the County to develop an accessibility integration tool to the current SAMS Capital Planning interface, with the possibility of splitting it into a separate process.

3.2.6 Re-Evaluation Process

- AECOM will work with the County to develop a re-evaluation workflow including archive of previous data and report.

3.2.7 Testing of Built System and iPad App

- This subtask covers quality assurance testing of the tool and process in preparation of the pilot

3.3 Tool Pilot: Once a workable beta version of the accessibility evaluation application is ready, AECOM will test the system with the County.

- Evaluate 6 buildings that are various size and uses which will include the entire process from staging and data collection to report and parametric cost estimate.
- Once the process is complete, the team will perform a re-evaluation to test the process and tool for future re-evaluation efforts.
- A three (3) person team, working together with the County staff will perform the field evaluations.
- Ensure that the application performs as planned.
- Allow the County to provide necessary feedback to our development team for final deployment.

3.4 Final Tool Delivery: After receiving feedback, recommendations, and review of the pilot's results, AECOM will finalize the tool and deliver it to the County.

- AECOM estimates that the timeline from start to launch of the final tool is 18 months.

3.5 Tool Training and Outreach: AECOM will develop user manuals specifically for the accessibility Evaluation tool:

- PDF version and an interactive manual both on the website and on the iPad app.
- Provide in-person training sessions to the County staff, particularly for the County Accessibility Coordinators to get familiar with the features of the tool and the evaluation process.

4.0 Tasks: SAMS Technology Development Tasks

4.1 Improved Parking Lot and Horizontal Systems Assessment and Reassessment Processes: The AECOM team will perform a major update to the surface parking lot assessments process and interface that will improve the documentation in the SAMS system. Task elements that the AECOM team will provide include:

- AECOM will overhaul to the parking lot assessment tools in SAMS
- Improve horizontal area data collection tool for the SAM Survey mobile app
- Update Replacement Value calculation for parking lots

4.2 SAMS Improvements: Allowance to handle feature requests from the County such as:

- Update SAMS to the reflect the latest County Supervisorial Districts maps.
- Develop an annual maintenance estimate for assets in SAMS.
- Improve how SAMS data integrates into the existing County GIS systems.
- Linkages with other County databases (CAMPS and/or Maximo, LA CREMS).
- Further refine County reassessment program processes (streamline reassessment and updates).

5.0 Tasks: Advanced Strategic Asset Management Services

5.1 Asset Management Technical Guidance & Improvements: These proposed services are intended to provide as-needed technical guidance and improvements for SAMS. As part of these services, AECOM will assist the CEO and ISD in the development and implementation of proposed SAMS refinements to support facility reinvestment initiatives. Because of the as-needed basis of this task, activities using this funding will be approved by CEO prior to performing the requested services. Task services may include:

- Technical guidance on Asset Management best practices.
- Technical Guidance on advanced Operations & Maintenance (O&M) data integrations into SAMS.
- SAMS refinements supporting CEO/ISD initiatives.

6.0 Tasks: Other Direct Costs (ODCS)

- Nonlabor costs associated with the proposed tasks detailed above
- See detailed funding breakdown for task ODC allowances

Assumptions and Exceptions, Terms and Conditions

- a) Additional Other Direct Expenses (ODCs) related to all approved tasks will continue to be billed per the contract
- b) Time and materials (T&M) quoted herein (please see funding section for information) is developed based on Phase 3 change order rate schedule.
- c) Actual date of the Accessibility Evaluation Tool testing will be scheduled between AECOM and the client.
- d) Personal Protective Equipment (PPE) will be purchased by AECOM and billed to the client.
- e) Fee associated with the accessibility Evaluation Tool development will only be focused on Title 2 of the Americans with Disabilities Act, with the understanding that standards, references, and code sections will all be coming from the U.S. Department of Justice 2010 ADA Standards for Accessible Design; U.S. Department of Justice Revised (2010) ADA Regulations Implementing Title II and Title III, and 2019 California Building Code Title 24, Part 2, Chapter 11B. Other additional requirements will result in request for additional fee and time with a change order.
- f) Proposed durations rely on timely and accurate delivery of data provided by the client.
- g) Identification and verification of the publicly accessible space and path of travel to County facilities will not be an AECOM task. AECOM will only provide an evaluation tool for the client to perform the task.
- h) List of ADA evaluation components, data fields, code sections and diagrams will be confirmed by the client prior to being utilized by AECOM for any of the tool development
- i) AECOM will only develop Standardize Recommended Actions for any Accessibility Evaluation findings to be used on the iPad app and at the project development process. Any Additional client specific corrective actions will be discussed, provided, and approved by the client.
- j) AECOM will design the accessibility evaluation tool to be updated with future code changes but is not responsible for providing future code updates under this proposed scope.
- k) AECOM employees or subconsultants will continue to follow the AECOM safety plan and protocol while being on site for any assessment/evaluation work.
- l) Specific measurement tools needed for ADA Evaluation will be approved by the client. Client to accept that there will be construction and measurement tolerances associated with approved tools.
- m) Additional services - Should the Scope of service change from those defined herewith or the original Agreement, the fee for such additional services will be submitted as a change order and added to the original agreement as contract addendum.

Funding Notes:

- The fee for services is broken down between County fiscal years and are based on the Phase 3 Rate Table.
- Billed rates escalate by 4% from the previous year's rates on January 1st of the calendar year.
- ODCs for all tasks are listed under Task Group 6.0 ODCs

Supplemental Service Agreement 4 Detailed Fee Table

	Task Name	FY22-23 Fee (Year 1)	FY23-24 Fee (Year 2)	Combined Fee	Estimated Duration ¹
1.0	Continued Program Level Tasks	\$824,000	\$750,900	\$1,574,900	24mos
	1.1 Program Management	\$350,000	\$369,000	\$719,000	24mos
	1.2 SAMS Technology Support	\$270,000	\$280,000	\$550,000	24mos
	1.3 SAMS Training & Outreach	\$74,000	\$64,900	\$138,900	24mos
	1.4 SAMS User Manual Updates	\$130,000	\$37,000	\$167,000	3mos ²
2.0	Staff Augmentation	\$210,000	\$430,000	\$640,000	24mos
	2.1 CEO Staff Augmentation	\$210,000	\$430,000	\$640,000	24mos
3.0	Accessibility Evaluation Tool Development	\$1,314,624	\$680,776	\$1,995,400	20mos
	3.1 Planning & Outreach	\$410,700		\$410,700	5mos
	3.2 Tool Development	\$903,924		\$903,924	9mos
	3.3 Tool Pilot		\$351,700	\$351,700	3mos
	3.4 Tool Final Delivery		\$251,700	\$251,700	5mos
	3.5 Tool Education		\$77,376	\$77,376	3mos
4.0	SAMS Technology Development	\$223,493	\$617,507	\$841,000	24mos
	4.1 Parking Lot & Horizontal Systems Update		\$461,000	\$461,000	4mos
	4.2 SAMS Improvements	\$223,493	\$156,507	\$380,000	24mos
5.0	Advanced Strategic Asset Management	\$300,000	\$300,000	\$600,000	24mos
	5.1 Asset Management Technical Guidance	\$300,000	\$300,000	\$600,000	24mos
6.0	Other Direct Costs (ODCs)	\$60,600	\$43,100	\$103,700	See Above
	6.1 Program Management	\$6,000	\$6,000	\$12,000	
	6.2 SAMS Technology Support	\$7,800	\$7,800	\$15,600	
	6.3 SAMS Training & Outreach	\$8,600	\$8,600	\$17,200	
	6.4 CEO Staff Augmentation			\$0	
	6.5 Accessibility Tool	\$26,200	\$17,700	\$43,900	
	6.6 Technology			\$0	
	6.7 AM Strategic Initiatives	\$12,000	\$3,000	\$15,000	
Total Proposed Fee		\$2,932,717	\$2,822,283	\$5,755,000	24mos

Fee Table Notes

- 1 The durations are conceptual and will be finalized once this proposal is approved.
- 2 Task 1.4 has a 2-month duration in FY22-23 and a 1-month duration in FY23-24.

Supplemental Service Agreement 4 Preliminary Schedule

Q2 FY22-23 (Year 1) ^{1,2}												Q2 FY23-24 (Year 2) ^{1,2}											
Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1.0 Continued Program Level Tasks																							
1.1	Program Management																						
1.2	SAMS Technology Support																						
1.3	SAMS Training & Outreach																						
1.4	SAMS User Manual Updates																						
2.0 Staff Augmentation																							
2.1	CEO Staff Augmentation																						
3.0 Accessibility Evaluation Tool Development																							
3.1	Planning & Outreach																						
3.2	Tool Development																						
3.3	Tool Pilot																						
3.4	Tool Final Delivery ³																						
3.5	Tool Education																						
4.0 SAMS Technology Development																							
4.1	Parking Lot & Horizontal Systems Update																						
4.2	SAMS Improvements ⁴																						
5.0 Advanced Strategic Asset Management																							
5.1	Asset Management Technical Guidance																						

Preliminary Schedule Notes

- 1 The durations are conceptual. Actual start/end months will be finalized once this proposal is approved. The chart above shows services nominally aligning to Q2 FY22-23.
- 2 Estimated durations assume the first day of the month for the start and last day of the month for the end.
- 3 Deployment of the Accessibility Tool is planned for 18months. The remaining 2-month duration covers tech support. Longer term technical support will be covered by Task 1.2.
- 4 Task 4.2 will be performed between larger technology tasks.

Summary of Revised Contract Value:

• Original Contract Value	\$ 14,822,641.00
• Change Order Request #2 (Dated September 20, 2018)	\$ 444,714.10
• Change Order Request #3 (Dated October 1, 2019)	\$ 430,644.90
• Change Order Request #4 (Dated February 14, 2020, updated September 21, 2020 with optional services)	\$ 4,550,727.00
• Change Order Request #5 (Dated March 3, 2020)	\$ 0.00
• Change Order Request #6(Dated May 18, 2020)	\$ 0.00
• Change Order Request #7 (Dated September 21, 2020)	\$ 0.00
• Change Order Request #8 (Dated April 20, 2021)	\$ 0.00
• Change Order Request #10 (Dated October 29, 2021)	\$ 0.00
• Change Order Request #11 (Dated February 11 th , 2022)	\$ 0.00
• Change Order Request #9, SSA 4 (This Letter)	\$5,755,000
• Revised Contract Value	\$26,003,727

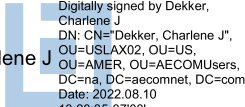
Please review and issue the official Change Order at your earliest convenience.

Yours sincerely,



Corinne Stewart
Principal

Dekker, Charlene J



Digitally signed by Dekker,
Charlene J
DN: CN="Dekker, Charlene J",
OU=USLAX02, OU=US,
OU=AMER, OU=AECOMUsers,
DC=na, DC=aecomnet, DC=com
Date: 2022.08.10
13:28:35-07'00'

Charlene J Dekker
Vice President

Accepted By: _____ Date: _____



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
Chief Executive Officer

August 3, 2022

TO: Supervisor Holly J. Mitchell, Chair
Supervisor Hilda L. Solis
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

FROM: Fesia A. Davenport *FAD*
Chief Executive Officer
FAD (Aug 2, 2022 15:52 PDT)

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

NOTIFICATION OF INTENT TO NEGOTIATE SOLE SOURCE AMENDMENT TO EXISTING CONTRACT WITH AECOM

In accordance with the Board of Supervisors (Board) policy 5.100 established on March 2, 2019, (revised November 17, 2021), I am informing you of our intent to negotiate a sole source amendment to the existing Contract No. CP-20A with AECOM Technical Services, Inc. (AECOM), which was competitively solicited and executed on July 6, 2017. The total not-to-exceed amount of the current contract is \$20,248,727. The proposed contract amendment is estimated to increase the maximum amount of the current contract by \$6,000,000. This includes \$3,000,000 for the period of one year, with the option to extend services for an additional year at a cost of \$3,000,000. The proposed contract amendment would be for AECOM to provide ongoing support for the Facility Reinvestment Program (FRP) by providing continued program support services, quality assurance, data analysis, accessibility evaluation tool development, enhancements to the Strategic Asset Management System (SAMS) and as-needed technical guidance for SAMS and the FRP.

This proposed contract amendment is required because the remaining funds on the existing contract will be exhausted in September 2022 and additional services are needed from AECOM to support the FRP during the time required to complete a new solicitation and award a new contract for replacement services. Furthermore, due to AECOM's expertise and years of programming development in SAMS, it would be prohibitive in time and money to seek a new services provider prior to September 2022.

Each Supervisor
August 3, 2022
Page 2

During this year, the Chief Executive Office (CEO) will work with AECOM, the Departments of Internal Services and Public Works, to develop a long-term program management and operational support plan that is self-supported by County staff and/or their consultants to no longer be reliant on this AECOM contract. This plan includes evaluating and developing staffing levels and training for County personnel.

A new solicitation for a contract to provide software support/enhancements and maintenance for SAMS will be developed and released by June 2023 and is anticipated for award by January 2024.

Unless otherwise instructed by the Board, the CEO will proceed with negotiating the sole source amendment to the existing contract with AECOM after four weeks. Should we successfully negotiate the amendment, we will bring it to the Board for consideration and approval.

If you have any questions or require additional information regarding this matter, please contact Vanessa Moody, Senior Manager, at (213) 974-1360 or vmood@ceo.lacounty.gov.

FAD:JMN:JTC
VBM:AMA:MB:ns

C:

Executive Office, Board of Supervisors
County Counsel
Internal Services
Public Works

SOLE SOURCE CHECKLIST

Department Name: Chief Executive Office

- ☐ New Sole Source Contract
- ☒ Sole Source Amendment to Existing Contract
- Date Existing Contract First Approved: _____

04/11/2017

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS
	Identify applicable justification and provide documentation for each checked item.
<input type="checkbox"/>	➤ 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>
<input type="checkbox"/>	➤ Compliance with applicable statutory and/or regulatory provisions.
<input type="checkbox"/>	➤ Compliance with State and/or federal programmatic requirements.
<input type="checkbox"/>	➤ Services provided by other public or County-related entities.
<input type="checkbox"/>	➤ Services are needed to address an emergent or related time-sensitive need.
<input type="checkbox"/>	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
<input checked="" type="checkbox"/>	➤ 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.
<input type="checkbox"/>	➤ 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.
<input type="checkbox"/>	➤ 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.
<input type="checkbox"/>	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
<input type="checkbox"/>	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
<input checked="" type="checkbox"/>	➤ 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.

Vanessa Moody
Chief Executive Office

5/6/22

Date

Matthew Bukirin

From: Matthew Bukirin
Sent: Wednesday, August 24, 2022 9:28 AM
To: Kandyce Newton
Cc: Amir Alam; Anthony Baker; Nancy Suarez
Subject: RE: BL Item Request for 9/7 Ops Cluster - AECOM Supplemental Services Agreement Amendment No. 4
Attachments: 2022 0907 AECOM Ph3 Supp Agrmnt Amend No. 4 BL Package for Ops Cluster.pdf; RE: AECOM - Sole Source Amendment Notification

Hi Kandyce,

My name is Matthew Bukirin and I work in CEO Capital Programs. A few months ago we delayed our Board Letter submission to Ops Cluster to address SD2's comments. We've made a few changes and would like to resubmit and request that the attached Board Letter package be considered for the 9/7/22 Ops Cluster agenda. I've listed the item below as well as a summary of our changes.

Deferred Maintenance Program - AECOM Phase 3 Supplemental Agreement Amendment No. 4

- **Sole Source NOI Memo** – Fesia issued the notice of intent for the sole source contract amendment to the Board on August 3rd, 2022 and it is attached in the Board Letter package as Enclosure B. SD2 acknowledged receiving the memo and said they're looking forward to reviewing our revised Board Letter (please see Kirk's email attached).
- **Expiration Date** – The Board Letter was revised to indicate an estimated expiration date of October 4, 2023 for the proposed contract amendment.
- **Costs** – The cost proposal was reduced from \$8.7M to \$5.8M and we removed the staff whose billing rates exceeded \$350/hr and their associated services. We also revised language in the Board Letter explaining the need for AECOM services, including their technology support for the County's Strategic Asset Management System.

Thank you and please let me know if you have any questions.

-Matt

--
Matthew Bukirin
CAPITAL PROGRAMS DIVISION
(213) 974-2535
MBUKIRIN@CEO.LACOUNTY.GOV



From: Amir Alam <AAlam@ceo.lacounty.gov>
Sent: Tuesday, May 31, 2022 9:23 AM
To: Anthony Baker <abaker@ceo.lacounty.gov>
Cc: Nancy Suarez <nsuarez@ceo.lacounty.gov>; Arsineh Eyvazi <AEyvazi@ceo.lacounty.gov>; Matthew Diaz