



County of Los Angeles CHIEF EXECUTIVE OFFICE OPERATIONS CLUSTER

FESIA A. DAVENPORT
Chief Executive Officer

DATE: November 30, 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:
REQUEST APPROVAL TO EXECUTE AN OPERATING MEMORANDUM
BY AND BETWEEN THE COUNTY OF LOS ANGELES AND THE
PERFORMING ARTS CENTER OF LOS ANGELES COUNTY
ISD - Anet Charbakhsh, Fleet & Logistics Division Manager
 - B) Board Letter:
APPROVE SOLE SOURCE AMENDMENT NUMBER EIGHT TO EXTEND
CONTRACT NUMBER 55301 WITH CONDUENT STATE & LOCAL
SOLUTIONS, INC. FOR CONTINUED PARKING CITATION PROCESSING
SERVICES
LASD/CIO - Irma Santana, Contracts Unit Manager and
Lieutenant Nikki Hanamaikai

CONTINUED ON PAGE 2

- C) Board Letter:
FIFTEEN-YEAR LEASE
DEPARTMENT OF PUBLIC WORKS
12440 IMPERIAL HIGHWAY, SUITE 110, NORWALK
CEO/RE - Michael Navarro, Lease Section Chief
- D) Board Letter:
FIVE-YEAR LEASE
SHERIFF'S DEPARTMENT
5130 CLARK AVENUE, LAKEWOOD
CEO/RE - Michael Navarro, Lease Section Chief
- E) Board Letter:
FIFTEEN-YEAR LEASE
REGISTRAR-RECORDER/COUNTY CLERK
13401 CROSSROADS PARKWAY NORTH, CITY OF INDUSTRY
CEO/RE - Michael Navarro, Lease Section Chief
- F) Board Letter:
TEN-YEAR LEASE
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
5100-5110 WEST GOLDLEAF CIRCLE, LOS ANGELES
CEO/RE - Michael Navarro, Lease Section Chief
- G) Board Letter:
APPROVAL OF AMENDMENT NO. 6 TO AGREEMENT NO. 67675 FOR
FUNDING, OPERATION, AND MANAGEMENT OF THE LOS ANGELES
COUNTY MUSEUM OF NATURAL HISTORY
CEO/OPS – Anthony Baker, CEO Manager and
Jonathan Diaz, CEO Analyst

3. **PRESENTATION/DISCUSSION ITEMS:**

None available.

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

5. **Adjournment**

FUTURE AGENDA TOPICS

CALENDAR LOOKAHEAD:

- A) ISD – REQUEST FOR APPROVAL AND AUTHORITY TO AWARD AND EXECUTE ENTERPRISE SERVICE MASTER AGREEMENTS (MAS) FOR HIGHLY TECHNICAL INFORMATION TECHNOLOGY RELATED SERVICES IN SUPPORT OF ENTERPRISE INFORMATION TECHNOLOGY INITIATIVES

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	11/30/2022	
BOARD MEETING DATE	12/20/2022	
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input checked="" type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input checked="" type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th	
DEPARTMENT(S)	ISD, CEO	
SUBJECT	Request approval to execute an Operating Memorandum by and between the County of Los Angeles and the Performing Arts Center of LA County.	
PROGRAM	Parking Services	
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	N/A	
COST & FUNDING	Total cost: N/A Funding source: N/A TERMS (if applicable): (5) years with two (1) year renewal options for a maximum contract term of (7) years, effective upon Board approval. Explanation: Revenues generated at AP 14 will post into the Non-Departmental Revenue budget unit. Revenues generated at AP 16 will post into the Rent Expense budget unit (upon CEO direction, budget unit may change in FY 23-24 and thereafter).	
PURPOSE OF REQUEST	Approval of the Operational Memorandum will provide operational guidance and certainty to PACLAC and the County regarding the following at AP 14 and AP 16: - Increase the Employee Rate to match the Board approved Civic Center Parking Plan rate for County employees. - Define who is an Employee and eligible to receive the Employee Rate. - Authorize the County to extend the Employee Rate to lessees/sub-lessees. - Formalize past practice of allowing ushers free parking at AP 16. - Establish a Guest Rate at AP 14 and AP 16 for all The Music Center and Walt Disney Concert Hall activities and allow ISD to identify the operations mode during activities. - Formalize the location, quantity, and category of viable parking spaces at AP 14 that are utilized for storage/office space, and recovery plan (if applicable). - Establish a Procedural Guide for the sale of pre-sold parking vouchers for AP 14 and AP 16, including the procedures for tracking and reconciling such sales.	
BACKGROUND (include internal/external issues that may exist including any related motions)	The County and PACLAC executed the Walt Disney Concert Hall Lease (WDCH Lease) on January 9, 2007, and an Amended and Restated Music Center Operating Lease (MCOC Lease) on December 28, 2017. Pursuant to Section 5(d) of the MCOC Lease, additional details regarding the operation of the garage shall be set forth in an Operating Memorandum (this language is not included in the WDCH Lease).	
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: Anet Charbakhsh, Division Manager (Fleet and Logistics), 562-413-6750, acharbakhsh@isd.lacounty.gov	



SELWYN HOLLINS
Director

County of Los Angeles
INTERNAL SERVICES DEPARTMENT

1100 North Eastern Avenue
Los Angeles, California 90063

Telephone: (323) 267-2101
FAX: (323) 264-7135

"Trusted Partner and Provider of Choice"

December 20, 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:

**REQUEST APPROVAL TO EXECUTE AN OPERATING MEMORANDUM BY AND
BETWEEN THE COUNTY OF LOS ANGELES AND THE PERFORMING ARTS
CENTER OF LOS ANGELES COUNTY
(ALL DISTRICTS – 3 VOTES)**

SUBJECT

Request approval to execute an Operating Memorandum by and between the County of Los Angeles (County) and the Performing Arts Center of Los Angeles County (PACLAC) for terms and conditions regarding the parking fee structure and operations at The Music Center and the Walt Disney Concert Hall parking garages.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Director of Internal Services Department (ISD) or designee, to execute the attached Operating Memorandum (Attachment 1) with PACLAC for The Music Center and Walt Disney Concert Hall parking garages for a period of five years, with two one-year renewal options for a maximum contract term of seven years.
2. Authorize the Director of ISD, or designee, to execute any other ancillary documentation necessary to effectuate the proposed Operating Memorandum, and to take actions necessary and appropriate to implement the proposed Operating

Memorandum, including, without limitation, exercising the renewal options in accordance with the Operating Memorandum and approve necessary changes to the scope of services.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The County and PACLAC executed a Walt Disney Concert Hall Lease (WDCH Lease) on January 9, 2007, and an Amended and Restated Music Center Operating Lease (MCOC Lease) on December 28, 2017, to set forth the provisions by which PACLAC would operate and maintain The Walt Disney Concert Hall and The Music Center. Pursuant to Section 5(d) of the Amended and Restated MCOC Lease, additional details regarding the operation of the garage shall be set forth in an Operating Memorandum.

ISD Parking Services monitors and oversees the management of 27 parking facilities throughout the County that includes parking facilities in the Civic Center, in Downtown Los Angeles, and the Outlying area. The Music Center and Walt Disney Concert Hall parking garages (AP 14 and AP 16) are two such facilities in the Civic Center.

Approval of the Recommendation No. 1 will provide operational guidance and certainty to PACLAC and to the County regarding the following parking related items at AP 14 and AP 16:

- Increase the Employee Rate to match the Board approved Civic Center Parking Plan rate for County employees.
- Define who is an Employee and eligible to receive the Board approved Employee Rate.
- Authorize the County to extend the Employee Rate to non-profit short-term lessees and sub-lessees as set forth in the Operating Memorandum.
- Formalize past practice of allowing ushers free parking at AP 16.
- Establish a Guest Rate at AP 14 and AP 16 for all The Music Center and Walt Disney Concert Hall activities and allow ISD to identify the operations mode during such activities.
- Formalize the location, quantity, and category of the remainder of viable parking spaces at AP 14 that are utilized for storage/office space, and recovery plan (if applicable) per the Operating Memorandum and Space Diagram (Attachment 2).
- Establish a Procedural Guide for the sale of pre-sold parking vouchers for AP 14 and AP 16, including without limitation, the procedures for tracking and reconciling such sales.

To meet the operational needs of PACLAC and its Resident Companies, while balancing the fiscal impact to the County, there may be occasions during the term of the Operating

Memorandum when the scope of services at these parking garages must be changed. Approval of Recommendation No. 2 will provide ISD with the ability to effectively manage these situations.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

These recommendations support the County's Strategic Plan Goals of Pursuing Operational Effectiveness, Fiscal Responsibility, and Accountability (Goal III.3) by balancing the need to be fiscally responsible, providing reasonable and effective operational solutions at AP 14 and AP 16, and supporting economic development.

FISCAL IMPACT/FINANCING

The proposed fee structure for parking is projected to generate revenue at AP 14 and AP 16. Revenues generated at AP 14 will post into the Non-Departmental Revenue budget unit; however, under our Parking Facilities Management Services Contract, a percentage of the adjusted gross revenue for AP 14 is shared with the Contractor to offset their costs of managing the lots. Revenues generated at AP 16 will post into the Rent Expense budget unit in FY 22-23 (upon CEO direction, budget unit may change in FY 23-24 and thereafter).

The Operating Memorandum is also projected to result in cost avoidances to PACLAC. Further, the terms of this Operating Memorandum align with the County's goal of driving economic development to support local businesses and the community by expanding access to recreational and cultural opportunities.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The recommended Operating Memorandum has been approved as to form by County Counsel and the Chief Executive Office. Required public hearing notice was given pursuant to the procedures and requirement set forth in the Government Code 66018 and 6062(a).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will not have an impact on current county services.

CONCLUSION

Please return one adopted copy of the Board Letter to the following: ISD Operations Service, the Chief Executive Office - Real Estate Division, and PACLAC.

The Honorable Board of Supervisors
December 20, 2022
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Respectfully submitted,

SELWYN HOLLINS
Director

SH:ME:AC:lm

Attachments

c: Executive Office, Board of Supervisors
 Chief Executive Office
 County Counsel
 PACLAC

**OPERATING
MEMORANDUM BY
AND BETWEEN
THE COUNTY OF LOS ANGELES
AND PERFORMING ARTS CENTER OF LOS ANGELES COUNTY**

This Operating Memorandum, dated December 20, 2022 ("Agreement") is by and between the County of Los Angeles, herein referred to as "County," and the Performing Arts Center of Los Angeles County, herein referred to as "PACLAC." County and PACLAC together shall be referred to as the ("Parties").

RECITALS

- A. WHEREAS, County is the owner of certain real property in the Civic Center area located at 135 N. Grand Avenue, Los Angeles, known as The Music Center, including a subterranean parking garage ("AP 14") located underneath The Music Center but which is expressly not a part of The Music Center, excluding the escalators, stairs, and elevators in and/or serving the Garage.
- B. WHEREAS, the County and PACLAC entered into an Amended and Restated Music Center Operating Lease with an effective date of December 28, 2017 ("Lease"), for the purpose of setting forth in a single document the provisions by which PACLAC would operate and maintain The Music Center, and to document the modified and additional policies and procedures that have benefited the operation of The Music Center.
- C. WHEREAS, Section 5(d) of the Lease provides that the County alone is authorized to operate AP 14 and receive all of the revenue therefrom, and as part of such AP 14 Lot operation, parking for passenger vehicles shall be available for employees who work at The Music Center, as well as for The Music Center guests, at a special discounted parking fee structure. Section 5(d) of the Lease also states that, if County so requires, additional details regarding the operation of AP 14 shall be set forth in an operating memorandum.
- D. WHEREAS, the County is also the owner of the Walt Disney Concert Hall, located at 111 S. Grand Avenue, Los Angeles, including a subterranean parking garage ("AP 16") located underneath the Walt Disney Concert Hall, which is bordered by First Street on the north side and Second Street on the south side.
- E. WHEREAS, the County and PACLAC entered into the Walt Disney Concert Hall Lease with an effective date of January 9, 2017 ("WDCH Lease"), for the purpose of setting forth in a single document the provisions by which PACLAC would operate and maintain the Walt Disney Concert Hall, excluding operation of AP 16.
- F. WHEREAS, to date, the Parties have not formalized the operation, parking fee structure, and use of AP 14. The County and PACLAC desire to enter into this Agreement to provide the details regarding the on-going operation of AP 14, as well as AP 16 in the event that AP 16 is used as an overflow lot to AP 14 for The Music Center activities.

NOW, THEREFORE, the County and PACLAC mutually agree to the following additional terms

and conditions regarding employee parking fee structure and operations in AP 14 and AP 16.

AGREEMENT

1. **Term**. The term of this Agreement shall be a period of five years, with two one-year renewal options for a maximum contract term of seven years.

2. **Parking Fee Structure at AP 14 and AP 16.**

- a. **Employee Fee Structure**. The County shall charge the following fees for all Employees (“Employee(s)”), as defined below, with the Year One parking fee commencing with the execution of this Agreement. Thereafter, commencing on the first-year anniversary of the execution of this Agreement, the parking fees shall increase, as follows:

<u>YEAR ONE FEE STRUCTURE:</u>	<u>YEAR TWO AND REMAINDER OF THE TERM FEE STRUCTURE (or sooner if there are Changes to this Agreement):</u>
---------------------------------------	--

Daily: \$8

Weekly: \$26

Monthly: \$98

Daily: \$8

Weekly: \$32

Monthly: equivalent to County employee Civic Center Parking Plan monthly fee at AP 14 (\$120 at the time of this agreement)

- b. **Definition of Employee**. The term Employee(s) is defined to mean persons who can be described in any of the categories specified in sections (i) – (v) below. The fees specified in paragraph 2(a) above shall apply to all such Employees. Any persons who cannot be described by one or more of the categories below is not considered to be an Employee for the purposes of this Agreement.

- i. Staff, artists, and musicians employed by any of the following organizations:

- a. PACLAC
- b. The Master Chorale
- c. The Los Angeles Opera
- d. The Center Theater Group
- e. The Los Angeles Philharmonic

- ii. Employees of any business entity contracted to provide restaurant, food, and beverage services to PACLAC.

- iii. Recognized volunteers of PACLAC and the Resident Companies listed in (i)c-f above (collectively, the “Resident Companies”)

- iv. Temporary stage labor

- v. In-house and contracted maintenance and housekeeping staff.

c. **Event Organizers for Short-Term Lessees and Sub-lessees.**

- i. Employees of non-profit short-term lessees and sub-lessees shall receive the Employee Fee Structure as detailed in Section 2(a) above.

- ii. Employees of for-profit lessees and sub-lessees shall pay the applicable fees as follows:

- a. 400+ guests anticipated for any single event: employees will be charged the Employee Fee Structure as detailed in Section 2(a) above.

- b. Less than 400 guests anticipated for any single event: employees are subject to the standard fees charged to the general public. County shall

charge prevailing parking fees, as determined by the County.

- d. **Ushers.** All ushers employed by PACLAC shall receive free parking at AP 16 or other lots as deemed operationally feasible by the County.
- e. **Guest Fee Structure at AP 14.** County and PACLAC agree that The Music Center guests parking at AP 14, shall receive a discounted parking fee of \$10.00 for all The Music Center activities, regardless of activity size, based on the mode of operation which shall vary due to activity size.
- f. **Guest Fee Structure at AP 16.** County and PACLAC agree that Walt Disney Concert Hall guests, parking at AP 16, shall receive a discounted parking fee of \$10.00 for all Walt Disney Concert Hall activities, based on the mode of operation which shall vary due to activity size.

3. **Operations at AP 14 and AP 16 During Activities.**

- a. County and PACLAC agree that the parking fee collection operation shall vary depending upon the number of guests expected at a particular event at The Music Center or Walt Disney Concert Hall. The County also reserves the right, as needed, to adjust its operations in order to provide a better customer experience, as determined in the County's sole discretion, provided that nothing in this paragraph or the Procedural Guide referred to in Section 3(b) below shall modify any of the terms of this agreement.
- b. County will establish a procedural guide ("Procedural Guide") that outlines parking operations based on the anticipated guest count of a particular event at The Music Center or Walt Disney Concert Hall. The Procedural Guide is subject to change at any time based on operational needs, as determined by the County. PACLAC will be required to comply with the Procedural Guide upon execution of this Agreement. County will advise PACLAC in writing of any changes made to the Procedural Guide, and the County may review and take into consideration comments, provided by PACLAC, regarding changes prior to issuing an updated Procedural Guide. PACLAC will have 30 calendar days to comply with the updated Procedural Guide.
- c. The Parties understand AP 14 and AP 16 operate independently of one another. Therefore, AP 16 generally will not be operated in the same manner as AP 14, in the event AP 16 is used as an overflow lot to The Music Center activities. However, if circumstances warrant an exception, the County may choose to implement such an exception at its sole and absolute discretion.

4. **Parking Spaces at AP 14 only.** Since 2019, the County has recovered approximately 170 spaces from PACLAC; however, PACLAC continues to use certain parking spaces within AP 14 as storage areas, as detailed below. A diagram of these parking spaces, for each floor of AP 14, is attached to and incorporated herein to this Operating Memorandum as Space Diagram (Attachment 2). The Space Diagram identifies the location of the below categories of spaces on each level, as well as the order in which these spaces will be recovered by the County (if applicable).

- a. **Non-Viable Spaces:** These parking spaces are colored red on the Space Diagram. They are not viable for parking, or any other alternative use. PACLAC is authorized to continue using these parking spaces for storage of items at no charge to PACLAC.

- b. **Viable for Parking or Alternative Use:** These parking spaces are colored blue on the Space Diagram. PACLAC is authorized to continue using these parking spaces for storage at this time at no charge to PACLAC (currently storing heavy and/or oversized items, which may include County assets, that require items to be at grade). However, upon 60 days prior written notice from the County, PACLAC shall remove its property from the specified parking space and return such parking spaces to the County at the end of the 60-day period, free and clear of PACLAC's property (County will make a reasonable effort to provide alternative storage solution(s) for these items).
- c. **Viable Parking Spaces:** As of October 21, 2022, there are approximately 10 viable parking spaces, excluding the parking spaces colored blue on the Space Diagram, which are colored yellow on the Space Diagram. The County is to recover these parking spaces by no later than March 31, 2023.

For blue and yellow designated areas, PACLAC will have the option to rent spaces at the County employee Civic Center Parking Plan monthly fee at AP 14 (\$120 at the time of this Agreement) if items stored in these areas cannot be moved. If any property remains in the blue spaces after the 60 days period expires, PACLAC will be deemed to have elected to pay for such spaces.

5. **Pre-Sold Parking Vouchers at AP 14 and AP 16.** PACLAC and the County shall work with the Resident Companies to establish a Procedural Guide for the sale of pre-sold parking vouchers for AP 14 and AP 16, respectively, including without limitation, the procedures for tracking and reconciling such sales. The Parties anticipate that the Procedural Guide will require PACLAC to receive funds that are collected by the Resident Companies for the sale of such pre-sold vouchers, for the purpose of remittance of those funds to the County, and will specify the financial records and other documentation that the Resident Companies must provide to PACLAC in connection with such sales. This documentation should include, without limitation, records sufficient to show the quantity and dollar amount of these pre-sold parking vouchers. The County shall have the right to examine and audit without restriction such financial records and other documentation provided by the Resident Companies to PACLAC.
6. **Changes to Agreement.** All terms described above, and throughout this Agreement, are subject to review by the County and PACLAC during the Agreement renewal period. In addition, future technological advancements, improvements to AP 14 and AP 16, and/or market rate studies may result in revision to prior negotiated terms, conditions, and parking fee structure, provided that new terms and conditions are mutually agreed upon.
7. **Severability.** The invalidity or illegality of any provision shall not affect the remainder of this Agreement.
8. **Notice.** As used in this Agreement, notice means written notice either (1) delivered in person to the recipient (2) two days after deposit in the United States mail in a sealed envelope or container, postage and postal charges prepaid, or (3) via email at isdparkingrequest@isd.lacounty.gov.

Deliver notice to:
Internal Services Department, Parking Services

ATTN: Section Manager
500 West Temple St., Room B-95
Los Angeles, CA 90012

9. **Compliance with Law.** County and PACLAC shall each do all acts required to comply with all applicable laws, ordinances, regulations, and rules of any public authority relating to their respective obligations as set forth herein.
10. **Choice of Law.** This Agreement shall be governed by the laws of the State of California.
11. **Amendments.** This Agreement may not be altered, changed, or amended except by written instrument signed by both Parties hereto.
12. **Attachments.** The Attachments attached hereto are incorporated herein by this reference.
13. **Indemnification and Insurance.** The Parties shall refer back to Section 5(i), Indemnification and Insurance Requirements in the Amended and Restated Music Center Operating Lease for AP 14, and Sections 13.4, 13.5, and Articles 14 and 16 of the WDCH Lease for AP 16 for terms regarding indemnification and each Party's insurance obligations with regards to the other Party.
14. **Counterparts.** This Agreement may be executed simultaneously or in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and/or portable document format (PDF) signatures on this Agreement shall be binding as if original.
15. **Authority.** Each party hereto covenants, warrants, and represents that each individual executing, attesting and/or delivering this Agreement on behalf of such party is authorized to do so and this Agreement is binding upon such party.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representative. County and PACLAC acknowledge that this Agreement shall not be binding until fully executed by both Parties. Email, E-signature and/or portable document format (PDF) signatures on this Agreement shall be binding as if original.

COUNTY:

THE COUNTY OF LOS ANGELES

By: _____

PACLAC:

**PERFORMING ARTS CENTER OF LOS
ANGELES COUNTY**

By: _____

Date

Date

Space Diagram Summary

Attachment 2

AP 14 Spaces Utilized for Office/Storage									
Category	L-1	L-2	L-3	L-4	L-5	L-6	L-7	L-8	Approximate Total
A: Not viable for parking, but PACLAC can use for storage.	4 + Unknown	2	10	3	13	-	Unknown	Unknown	32
B: May be viable for parking or alternate use, but PACLAC may continue using until further notice.	-	-	-	-	-	-	27	9	36
C: Viable parking spaces that County plans on recovering (as needed).	-	-	-	10	-	-	-	-	10



Category

A: Not viable for parking or any other alternative use.

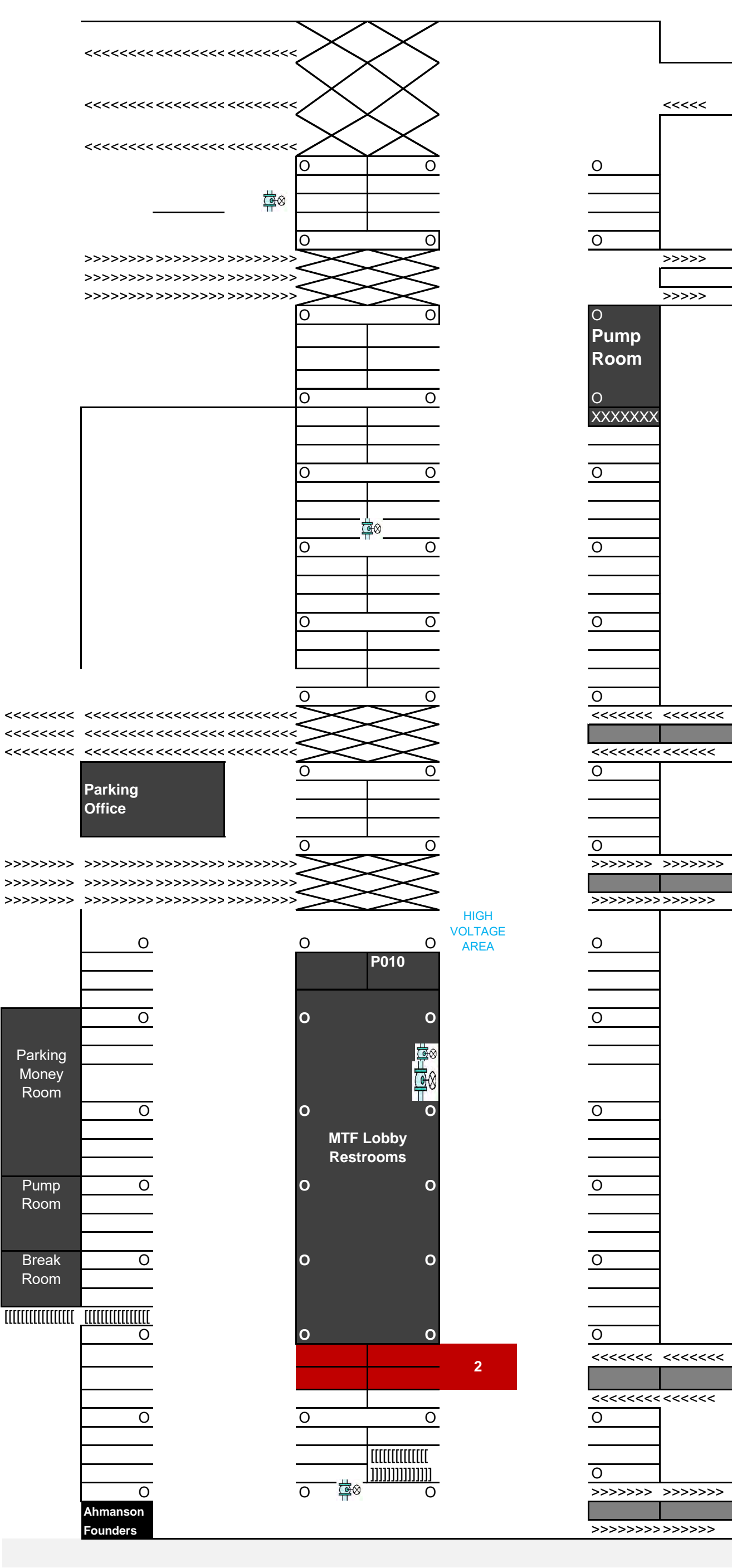
4 + Unknown

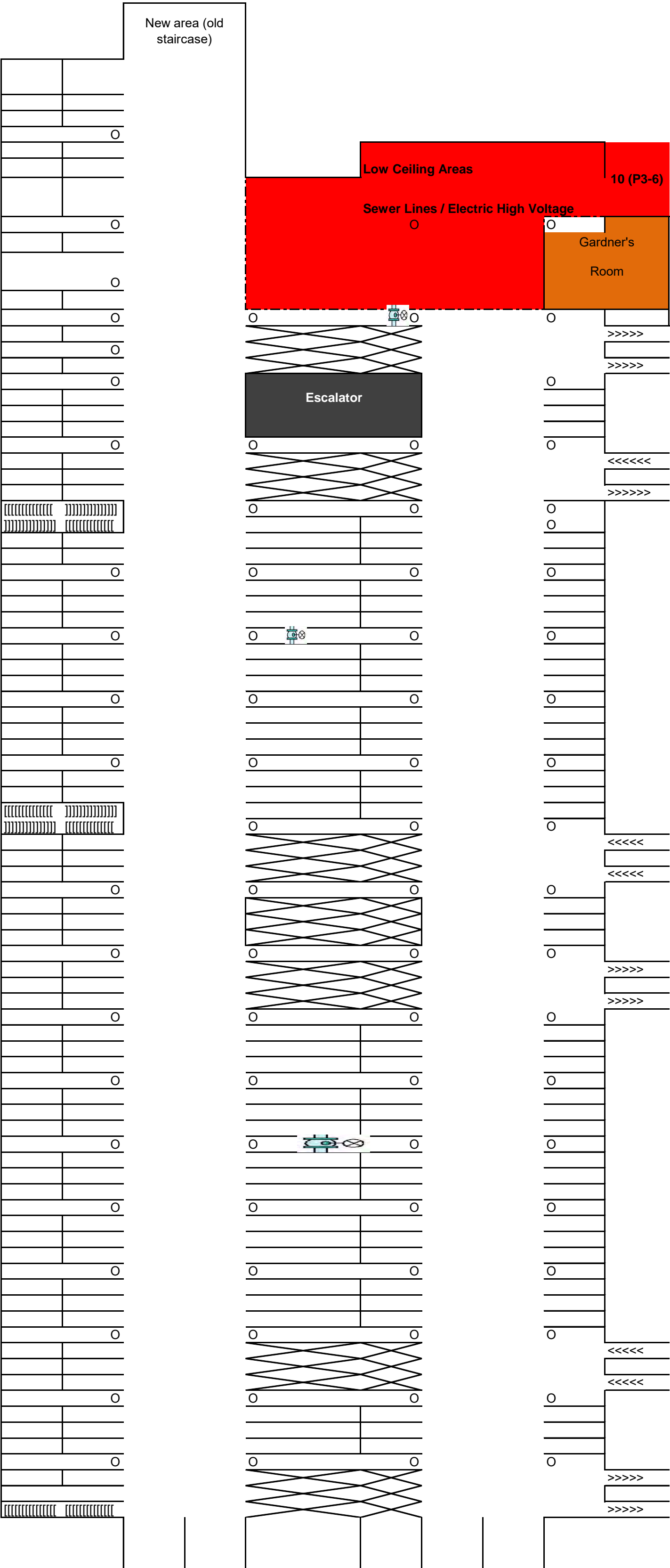
B: May be viable for parking or alternate use, but PACLAC may continue using until further notice.

C: Viable parking spaces.

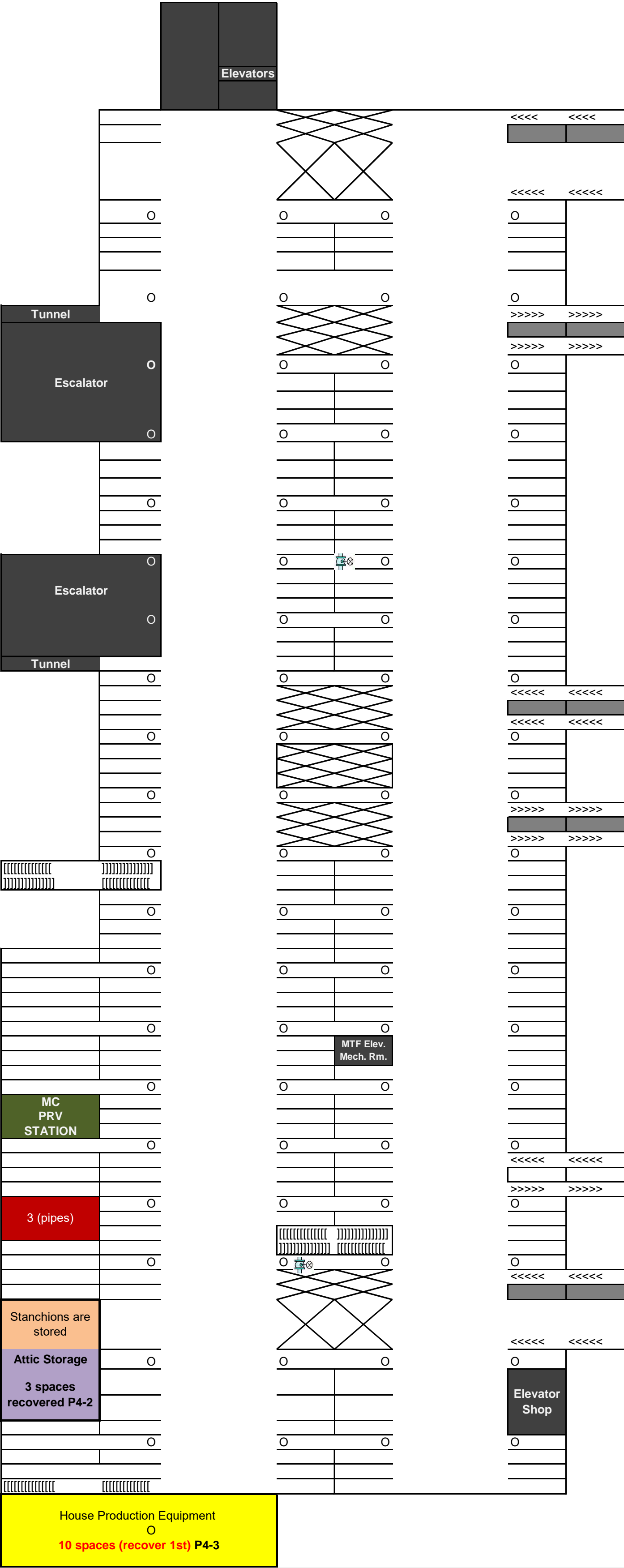
Spaces will not be recovered; PACLAC may continue utilizing as designated.

Unknown

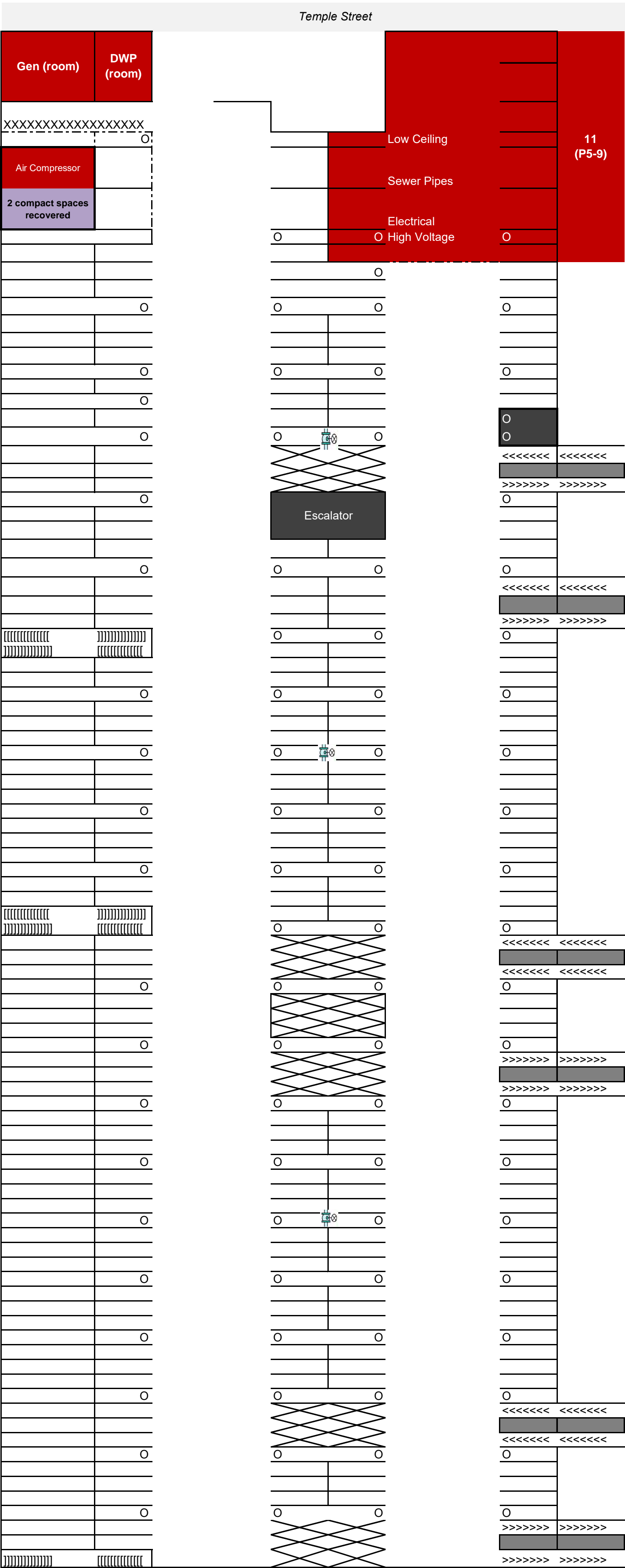




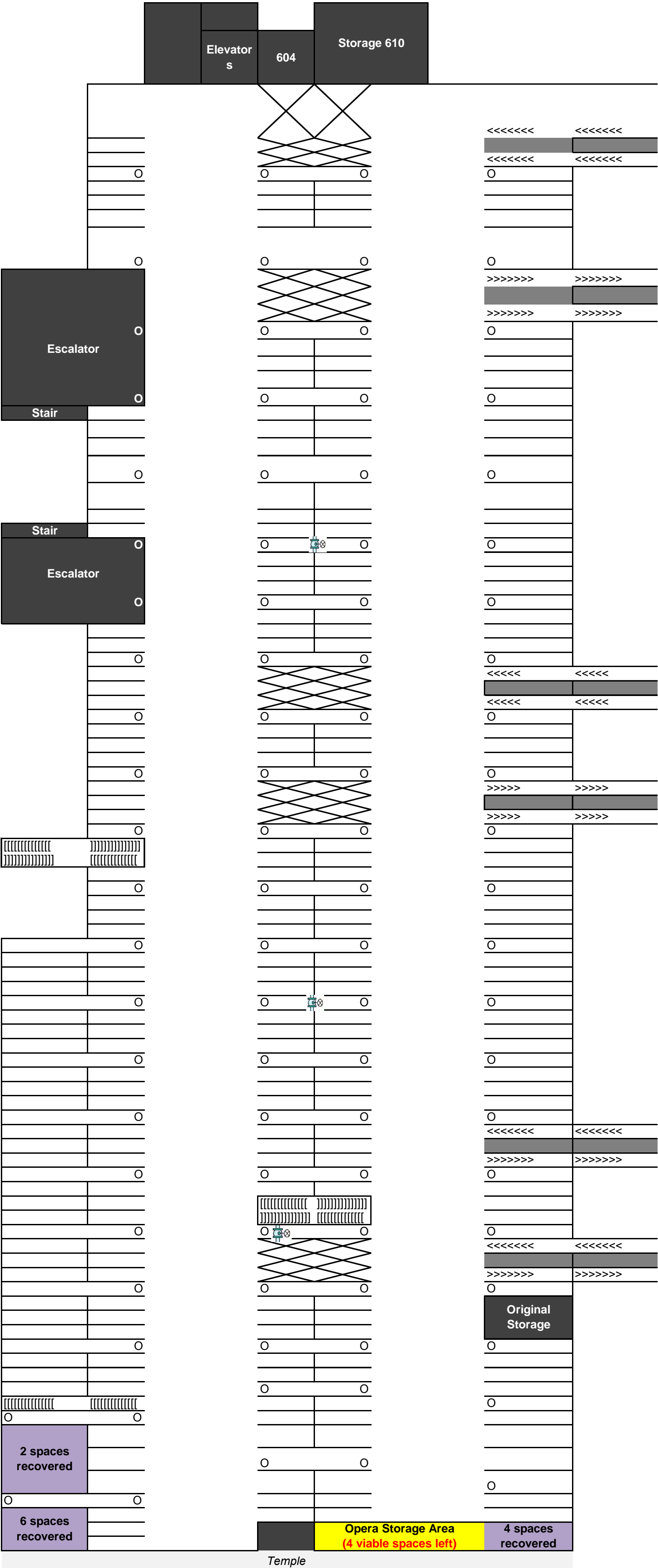
Category	# of spaces
A: Not viable for parking or any other alt use.	10
B: May be viable for parking or alternate use, but PACLAC may continue using until further notice.	-
C: Viable parking spaces.	-



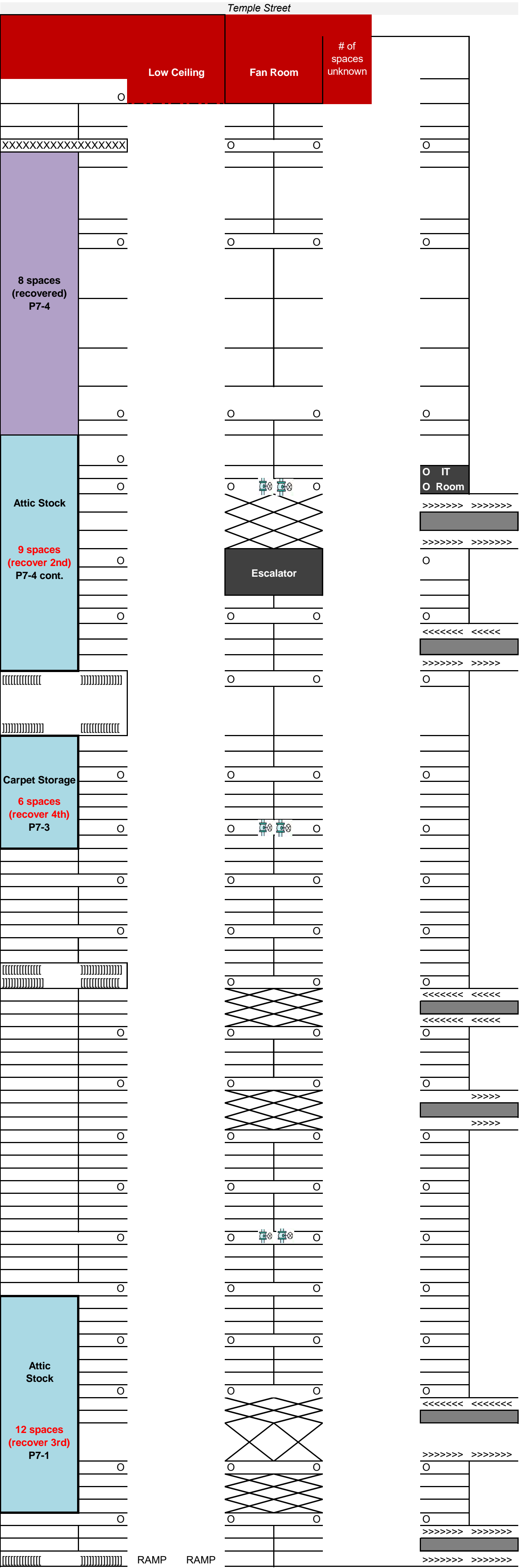
Category	# of spaces
A: Not viable for parking or any other alt use.	3
B: May be viable for parking or alternate use, but PACLAC may continue using until further notice.	-
C: Viable parking spaces.	10



Category	# of spaces
A: Not viable for parking or any other alt use.	13
B: May be viable for parking or alternate use, but PACLAC may continue using until further notice.	-
C: Viable parking spaces.	-



Category	# of spaces
A: Not viable for parking or any other alt use.	-
B: May be viable for parking or alternate use, but PACLAC may continue using until further notice.	-
C: Viable parking spaces (4 spaces will NOT be counted in total since they'll be vacated by the end of the CY).	-



Category	# of spaces
A: Not viable for parking or any other alt use.	Unknown
B: May be viable for parking or alternate use, but PACLAC may continue using until further notice.	27
C: Viable parking spaces.	-



Category	# of spaces
A: Not viable for parking or any other alt use.	Unknown
B: May be viable for parking or alternate use, but PACLAC may continue using until further notice.	9
C: Viable parking spaces.	-

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	11/30/2022	
BOARD MEETING DATE	12/20/2022	
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)	Sheriff's Department	
SUBJECT	Approve and execute sole source Amendment Number Eight to extend the term of Contract Number 55301 (Contract) with Conduent State & Local Solutions, Inc. (Conduent) for parking citation processing services (Services).	
PROGRAM	Parking Citation Processing Services	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Sheriff is requesting delegated authority to execute an amendment to exercise the additional six-month option period in any increment and to terminate the Contract within 30 calendar days advance written notice to Contractor.	
SOLE SOURCE CONTRACT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain why: The sole source amendment will enable the Department to continue Services.	
DEADLINES/ TIME CONSTRAINTS	The current contract expires January 18, 2023.	
COST & FUNDING	Total cost: The estimated cost for the Services during the extension period, including the six-month option period is \$701,200.	Funding source: Revenue, the estimated cost is offset by monies generated from parking citation fines and penalties. [The Contract generates approximately \$15 million per year that is distributed as follows: \$3 million, State of California (Assembly Bill 408 and California Vehicle Code); \$25,000, ISD; \$700,000, Beaches and Harbors; and \$11.275 million to pay DMV administrative fees and recover operating costs of the Parking Enforcement Detail Unit.]
	TERMS (if applicable): One year, plus a six-month option period exercisable in any increment.	
	Explanation: The contracted Services are delivered to the County at zero Net County Cost.	
PURPOSE OF REQUEST	Extend the Contract with Conduent for one year, with an option to extend for a period of six-months in any increment. The Amendment will also facilitate the upgrade of the existing hardware and software used to generate citations.	
BACKGROUND (include internal/external issues that may exist including any related motions)	On July 14, 2015, the Board approved and delegated authority to the Sheriff to execute the Contract with Conduent. Conduent will continue to be responsible for processing citations, maintaining citation records, sending notices to violators, and sharing data with the Department of Motor Vehicles to obtain vehicle ownership information. No issues or concerns.	
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: • Irma Santana, (213) 229-3264, isantana@lasd.org • Lieutenant Nikki Hanamaikai, (213) 972-3902, nkhanama@lasd.org	

December 20, 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:

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

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

SUBJECT

The Los Angeles County (County) Sheriff's Department (Department) is seeking Board Approval and execution of Sole Source Amendment Number Eight (Amendment) to Contract Number 55301 (Contract) with Conduent State & Local Solutions, Inc. (Conduent) to extend the term of the Contract for one year, with an option to extend for a period of six-months in any increment. The Amendment will also facilitate the upgrade of the existing hardware and software used to generate citations. The requested extension term will enable the Department to continue parking citation collection and processing services (Services) while the Department continues the solicitation for a replacement contract. The contracted Services are delivered to the County at zero Net County Cost.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and instruct the Chair of the Board to sign the attached Amendment to the Contract with Conduent to: (1) extend the term of the Contract for one additional year, from January 19, 2023, through January 18, 2024, plus an option to extend for

a period of six months, in any increment, and (2) upgrade the handheld electronic ticket-writer computing devices and printers (Field Equipment) and software used to generate citations.

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

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Contract will expire on January 18, 2023. Approval of the recommended actions will ensure uninterrupted parking citation and processing services in the unincorporated areas of the County.

Background:

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

On October 14, 2020, the Sheriff executed an amendment to the Contract to effectuate a 5% voluntary price reduction for Services during the County's 2021 fiscal year in response to the June 9, 2020, Board adopted motion to pursue voluntary price reductions from County contractors for products and services rendered during the County's 2021 fiscal year and delegated authority to departments to execute contract amendments for cost reductions negotiated during the initiative.

On December 15, 2020, the Board delegated authority to the Sheriff to execute a Sole Source amendment to the Contract that extended the term of the Contract through January 18, 2022, plus an additional twelve-month period, through January 18, 2023.

On December 21, 2020, the County and Conduent entered into Amendment Number Seven to exercise the twelve-month option period through January 18, 2023, and update County-mandated provisions.

On August 18, 2022, in accordance with Board Policy 5.100, the Department provided the Board with advance notification of its intent to enter into a Sole-Source Amendment to extend the Contract for a period of one year from January 19, 2023, through January 18, 2024, plus a six-month option period, to ensure continuity of Services and allow the Department to complete the solicitation process for a successor contract.

On October 24, 2022, the Department and Conduent reached a negotiated Amendment pending approval by the Board, which:

- Increases the per-citation processing cost by 9.5% from \$1.60 to \$1.75 per-citation for the proposed one year extension and 3% to \$1.80 per-citation for the proposed 6-month option.
- Increases the monthly desktop computing device usage cost by 8.5% from \$64.10 to \$69.55 per Desktop Computing Device for the extension period, including the 6-month option.
- Increases the monthly handheld electronic ticket-writer usage cost by 8.5% from \$72.19 to \$78.33 per device for the extension period, including the 6-month option.

These increases represent cost of living adjustments applicable to increased labor, equipment, and maintenance costs.

Recognizing the end-of-life conditions of the existing hardware and software used to generate citations, the Department agreed to upgrade the Field Equipment and software. The proposed Amendment includes a one-time software upgrade implementation cost of up to \$25,000 for hosting, programming, integrating, and training, and a monthly wireless communications per-device cost of \$17.25. Upgrading the Field Equipment and software will improve efficiency, Parking Control Officer safety, and allow the Department to test newer technologies and proven solutions.

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

The Services provided by Conduent include enhanced citation payment options that enable violators to make payments with credit cards through a website, and by using an interactive voice-response telephone system. Conduent facilitates the electronic transaction by providing a portal to the County's electronic payment service provider,

Fidelity Information Services (FIS). Conduent will not collect electronic payments or electronic payment data.

Implementation of Strategic Plan Goals

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

FISCAL IMPACT/FINANCING

The County will not incur any Net County Cost during the term of this Contract.

The estimated cost for the Services during the extension period, including the six-month option period is \$701,200. This cost is offset by monies generated from parking citation fines and penalties that Conduent will process for the Department, Internal Services Department (ISD), and Department of Beaches and Harbors (Beaches and Harbors).

Parking citations issued within Los Angeles County unincorporated areas generate approximately \$15 million per year in gross revenue. A mandated distribution of approximately \$3 million is made to the State of California in accordance with Assembly Bill 408 and the California Vehicle Code (CVC) (i.e., Collection Fees, Court Fees, Justice Fees, Special Fees, Handicapped Surcharge, and other surcharges). The net revenue of approximately \$12 million is distributed as follows: \$25,000 to ISD; \$700,000 to Beaches and Harbors; and \$11.275 million to the Department to pay approximately \$200,000 in separate administrative fees charged by the California Department of Motor Vehicles (DMV) and to recover the operating costs for the Department's Parking Enforcement Detail Unit.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

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

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

In compliance with Board Policy 6.020, Chief Information Office Board Letter Approval, the Office of the Chief Information Officer (OCIO) reviewed the information technology

(IT) components (management, design, development, acquisition, expansion, or purchase of IT systems and/or related services) of this request and recommends approval. The OCIO determined this recommended action(s) does not include any new IT items that would necessitate a formal written CIO Analysis.

The Amendment has been reviewed and approved as to form by County Counsel.

IMPACT ON CURRENT SERVICES

There will be no negative impact on current Department operations and services. The Department anticipates releasing a Request for Proposals for a successor contract in the summer of 2023.

CONCLUSION

Upon Board approval, please return a copy of the adopted Board letter and two original executed copies of the Amendment to the Department's Contracts Unit.

Sincerely,

Reviewed by:

ALEX VILLANUEVA, SHERIFF

TIMOTHY K. MURAKAMI
UNDERSHERIFF

PETER LOO
ACTING CHIEF INFORMATION OFFICER

AV:AM:am

(Fiscal Administration Bureau - Contracts Unit)

c: Board of Supervisors, Justice Deputies
Celia Zavala, Executive Officer, Board of Supervisors
Fesia Davenport, Chief Executive Officer
Sheila Williams, Senior Manager, Chief Executive Office (CEO)
Rene Phillips, Manager, CEO
Jocelyn Ventilacion, Principal Analyst, CEO
Bryan Bell, Budget Analyst, CEO
Dawyn R. Harrison, Interim County Counsel
Elizabeth D. Miller, Chief Legal Advisor, Legal Advisory Unit
Cammy C. DuPont, Principal Deputy County Counsel
Michele Jackson, Principal Deputy County Counsel
Timothy K. Murakami, Undersheriff
John L. Satterfield, Chief of Staff
Conrad Meredith, Division Director, Administrative Services Division (ASD)
Glen C. Joe, Assistant Division Director, ASD
Richard F. Martinez, Assistant Division Director, ASD
Joseph J. Williams, Division Chief, Court Services Division (CSD)
William E. Jaeger, Commander, CSD
Darren D. Harris, A/Commander, CSD
Rick Cavataio, Director, Fiscal Administration Bureau (FAB), ASD
Yvonne I. O'Brien, Captain, Civil Management Bureau (CMB)
Angelo Faiella, Assistant Director, FAB, Contracts Unit
Nikki Hanamaikai, Lieutenant, CMB
Irma Santana, Manager, Contracts Unit
Adam R. Wright, Sergeant, ASD
Kristine D. Corrales, Deputy, ASD
Sheila Evans, County Project Manager, Parking Enforcement Detail
Aloett Martin, Contract Analyst, FAB, Contracts Unit

Exhibit B
PRICING SHEET

[Revised and Restated under Amendment Number 8]

All costs described in this Pricing Sheet are not-to-exceed, all-inclusive rates.

I. PER-CITATION PROCESSING COST

The following all-inclusive, per-citation processing cost shall be inclusive of any and all Taxes and other fees and shall further take into consideration the difference between handwritten citation processes vs. electronic citation uploads and the requirements set forth in Exhibit A (Statement of Work).

YEAR 1 07/19/2015 – 07/18/2016	YEAR 2 07/19/2016 – 07/18/2017	YEAR 3 07/19/2017 – 07/18/2018	OPTION YEAR 1 07/19/2018 – 07/18/2019	OPTION YEAR 2 07/19/2019 – 07/18/2020
\$1.38	\$1.42	\$1.46	\$1.51	\$1.55
6-MONTH OPTION 07/19/2020 – 01/18/2021	AMENDMENT 6 01/19/2021 – 01/18/2022	AMENDMENT 6 OPTION YEAR EXTENSION 01/19/2022 – 01/18/2023	AMENDMENT 8 01/19/2023 – 01/18/2024	AMENDMENT 8 OPTION EXTENSION 01/19/2024 – 07/18/2024
\$1.60	\$1.60	\$1.60	\$1.75	\$1.80

The County makes no guarantee as to the actual number of citations which may be processed in any given Contract year.

II. MONTHLY USAGE COST

Ila. Desktop Computing Hardware Devices (Inclusive of CPUs, Monitors, Laser Printers, Scanners, and/or peripheral computing devices)

The fixed monthly per device cost for usage and maintenance of a desktop computing hardware device is as follows:

YEAR 1 07/19/2015 – 07/18/2016 PER DEVICE COST	YEAR 2 07/19/2016 – 07/18/2017 PER DEVICE COST	YEAR 3 07/19/2017 – 07/18/2018 PER DEVICE COST	OPTION YEAR 1 07/19/2018 – 07/18/2019 PER DEVICE COST	OPTION YEAR 2 07/19/2019 – 07/18/2020 PER DEVICE COST
\$64.10	\$64.10	\$64.10	\$64.10	\$64.10
6-MONTH OPTION 07/19/2020 – 01/18/2021 PER DEVICE COST	AMENDMENT 6 01/19/2021 – 01/18/2022 PER DEVICE COST	AMENDMENT 6 OPTION YEAR EXTENSION 01/19/2022 – 01/18/2023 PER DEVICE COST	AMENDMENT 8 01/19/2023 – 01/18/2024 PER DEVICE COST	AMENDMENT 8 OPTION EXTENSION 01/19/2024 – 07/18/2024 PER DEVICE COST
\$64.10	\$64.10	\$64.10	\$69.55	\$69.55

Upon the commencement of the Contract, Contractor shall provide ten (10) desktop computing hardware devices for use by the Department. It is anticipated that the County's need for desktop computing hardware devices may vary and fluctuate during the term of the Contract. The County reserves the right to increase or decrease the number of required desktop computing hardware devices by no more than twenty percent (20%) during the term of the Contract.

IIb. Handheld Electronic Ticket-Writer Computing Devices

The fixed monthly per device cost for usage and maintenance of a handheld electronic ticket-writer computing device is as follows:

YEAR 1 07/19/2015 – 07/18/2016 PER DEVICE COST	YEAR 2 07/19/2016 – 07/18/2017 PER DEVICE COST	YEAR 3 07/19/2017 – 07/18/2018 PER DEVICE COST	OPTION YEAR 1 07/19/2018 – 07/18/2019 PER DEVICE COST	OPTION YEAR 2 07/19/2019 – 07/18/2020 PER DEVICE COST
\$72.19	\$72.19	\$72.19	\$72.19	\$72.19
6-MONTH OPTION 07/19/2020 – 01/18/2021 PER DEVICE COST	AMENDMENT 6 01/19/2021 – 01/18/2022 PER DEVICE COST	AMENDMENT 6 OPTION YEAR EXTENSION 01/19/2022 – 01/18/2023 PER DEVICE COST	AMENDMENT 8 01/19/2023 – 01/18/2024 PER DEVICE COST	AMENDMENT 8 OPTION EXTENSION 01/19/2024 – 07/18/2024 PER DEVICE COST
\$72.19	\$72.19	\$72.19	\$78.33	\$78.33

Upon the commencement of the Contract, Contractor shall provide seventy (70) handheld electronic ticket-writer computing devices for use by the Department. It is anticipated that the County's need for handheld electronic ticket-writer computing devices may vary and fluctuate during the term of the Contract. The County reserves the right to increase or decrease the number of required handheld electronic ticket-writer computing devices by no more than twenty percent (20%) during the term of the Contract.

II.c. Automated License Plate Recognition (ALPR) Systems

The fixed monthly per device cost for usage and maintenance of an ALPR system is as follows:

YEAR 1 07/19/2015 – 07/18/2016 PER DEVICE COST	YEAR 2 07/19/2016 – 07/18/2017 PER DEVICE COST	YEAR 3 07/19/2017 – 07/18/2018 PER DEVICE COST	OPTION YEAR 1 07/19/2018 – 07/18/2019 PER DEVICE COST	OPTION YEAR 2 07/19/2019 – 07/18/2020 PER DEVICE COST
\$827.90	\$827.90	\$827.90	\$827.90	\$827.90
6-MONTH OPTION 07/19/2020 – 01/18/2021 PER DEVICE COST	AMENDMENT 6 01/19/2021 – 01/18/2022 PER DEVICE COST	AMENDMENT 6 OPTION YEAR EXTENSION 01/19/2022 – 01/18/2023 PER DEVICE COST	AMENDMENT 8 01/19/2023 – 01/18/2024 PER DEVICE COST	AMENDMENT 8 OPTION EXTENSION 01/19/2024 – 07/18/2024 PER DEVICE COST
\$827.90	\$827.90	\$827.90	\$827.90	\$827.90

Upon the commencement of the Contract, Contractor shall provide five (5) ALPR systems for use by the Department. It is anticipated that the County's need for ALPR systems may vary and fluctuate during the term of the Contract. The County reserves the right to increase or decrease the number of required handheld ALPR systems by no more than twenty percent (20%) during the term of the Contract.

II.d Wireless Communication

As upgraded handheld electronic ticket-writer computing devices with real-time capabilities go live, the fixed monthly wireless communication per device cost is as follows:

AMENDMENT 8 01/19/2023 – 01/18/2024 MONTHLY WIRELESS COMMUNICATION PER DEVICE COST	AMENDMENT 8 OPTION EXTENSION 01/19/2024 – 07/18/2024 MONTHLY WIRELESS COMMUNICATION PER DEVICE COST
\$17.25	\$17.25

III. **IMPLEMENTATION COSTS**

PRICE COMPONENT	ONE-TIME COST
IVR Telephone Subsystem	\$0.00
Pay-by-Web Interface	\$0.00
ALPR law-enforcement configuration	\$0.00 *
One Time Implementation cost for CitySight® (software upgrade implementation cost of up to \$25,000 for hosting, programming, integrating, and training, which is payable once all handheld electronic ticket-writer computing devices are deployed and fully functional)	up to \$25,000
TOTAL AMOUNT	up to \$25,00.00

* Based upon the assumption that the ALPR server will be housed inside the Sheriff's Data Network.

IV. **SPECIAL COLLECTIONS FEE**

The Special Collections Fee for delinquent citations will be thirty percent (30%). The Special Collections Fee shall be passed to the citation holder or violator.

V. **NOTES**

- Life Cycle: Current citation "lifecycle" must remain stable during the term of the Contract. A change to the lifecycle will trigger renegotiation of the Contract fees.
- Franchise Tax Board (FTB): The County will reimburse contractor for FTB filing fees, including social security number acquisition fees.

- Warranty: If there is any remaining warranty at Contract end, Contractor will assign the remaining warranty over to the County.
- Wireless Data Plans: Contractor to provide wireless data plans for the ALPR systems.
- Taxes: Pricing includes all applicable State & Local taxes and cost of transportation.
- Consumable products: The County will be responsible for all consumable citation products to include thermal ticket stock and citation envelopes.

COVID-19 Vaccination Certification of Compliance

Urgency Ordinance, County Code Title 2 – Administration, Division 4 – Miscellaneous – Chapter 2.212
(COVID-19 Vaccinations of County Contractor Personnel)

I, _____, on behalf of _____,
[Project director or authorized principal] [Company / Contractor Name]

("Contractor"), **certify** that on County Contract Number 55301 for

PARKING CITATION PROCESSING SERVICES

[Description of services provided]

_____ All Contractor Personnel* on this Contract are fully vaccinated as required by the Ordinance.

_____ Most Contractor Personnel* on this Contract are fully vaccinated as required by the Ordinance. The Contractor or its employer of record has granted a valid medical or religious exemption to the below identified Contractor Personnel. The Contractor Personnel who have been granted a valid medical or religious exemption are [LIST ALL CONTRACTOR PERSONNEL]:

*Contractor Personnel includes subcontractors.

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

I have authority to bind the Contractor, and have reviewed the requirements above and further certify that I will comply with said requirements.

Signature

Date

Title

Company/Contractor Name

SOLE SOURCE CHECKLIST

Department Name: _____

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

Date Existing Contract First Approved: _____

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

Chief Executive Office

Date

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	11/30/2022		
BOARD MEETING DATE	12/20/2022		
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 Works		
SUBJECT	Fifteen-year lease for 5,479 square feet of office space and 27 on-site parking spaces at 12440 Imperial Hwy., Suite 110, Norwalk, CA 90650		
PROGRAM	Building & Safety 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:		
DEADLINES/ TIME CONSTRAINTS	Existing office space located at 13523 Telegraph Rd., Whittier (2,262 square feet) is too small and severely under parked for both employees and customers making the space inadequate to continue to provide services onsite.		
COST & FUNDING	Total cost: \$3,851,000.00	Funding source: 100 percent funded by fees collected for services rendered and with DPW's existing resources, and there will be no impact on net County cost.	
	TERMS (if applicable): Base rent is subject to fixed 3% increases per annum for years 1-10 of the lease and followed by annual CPI increases capped at 3% per annum for years 11-15 of the lease. 27 on-site parking spaces are included in the lease.		
	Explanation: Sufficient funding for the proposed lease and County TI reimbursement costs for the first year of the proposed lease term is included in the Fiscal Year (FY) 2022-23 Rent Expense budget and will be billed back to DPW. DPW has sufficient funding in its FY 2022-23 operating budget to cover the proposed rent, County TI costs and Low Voltage Items for the first year. Beginning in FY 2023-24, ongoing funding for costs associated with the proposed lease will be part of the budget for the DPW. The costs for Low Voltage Items will be paid by DPW directly to ISD and are not part of the proposed lease costs.		
PURPOSE OF REQUEST	Approval of the recommended actions will authorize and adequately provide necessary office space for DPW.		
BACKGROUND (include internal/external issues that may exist including any related motions)	The landlord will provide a non-reimbursable tenant improvement allowance of \$109,580.00 for refurbishment of the Premises including FF&E, per a mutually agreed upon plan. The Landlord will also provide a one-time non-reimbursable signage allowance of \$31,500.00.		
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 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

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

December 20, 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:

**FIFTEEN-YEAR LEASE
DEPARTMENT OF PUBLIC WORKS
12440 IMPERIAL HIGHWAY, SUITE 110, NORWALK
(FOURTH DISTRICT) (3 VOTES)**

SUBJECT

Approval of a proposed new fifteen-year lease for 5,479 square feet of office space, and 27 on-site parking spaces for the Department of Public Works (DPW) Building & Safety Division (B&S).

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease is exempt from the California Environmental Quality Act (CEQA), for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed lease with Sonnenblick Del Rio Norwalk LLC, a Delaware limited liability company (Landlord), for approximately 5,479 square feet of office space, and 27 on-site parking spaces located at 12440 Imperial Highway, Suite 110, Norwalk, 90650 (Premises) to be occupied by DPW. The estimated maximum first year rental cost of \$116,741 paid to the Landlord, includes parking and rent abatement of \$21,368. The estimated total lease cost is \$3,851,000 over the fifteen-year term. The rental costs for DPW will be funded 100 percent by fees collected for services rendered and with DPW's existing resources, and there will be no impact on net County cost.

3. Authorize the Chief Executive Officer, or her designee, to reimburse the Landlord up to \$876,640 for the County's Tenant Improvement (TI) contribution to be paid in a lump sum payment.
4. Authorize the Director of DPW to contract with and direct the Internal Services Department (ISD), in coordination with the Chief Executive Officer, or her designee, for the acquisition and installation of telephone, data, and low-voltage systems and vendor installation (Low-Voltage Items) at a total cost not to exceed \$462,000 to be paid in a lump sum payment. The cost for the Low-Voltage Items is in addition to the rental costs and the County's TI contribution payable to the Landlord.
5. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the terms of the proposed lease, and to take actions necessary and appropriate to implement the terms of the proposed lease, including, without limitation, exercising early termination rights and any options to extend.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed lease will allow DPW to relocate their B&S office currently located at 13523 Telegraph Road, Whittier (Whittier) with the possibility of creating a One-Stop Service Center which could include other County departments, such as Fire, Public Health, and Regional Planning, to better serve the community. The existing Whittier location is too small and severely under parked. The Whittier lease has been on a month-to-month holdover without penalty, while a search for a new location was conducted, and a new lease negotiated. The Whittier lease will be terminated upon completion of the TIs and relocation of DPW's services.

The B&S office provides administrative and direct services to the development community within the unincorporated County area and contract cities of La Mirada and Santa Fe Springs. The services provided by B&S include issuance of building permits, building plan review of engineering plans, zoning review and enforcement, and other related services. The office is occupied by 21 employees currently assisting approximately 20 to 100 customers per day. The proposed Premises is centrally located near major freeways and public transportation routes.

DPW provides direct services requiring a public counter for this requirement, thereby limiting the ability to telework.

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

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal 3 – *“Realize Tomorrow’s Government Today”* – provides that our increasingly dynamic, and complex environment, challenges our collective abilities to respond to public needs and expectations. We want to be an innovative, flexible, effective, and transparent partner focused on advancing the common good.

The proposed lease is also consistent with the Strategic Asset Management Goal – strengthen connection between service priorities and asset decisions, and Key Objective No. 4 – Guide Strategic Decision -Making.

The proposed lease supports the above goals and objective by providing DPW appropriate office space that is centrally located to provide direct services.

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

FISCAL IMPACT/FINANCING

The aggregate cost associated with the proposed lease over the entire term is \$3,851,000 as shown on Enclosure B. The rental costs for DPW will be funded 100 percent by fees collected for services rendered and with DPW’s existing resources, and there will be no impact on net County cost.

Sufficient funding for the proposed lease and County TI reimbursement costs for the first year of the proposed lease term is included in the Fiscal Year (FY) 2022-23 Rent Expense budget and will be billed back to DPW. DPW has sufficient funding in their FY 2022-23 operating budgets to cover the proposed rent, County TI costs and Low-Voltage Items for the first year. Beginning in FY 2023-24, ongoing funding for costs associated with the proposed lease will be part of the budget for DPW. The costs for Low-Voltage Items will be paid by DPW directly to ISD and are not part of the proposed lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

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

- The initial base rent of \$19.50 per square foot, per year is the effective rate after taking into account the rent abatement provided in the lease. The base rent is subject to fixed annual 3 percent increases for the first 10 years of the lease term, and then subject to annual Consumer Price Index increases capped at 3 percent per annum for the remaining 5 years of the term.

- The maximum first year rental cost of \$138,109 paid to the Landlord including parking rent, is adjusted to \$116,741 after deducting the one-time credit of \$21,368, a rent abatement for months one and two of the initial term.
- Total TI costs are expected to be \$986,220 (\$180 per square foot). The Landlord will provide \$109,580 (\$20 per square foot) base TI allowance and the County's TI contribution shall be \$876,640 (\$160 per square foot). The County will reimburse the Landlord the \$876,640 in one lump sum payment in the first year.
- Landlord will contribute a signage allowance, exclusive of the TI allowance, of up to \$31,500 towards the design, purchase, and installation of the County's exterior signage.
- The Landlord is responsible for all operating and maintenance cost of the building, including utilities and janitorial costs. The County has no responsibility for any operating and maintenance costs.
- The Landlord to provide a total of 27 parking spaces that includes 21 unreserved parking spaces at a rate of \$25 per space per month, and six reserved parking spaces at \$50 per space per month, fixed for the term. The County can increase or decrease the number of approved parking spaces subject to availability and 30 days written notice to the Landlord.
- The Landlord, at its sole cost and expense, will demolish existing improvements, create full height demising walls, separate mechanical, electrical, and/or plumbing as required, and modernize the common area restrooms located across from the County's Premises.
- Two options to extend the lease for an additional period of five years each, with written notice no later than nine months at 95 percent fair market rent. If all options are exercised, the total term of the proposed lease would be 25 years.
- The County has the right to terminate the proposed lease any time between the 120th and 123rd months of the lease term, with six months' prior notice subject to payment of a termination fee not to exceed \$62,810.43.
- In the event the County exercises its options to extend the term, the County has the right to terminate the extended term(s) for any reason between the 36th and 39th months of either extension term with six months prior written notice to the Landlord

- Holdover at the proposed lease expiration is permitted on the same lease terms and conditions for a period of six months without any holdover fee, and thereafter will increase by 25 percent of the base rent as of the date when the proposed lease expired if the proposed lease is not renewed within the first six months following expiration of the proposed lease. The Landlord is to credit County for all holdover fees paid if the County renews the proposed lease.
- The County is subject to the cost of its afterhours electric usage, and for the cost of its electric usage exceeding \$0.25 per square foot per month.
- The proposed lease will be effective upon approval by the Board and full execution of the proposed lease, but the term and rent will commence upon completion of tenant improvements by the Landlord and acceptance of the Premises by the County.

The Chief Executive Office (CEO) did not issue a flyer for this requirement since when the search for space commenced, the threshold for a flyer to be issued was 10,000 square feet, and DPW's space is below that threshold. The CEO conducted a market search of available office space for lease and after touring several properties, identified this location as the most economical alternative. Based upon a review of available industry data, it has been established that the annual rental range for a comparable office lease in the area is between \$27 and \$30 per square foot, per year. The effective base annual rental rate of \$19.50 per square foot, per year for the proposed office space represents a rate that is below the market range for the area. We recommend the proposed Premises as the most suitable to continue to meet the County's space requirements.

DPW provides direct services requiring a public counter for this requirement and co-working space is not a suitable option.

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

DPW has inspected the Premises and found it suitable for County occupancy. Construction of the TIs will be completed in compliance with relevant building and construction laws and regulations, including the Americans with Disabilities Act. The required notification letter to the City of Norwalk has been sent in accordance with Government Code section 25351.

County Counsel has reviewed the proposed lease and has approved it as to form. The proposed lease is authorized by Government Code section 25351, which allows the County to enter into leases and agreements for the leasing of buildings, as necessary, to carry out the work of the county government. The proposed lease will provide an appropriate location for DPW's B&S program(s), 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, which involves the leasing of existing office space with minor tenant improvements within an existing building, with no expansion of the existing building, is within a class of projects that have been determined not to have a significant effect on the environment and meets the criteria set forth in section 15301 of the State CEQA Guidelines (Guidelines), and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, based on the proposed project records, it will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled, pursuant to Government Code section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

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

IMPACT ON CURRENT SERVICES (OR PROJECTS)

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

CONCLUSION

It is requested that the Executive Office of the Board return one certified copy of the Minute Order and an adopted stamped copy of this 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:MAC:gb

Enclosures

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

**DEPARTMENT OF PUBLIC WORKS
12440 IMPERIAL HWY., SUITE 110, NORWALK**

Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions?		X	
	B	Does lease co-locate with other functions to better serve clients?		X	
	C	Does this lease centralize business support functions?	X		
	D	Does this lease meet the guideline of 200 sq. ft of space per person? No, it is approximately 260 sq. ft, per person as result of the operational needs that include a public counter and conference room.		X	
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? (4.93/1000)	X		
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?	X		
2.	<u>Capital</u>				
	A	Is it a substantial net County cost (NCC) program?		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 Attachment C?	X		
	G	Was build-to-suit or capital project considered?		X	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			X
	D	Why was this program not co-located?			
		1. ____ The program clientele requires a "stand alone" facility.			
		2. ____ No suitable County occupied properties in project area.			
		3. <u>X</u> No County-owned facilities available for the project.		X	
		4. ____ Could not get City clearance or approval.			
		5. ____ The Program is being co-located.			
	E	Is lease a full-service lease?	X		
	F	Has growth projection been considered in space request?	X		
	G	¹ Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As approved by the Board of Supervisors 11/17/98					

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

12440 Imperial Hwy, Norwalk
Department of Public Works

Leased Area (sq.ft.)
Term (months)

5,479
180

Cost Per RSF Per Month	Cost Per RSF Per Year
\$1.95	\$23.40

Base Rent (FSG)

# of Spaces	Parking Rate	Total
21	\$25.00	\$525.00
6	\$50.00	\$300.00

Unreserved Parking
Reserved Parking

of People for Low Voltage
Low Voltage Costs (\$22,000/person)
Low Voltage Labor & TESMA Cost (Lump Sum) (100%)

21
\$462,000
\$462,000

Lump Sum Cost
\$876,640

Additional TI Allowance (Reimbursable) (\$160 SF)

Labor Cost Lump Sum Payment	TESMA (Lump Sum Costs)	TESMA (Amortized Costs)	Low Voltage Total
\$462,000	\$0	\$0	\$462,000

(Labor + TESMA Cost) Low Voltage (Lump Sum)

	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year	7 th Year	8 th Year	9 th Year	10 th Year	11 th Year	12 th Year	13 th Year	14 th Year	15 th Year	Total 15 Year Rental Costs
Annual Base Rent Costs ⁽¹⁾	\$128,209	\$132,055	\$136,017	\$140,097	\$144,300	\$148,629	\$153,088	\$157,680	\$162,411	\$167,283	\$172,302	\$177,471	\$182,795	\$188,279	\$193,927	\$2,385,000
Parking Cost	\$9,900	\$9,900	\$9,900	\$9,900	\$9,900	\$9,900	\$9,900	\$9,900	\$9,900	\$9,900	\$9,900	\$9,900	\$9,900	\$9,900	\$9,900	\$148,000
Sub-Total Paid to Landlord	\$138,109	\$141,955	\$145,917	\$149,997	\$154,200	\$158,529	\$162,988	\$167,580	\$172,311	\$177,183	\$182,202	\$187,371	\$192,695	\$198,179	\$203,827	\$2,534,000
Rent Abatement ⁽²⁾	(\$21,368)															(\$22,000)
Sub-Total Paid to Landlord	\$116,741	\$141,955	\$145,917	\$149,997	\$154,200	\$158,529	\$162,988	\$167,580	\$172,311	\$177,183	\$182,202	\$187,371	\$192,695	\$198,179	\$203,827	\$2,512,000
Additional TI Allowance (Reimbursable) ⁽³⁾	\$876,640															\$877,000
Total Paid to Landlord	\$993,381	\$141,955	\$145,917	\$149,997	\$154,200	\$158,529	\$162,988	\$167,580	\$172,311	\$177,183	\$182,202	\$187,371	\$192,695	\$198,179	\$203,827	\$3,389,000
Low Voltage ⁽⁴⁾	\$462,000															\$462,000
Total Annual Lease Costs	\$1,455,381	\$141,955	\$145,917	\$149,997	\$154,200	\$158,529	\$162,988	\$167,580	\$172,311	\$177,183	\$182,202	\$187,371	\$192,695	\$198,179	\$203,827	\$3,851,000

⁽¹⁾ Base Rent is full service gross and assumes a 3% annual increase.

⁽²⁾ Base Rent abated for the 1st and 2nd months of the Lease Term.

⁽³⁾ Additional TI Allowance assumes \$160 SF is utilized to cover the TI, FF&E, and Signage costs and paid as a lump sum payment.

⁽⁴⁾ The Low Voltage amount is per ISO's estimate and assumes 100% is paid lump sum.

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

**DEPARTMENT OF PUBLIC WORKS
SPACE SEARCH – 3 MILE RADIUS FROM
12440 IMPERIAL HIGHWAY, NORWALK**

LACO	Name	Address	Ownership Type	Gross Sq. Ft.	Vacant
A176	Health Services – EMS	10100 Pioneer Blvd Santa Fe Springs, 90670	Leased	41,720	None
A279	DPW – South Whittier District / Sheriff's Sub Station	13523 Telegraph Rd South Whittier 90605	Leased	3,162	None
A355	DCFS – Santa Fe Springs (SPA 7)	10355 Slusher Dr Santa Fe Springs, 90670	Leased	65,568	None
A358	DPSS – Information Technology Division (ITD)	14714 Carmenita Rd Norwalk, 90650	Leased	44,250	None
A566	Sheriff – So Cal High Tech Task Force	9900 Norwalk Blvd Santa Fe Springs, 90670	Leased	22,880	None
D221	DPSS – Norwalk WS District Office	12727 Norwalk Blvd Norwalk, 90650	Leased	40,500	None
X168	Harry Hufford Registrar-Recorder/Co Clerk Building	12400 E Imperial Hwy Norwalk, 90650	Owned	262,510	None
Y531	Star Center – Administration Building	11515 S Colima Rd Whittier 90604	Owned	8,884	None
Y533	Star Center – Academy Building C	11515 S Colima Rd Whittier 90604	Owned	15,578	None
Y534	Star Center – Academy Building D	11515 S Colima Rd Whittier 90604	Owned	16,551	None
Y535	Star Center – Academy Building E	11515 S Colima Rd Whittier 90604	Owned	19,984	None
Y542	Star Center – Academy Building M	11515 S Colima Rd Whittier 90604	Owned	9,097	None
5685	Norwalk Courthouse	12720 Norwalk Blvd Norwalk, 90650	Owned	225,008	None

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Lease for the Department of Public Works – 12440 Imperial Hwy., Suite 110, Norwalk – Fourth District.

A. Establish Service Function Category – DPW's B&S office

B. Determination of the Service Area – Serving the cities of La Mirada, Santa Fe Springs, and the unincorporated County area of Whittier. The proposed lease will provide a 15-year lease with two 5-year options to extend the term for DPW's B&S office.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: In close proximity to the cities of La Mirada and Santa Fe Springs and the unincorporated County areas.
- 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., bus service and Metrolink.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no alternative existing County buildings available that meet DPW's space needs.
- Compatibility with local land use plans: The City of Norwalk has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.
- Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed Lease over the initial term is \$3,851,000.

D. Analyze results and identify location alternatives

The CEO did not issue a flyer for this requirement since when the search for space commenced, the threshold for a flyer to be issued was 10,000 square feet, and DPW's space is below that threshold. The CEO conducted a market search of available office space for lease and after touring several properties, identified this location as the most economical alternative. Based upon a review of available industry data, it has been established that the annual rental range for a comparable office lease in the area is between \$27 and \$30 per square foot, per year. The effective base annual rental rate of \$19.50 per square foot, per year for the proposed office space represents a rate that is below the market range for the area. We recommend the proposed facility as the most suitable to continue to meet the County's space requirements.

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

The proposed lease will provide adequate and efficient office space for DPW employees and clients consistent with the County's Premises Location Policy, adopted by the Board on July 24, 2012. This is the most affordable option available in the area that meets DPW's needs.

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE**

LEASE AGREEMENT

**COUNTY OF LOS ANGELES - Tenant
SONNENBLICK DEL RIO NORWALK LLC – Landlord**

**12440 IMPERIAL HIGHWAY
NORWALK, CALIFORNIA 90650**

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EXHIBITS

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

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") is entered into as of the _____ day of _____, 20__ between SONNENBLICK DEL RIO NORWALK LLC, a Delaware limited liability company ("Landlord"), and COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION

1.1 Terms

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

(a) Landlord's Address for Notices:	12440 Imperial Highway Office of the Building, Suite 101 Norwalk, CA 90650 Email: bob@sonndev.com, nelson.delrio@icloud.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 5,479 rentable square feet designated as Suite 110 in the Building (defined below), as shown on <u>Exhibit A</u> attached hereto.
(d) Building:	The Building located at 12440 Imperial Highway, California, which is currently assessed by the County Assessor as APN 8047-006-004 and 8047-006-007 (collectively, the "Property").
(e) Term:	Fifteen (15) years, commencing upon the first day of the month following thirty (30) days after Substantial Completion of the Tenant

	Improvements and Tenant Acceptance of the Premises, as defined in Section 4.1 (the "Commencement Date"), and terminating at midnight on the day before the fifteenth (15 th) 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:	The Estimated Completion Date shall be that date six months after the date of Substantial Completion established in the Final TI Plan and Budget accepted in writing by the Tenant (as defined in the Work Letter).
(g) Irrevocable Offer Expiration Date: (see Section 33)	January 1, 2023
(h) Base Rent:	<p>\$10,684.05 per month*</p> <p>(i.e., \$128,208.60 per year)</p> <p>* The Base Rent shall be abated for the initial two (2) months of the Term of the Lease following the Commencement Date.</p>
(i) Early Termination (see Section 4.4)	The periods of time between the 120th through 123rd months of the initial Term or between the 36th through 39th months of either Extension Term.
(j) Rentable Square Feet in the Premises:	5,479 rentable square feet (RSF)
(k) Initial Departmental Use:	Department of Public Works Building and Safety office with public intake, subject to Section 6.
(l) Parking Spaces: (see Section 21)	<p><u>27 parking spaces comprised of:</u></p> <p>21 unreserved spaces at a monthly cost of Twenty-Five Dollars (\$25.00) per space and,</p> <p>6 reserved parking spaces at a monthly cost of Fifty Dollars (\$50.00) per space</p>

(m) Tenant's Hours of Operation:	6 a.m. to 6 p.m. Monday through Friday, and 6 a.m. to 12 p.m. on Saturdays, except for legal holidays.
(n) Asbestos Report:	A report dated March 7, 2019 prepared by Partner Engineering North Carolina, PLLC, a licensed California Asbestos contractor.
(o) Seismic Report	A report dated March 7, 2019 prepared by Partner Engineering North Carolina, PLLC and a report dated March 10, 2022, prepared by the Department of Public Works.
(p) Disabled Access Survey	A report dated December 22, 2011, prepared by County of Los Angeles County Affirmative Action.

1.2 Defined Terms Relating to Landlord's Work Letter

(a) Landlord's TI Allowance:	\$109,580.00 (\$20.00 per RSF of the Premises)
(b) Landlord's Contribution towards Tenant's Signage:	\$31,500.00 (i.e., \$5.75 per rentable square foot of the Premises)
(c) Tenant's TI Contribution:	\$876,640.00 (\$160.00 per RSF of the Premises)
(d) Tenant's TI Contribution Amortization Rate and Change Authorization Amortization Rate:	Not applicable
(e) Estimated Monthly Payments Attributable to Total TI Costs in Excess of Landlord's TI Allowance	Not Applicable
(f) Tenant's Work Letter Representative:	An assigned staff person of the Chief Executive Office-Real Estate Division
(g) Landlord's Work Letter Representative:	Nelson Del Rio
(h) Landlord's Address for Work Letter Notices:	Sonnenblick Del Rio Norwalk LLC 12440 E Imperial Highway, Suite 100 Norwalk, CA 90650 Email: bob@sonndev.com, nelson.delrio@icloud.com

(i) Tenant's Address for Work Letter 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
1.3 <u>Exhibits to Lease</u>	Exhibit A - Floor Plan of Premises Exhibit B - Commencement Date Memorandum and Confirmation of Lease Terms Exhibit C - VAC 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 Letter Exhibit J - Reserved Parking Area Exhibit K - Building Signage

2. PREMISES

2.1 Lease of Premises

Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1.1 and depicted on Exhibit A attached hereto.

2.2 Measurement of Premises

Tenant shall have the right at any time during the Term of this Lease to field-measure and verify the exact footage of the Premises and/or the Building. All measurements shall be taken in accordance with the methods of measuring rentable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI/BOMA Z65.1-2010, as promulgated by the Building Owners and Management Association ("BOMA") International, except that no penthouse mechanical room space shall be included in the measurement. Should this measurement be less than the square footage stated above, then Tenant shall have the right to adjust such square footage by the mutual execution of an amendment to this Lease. Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no increase made to the Base Rent if the measured square footage exceeds the amount represented by Landlord.

3. COMMON AREAS

Tenant may use the following areas ("Common Areas") in common with Landlord and any other tenants of the Building: the entrances, lobbies, corridors and other public areas of

the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Landlord shall have the right to make changes to Common Areas, in Landlord's sole discretion, from time to time provided such changes do not unreasonably interfere with Tenant's use of or access to the Premises. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Area established by Landlord.

4. COMMENCEMENT AND EXPIRATION DATES

4.1 Term

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

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

4.2 Termination Right

If the Commencement Date has not occurred within sixty (60) days after the Estimated Commencement Date, subject to Tenant Delays or Force Majeure Delays, as defined in and provided in Landlord's Work Letter executed concurrently herewith and attached hereto as Exhibit I and incorporated herein by reference, then Tenant may thereafter, at any time before the Commencement Date occurs, terminate this Lease effective upon the giving of written notice to

Landlord, and the parties shall have no further rights or obligations to one another hereunder.

4.3 Early Entry

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

4.4 Early Termination

Tenant shall have the right to terminate this Lease at any time during the Early Termination period specified in Section 1.1, by giving Landlord not less than six (6) months prior written notice, executed by Tenant's Chief Executive Officer or his/her designee. In the event Tenant terminates this Lease pursuant to this section, Tenant shall reimburse the Landlord for the unamortized portion of the Landlord's TI Allowance and Landlord's Contribution Towards Tenant's Signage, not to exceed \$62,810.43 (Early Termination Fee).

4.5 Lease Expiration Notice

No later than twelve (12) months, nor earlier than eighteen (18) months, prior to the expiration of the Lease Term, Landlord shall provide a written notice to Tenant notifying Tenant of the Termination Date.

5. RENT

5.1 Base Rent

Tenant shall pay Landlord the Base Rent stated in Section 1.1 during the Term hereof within fifteen (15) days after (a) the Commencement Date, and (b) the first day of each calendar month thereafter, provided that at least fifteen (15) business days prior to the Commencement Date, Landlord must provide the Auditor of the County of Los Angeles with the following information: (i) name and address of Landlord or other party to whom Base Rent should be paid, (ii) Landlord's federal tax ID number; (iii) name of contact person and contact information (including phone number) for Landlord; (iv) a completed IRS form W-9, and (v) evidence of insurance in compliance with Section 20.2. If Landlord fails to timely provide the information required pursuant to this Section 5.1, or to provide updates for any changed information, then Tenant shall not be required to pay Base Rent to Landlord until fifteen (15) business days after Landlord provides such information. Base Rent for any partial calendar month during the Term shall be prorated in proportion to the number of days during the Term within such calendar month.

5.2 Rent Abatement

The Base Rent for the 1st and 2nd months of the initial Term shall be abated.

5.3. Base Rent Adjustments

- (a) For years one (1) through ten (10) of the initial Lease Term is subject to fixed three percent (3%) annual increases over the previous year's Base Rent.
- (b) Base Rent for years eleven (11) through fifteen (15) of the initial Lease Term is subject to annual Consumer Price Index adjustments as follows:
 - (i) CPI. From and after the 10th anniversary of the Commencement Date, on the first day of the first full calendar month (the "Adjustment Date") and on every anniversary of the Adjustment Date until each anniversary of the Commencement Date thereafter, Base Rent shall be adjusted on a cumulative compounded basis by applying the CPI Formula set forth below. The "Base Index" shall be the Index published for the month the Lease commences.
 - (ii) CPI Formula. The Index means the Consumer Price Index for all Urban Consumers for the Los Angeles-Long Beach-Anaheim area, all items, published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Base Rent for the first full month after the one hundred and twentieth month of the Term multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month in which the adjustment is to be effective (the "New Index"), and the denominator being the Base Index. If the Index is changed so that the Index differs from that used as of the one hundred and twentieth month of the Term of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.
 - (iii) Illustration of Formula. The formula for determining the new rent shall be as follows:

$$\frac{\text{New Index}}{\text{Base Index}} \times \text{Base Rent at the 120th month of the Term} = \text{Adjusted Base Rent}$$

- (iv) Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI Formula result in an increase greater than three percent (3%) per year of the Base Rent payable in the month preceding the applicable adjustment. In no event shall the Base Rent be adjusted by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year of the Lease.

6. USES

Landlord agrees that the demised Premises, together with all appurtenances thereto, shall be used by the Tenant for the government department set forth in Section 1.1, any other County Department the County designates, any other governmental purposes, or other lawful purposes that do not materially adversely interfere with other uses or occupants in the Building, during Tenant's Hours of Operation, after Tenant's Hours of Operation, and on weekends and holidays.

7. HOLDOVER

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

Notwithstanding the above, if the Lease expires, Tenant can remain in the Premises on a holdover basis subject to the same terms and conditions of the Lease and base rent for the initial six (6) months of Holdover and increase to 125% of the base rent after the initial six month period. In the event Tenant later elects to renew its Lease, then Landlord shall reimburse Tenant as a credit against rent next due for any "Holdover Fee" paid by Tenant, equaling the amount of monthly base rent paid by Tenant during the Holdover period which exceeds the monthly base rent due as of the expiration of the Lease and the start of a new Lease.

8. COMPLIANCE WITH LAW

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

9. DAMAGE OR DESTRUCTION

9.1 Damage

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days, then Landlord shall promptly, at Landlord's expense, repair such damage, and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made unusable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within ten (10) days engage an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises leasable again using standard working methods. The failure to do so shall be a material default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant.

9.2 Tenant Termination Right

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days for any reason, then Tenant may terminate this Lease by giving Landlord written notice within ten (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 and Tenant shall continue to pay Base Rent subject to abatement to the extent that the Premises are unusable by Tenant.

9.3 Damage In Last Year

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

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

9.4 Default By Landlord

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

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

10. REPAIRS AND MAINTENANCE

10.1 Landlord Representations

- (a) Landlord represents to Tenant that, to Landlord's knowledge, as of the date hereof and on the Commencement Date:
 - i. The Premises, the Building, and all Common Areas (including electrical, ventilating, and air conditioning ("VAC"), mechanical,

plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including but not limited to the Americans With Disabilities Act, are in good working order and condition, and does not have heating;

- ii. The Building and the Premises comply with all covenants, conditions, restrictions and insurance underwriter's requirements;
 - iii. The Premises, the Building and the Common Areas are free of the presence of Hazardous Materials (as hereinafter defined); and
 - iv. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation.
- (b) Landlord represents to Tenant that, to the Landlord's knowledge and based upon a professional inspection of the Premises and the Building and the Asbestos Report (as defined in Section 1.1) that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Asbestos Report). Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos-containing materials to the extent required by law and provide Tenant with an updated report from a licensed California Asbestos contractor to that effect. In the event asbestos is subsequently found to exist, it shall be the Landlord's responsibility to remove such asbestos at its sole cost and expense unless such asbestos was introduced by the Tenant, in which case such cost shall be paid by Tenant.
- (c) CASp Inspection:

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

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

☐ Have undergone inspection by a Certified Access Specialist and have not been determined to meet all applicable construction related accessibility standards pursuant to California Civil Code Section 55.53. Landlord has provided Tenant with a copy of the CASp inspection report at least 48 hours prior to the execution of this Lease. A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp

inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

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

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

- (d) Landlord agrees to indemnify and hold harmless Tenant from all damages, costs, and expenses, which result from a material breach of Landlord's representations contained in this Section 10.1 except in the case such damages, costs, and expenses arise from or are related to the Tenant's or Tenant's vendors, employees, agents, invitees and visitors use or alteration of the 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 and interior walls, floors and ceilings, foundations, roof, concealed plumbing, stairways, concealed electrical systems and intra-building telephone network cables;
 - ii. mechanical (including Building VAC), electrical, plumbing and fire/life systems serving the Building;
 - iii. the Common Areas;
 - iv. exterior windows of the Building; and

- v. elevators serving the Building.
- (b) Landlord, at its sole cost and expense unless otherwise stated herein, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair and maintenance obligations include, without limitation, maintenance of, or repairs to, or replacements of:
- i. spot clean floor covering if it will properly remove/address any soiled conditions;
 - ii. interior partitions;
 - iii. doors, door frames and hardware;
 - iv. spot clean the interior side of demising walls and/or spot clean the walls if it will properly remove/address any soiled conditions ;
 - v. signage, excepting Tenant's personal signage within the Premises;
 - vi. emergency exit signage and battery replacement;
 - vii. VAC equipment dedicated to the mechanical rooms housing Tenants computer servers and related equipment (at Tenant's expense and with Tenant's assigned Chief Executive Office Property Manager's review and written approval of said costs in advance of any material work to be performed that is not otherwise scheduled repair and maintenance); and
 - viii. Light fixtures, bulbs, tubes and ballasts
 - ix. Parking areas (including resurfacing, restriping, landscaping, sweeping, and lighting as applicable).
 - x. 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, on an annual basis at Tenant's sole cost and expense.
- (c) Landlord shall, to the best of its ability, provide all reports, maintenance records, or other documentation as may be requested from time to time.
- (d) Landlord shall provide security, maintenance, repairs, water, VAC (excepting heating and including the VAC providing service to Tenant's mechanical/computer server room, with said costs reimbursed to Landlord pursuant to the terms in Section 10.2 (b) vii above), and other services to the Premises and common area to a standard similar to other comparable class office buildings in the Norwalk area sub-market.
- (e) (i) Landlord shall replace floor coverings every seven and one half (7 ½) years, which such cost shall be an additional future Landlord paid tenant improvement expense.

(ii) Landlord shall paint the walls of the Premises every seven and one half (7 ½) years, which such cost shall be an additional future Landlord paid tenant improvement expense.

10.3 Tenant Obligations

Without limiting Landlord's repair and maintenance obligations, and subject to Section 20.4 hereof, Tenant shall be responsible for the cost of (i) repairing any area of the Property damaged by Tenant or by Tenant's agents, employees, invitees or visitors, (ii) the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant, (iii) reimbursing the Landlord for cost of repair, maintenance, or replacement of Tenant's VAC serving its computer server room pursuant to the terms in Section 10.2(b) vii above), and (iv) repair, maintenance, or replacement of any Tenant fixtures, furniture and equipment, including telephones, and computers. All repairs and replacements shall:

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

10.4 Tenant's Right to Repair

- (a) If Tenant provides written notice (or oral notice in the event of an emergency, such as damage or destruction to or of any portion of the Building structure and/or the Building systems, and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and if Landlord fails to provide such action within a reasonable period of time given the circumstances after the giving of such notice, but in any event not later than five (5) days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten (10) days after written notice, then Tenant shall be entitled to deduct from Base Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 15.

- (b) Notwithstanding any provisions of this Lease to the contrary, Tenant, acting through the County's Chief Executive Office, may request that the Landlord perform, supply and administer any repairs, maintenance, building services and/or alterations that are the responsibility of the Tenant, not to exceed \$5,000, as part of a separate purchase order issued by the County on Tenant's behalf. Any improvements by Landlord shall be subject to (i) the Work Letter provisions regarding selection and bidding of contractors, Landlord-Tenant coordination and audit rights, and Tenant's remedies found in said Work Letter; and (ii) compliance with County Internal Services Department Purchasing Policy and Procedure No. A-0300, effective November 22, 2016, delivered to Landlord and incorporated by reference herein. This Section shall not apply to any Tenant Improvements as defined in Section 24.

11. SERVICES AND UTILITIES

11.1 Services

(a) **Ventilation and Air Conditioning (VAC)**

Landlord shall furnish ventilation and air conditioning ("VAC"), 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. To the extent Tenant requires VAC outside of the times stated in this subparagraph, Tenant shall make a written request to Landlord not less than forty eight (48) hours prior to the desired time and Tenant agrees to reimburse Landlord for the additional VAC services at a rate of Eighty-Five Dollars (\$85) per hour. Tenant shall have the right to install, at Tenant's expense, any VAC required for its computer server rooms as further described in the Landlord's Work Letter. Landlord shall repair and maintain such systems, as directed by Tenant. All costs of repair, maintenance and replacement of such systems shall be Tenant's responsibility.

(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 per day in the Premises, for power and lighting and electric current for VAC, and Landlord shall provide the existing or new transformers or sub-panels for the Premises necessary for Tenant to utilize such capacity in the Premises. The Premises shall be metered for electricity by a meter installed by Landlord at Landlord's cost and expense. Tenant shall be billed monthly for usage exceeding twenty-five cents (\$0.25) per square foot per month and all after-hours actual electricity usage by Tenant. Tenant shall pay Lessor for the cost of such electricity within ten (10) business days of billing.

(c) Elevators

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

(d) Water

Landlord shall make available to the Premises warm and cold water for normal and potable water purposes, all of which shall meet applicable government standards.

(e) Janitorial

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

(f) Access

Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building. If required, Landlord shall provide the initial access cards or fobs to all Tenant employees for Building entry, elevators, and/or floor access at Landlord's sole cost and expense. Tenant shall pay Landlord Ten Dollars (\$10) for any replacement or additional building access cards or fobs required.

(g) Pest Control

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

11.2 Utilities

Landlord agrees to pay when due, whether reimbursed pursuant to the terms of this Lease or not, all charges for the use of the sewer, effluent treatment (when and if imposed by any governmental authority), all water, sprinkler standby charges, electricity, gas, and common area power and lighting, trash removal service, fire/life safety systems, charges associated with the VAC, and other utility rents and charges accruing or payable in connection with the Premises and the Common Areas during the Term of this Lease or any renewal, extension, or holdover thereof, whether the same are pro-rated or measured by separate meters. In the event Landlord fails or refuses to pay any or all of such charges when due, Tenant may give Landlord ten (10) calendar days prior written notice and thereafter pay directly such charges and deduct the payments from the next installments of rent due as a charge against the Landlord.

12. TAXES

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

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

13. LANDLORD ACCESS

Tenant shall permit Landlord and its agents to enter the Premises during Tenant's Hours of Operations upon prior written notice only for the purpose of inspecting the Premises for any reasonable purpose; provided, however, in the event of an emergency, Landlord shall be allowed to enter the Premises to perform repairs related to the emergency. If Landlord temporarily closes any portion of the Building or the Premises, Base Rent shall be prorated based upon the percentage of the Premises or the Building rendered unusable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency and notify Tenant immediately thereafter.

14. TENANT DEFAULT

14.1 Default

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

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

14.2 Termination

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

14.3 No Effect on Indemnity

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

15. LANDLORD DEFAULT

15.1 Remedies

In addition to the provisions for Landlord's default provided by Sections 9.4, 10.4, 19, 21.2 and 32.3, Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within five (5) days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10.4); provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such five (5) day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

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

15.2 Waiver

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

15.3 Emergency

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

16. ASSIGNMENT AND SUBLETTING

16.1 Assignment and Subletting

Tenant may assign or otherwise transfer this Lease or sublet the whole or any part of the Premises by providing prior written notice provided (i) the intended use is allowed under the terms of the GSA Lease for FBI and Homeland Security within the Building, and (ii) no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease.

16.2 Sale

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

Upon any sale or transfer of the Property by Landlord, Landlord shall provide thirty (30) days prior written notice of said sale 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, 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, 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) shall, if Landlord so requests, be removed by Tenant at the end of Term. Any Alterations, 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) not removed by Tenant shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term.

18. CONDEMNATION

18.1 Controlling Terms

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

18.2 Total Taking

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

18.3 Partial Taking

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

18.4 Restoration

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

18.5 Award

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

18.6 Waiver of Statute

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

19. INDEMNIFICATION

19.1 Landlord's Indemnity

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

19.2 Tenant's Indemnity

The Tenant shall indemnify, defend and hold harmless the Landlord, from and against any and all liability, loss, injury or damage, including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees) arising from or connected with the Tenant's repair, maintenance and other acts and omissions, negligence or willful misconduct of Tenant, or its contractors, licensees, agents, employees, guests or visitors, or arising from any breach or default under this Lease by Tenant.

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

- i. Certificate(s) of insurance coverage ("Certificate") satisfactory to Tenant, and a copy of an Additional Insured endorsement confirming that Tenant and its Agents (defined below) has been given additional insured status under the Landlord's General Liability policy, shall be delivered to Tenant at the address shown below and provided prior to the start day of this Lease.

- ii. Renewal Certificates shall be provided to Tenant not less than 10 days after the Landlord's policy expiration dates. The Tenant reserves the right to obtain complete, certified copies of any required Landlord insurance policies at any time.
- iii. Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number or the Premises, and be signed by an authorized representative of the insurer(s). The Tenant shall be named as an additional insured (or its equivalent) for the Premises only. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding one hundred thousand dollars (\$100,000.00) dollars, and list any Tenant-required endorsement forms.
- iv. 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.
- v. 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 with respect to Tenant. Tenant's additional insured status shall apply with respect to liability and defense of suits arising out of the Landlord's acts or omissions, whether such liability is attributable to the Landlord or to the Tenant. The full policy limits and scope of protection also shall apply to the Tenant as an additional insured with respect to the Tenant's use of the Premises as stated in Section 1.1(k) of the Lease, even

if they exceed the Tenant's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

(c) Cancellation of or Changes in Insurance

Landlord shall provide the Tenant with, or Landlord's insurance policies shall contain a provision that the Tenant shall receive, written notice of cancellation or any material change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to the Tenant at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any material change in Required Insurance may, in the reasonable discretion of the Tenant, constitute a Landlord Default under this Lease.

(d) Failure to Maintain Insurance

Landlord's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a Landlord Default. In lieu of treating the failure as a Landlord Default, the County in its sole discretion may purchase the Required Insurance, and without further notice to Landlord, deduct the premium cost from sums due to Landlord or pursue Landlord reimbursement.

(e) Insurer Financial Ratings

Insurance is to be provided by an insurance company authorized to do business in California, with an A.M. Best rating of not less than A:VII.

(f) Landlord's Insurance Shall Be Primary

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

(g) Waiver of Subrogation

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

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

Landlord's policies shall not obligate the Tenant to pay any portion of any Landlord deductible or SIR. The Tenant retains the right to require Landlord to reduce or eliminate policy deductibles and SIRs as respects the Tenant, or to provide a bond guaranteeing Landlord's payment of all deductibles and SIRs, including all related claims investigation,

administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

(i) **Claims Made Coverage**

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

(j) **Application of Excess Liability Coverage**

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

(k) **Separation of Insureds**

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

(l) **Tenant Review and Approval of Insurance Requirements**

The Tenant reserves the right to review and adjust the Required Insurance provisions, conditioned upon Tenant's determination of changes in risk exposures.

20.3 Insurance Coverage Types And Limits

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

- 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:	\$ 2 million
Personal and Advertising Injury:	\$ 1 million
Each Occurrence:	\$ 1 million
Damage to Premises:	\$1 million
Medical Expense Limit:	\$10,000

Tenant, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self-insurance (self-funding of its liabilities). Certificate evidencing coverage or letter evidencing self-funding will be provided to Landlord after execution of this Lease at Landlord's request. Notwithstanding Tenant's right to self-insure, Landlord shall not

waive its right to tender third party claims to Tenant caused by Tenant's intentional or negligent acts or omissions or such intentional or negligent acts or omissions of Tenant's contractors, invitees and/or licensees.

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 that constitute "fixtures" (excludes all other furniture, fixtures, and equipment, including but not limited to the computer server room and any equipment therein); 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 higher than the greater \$250,000 or 5% of the Property value. Insurance proceeds shall be payable to the Landlord and Tenant, as their interests may appear, and be utilized for repair and restoration of the Premises or Landlord's property, as determined by the nature of the loss.

21. PARKING

21.1 Tenant's Rights

Tenant shall have the right to the number of exclusive reserved parking space as shown on Exhibit J attached herein, and unreserved parking spaces set forth in Section 1.1 for the Term of this Lease. No tandem parking shall be required or allowed except as provided below, and Tenant shall be entitled to full in and out access 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. Tenant shall have the right to increase or decrease the number of reserved and/or unreserved parking subject to availability and 30 days written notice to the Landlord; provided, however, Landlord shall have the right to recapture any increase in parking should such parking be required for other tenancies. Landlord, at its sole cost and expense, shall be responsible for installing and maintaining free standing signage and signage on the ground for

Tenant's reserved parking spaces, identifying each space as reserved for Tenant. Signage shall be mutually approved in advance of its installation. Landlord, at its sole expense, shall provide Tenant with at least one (1) parking access card or key fob for each reserved or unreserved parking space set forth in Section 1.1, if applicable. If additional access cards or key fobs are later required, lost, stolen, or replaced, Tenant shall pay ten dollars (\$10) per access card or key fob.

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), following written notice to Landlord and Landlord's ability to cure in a reasonable time, 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) negotiate with Lessor for an equitable reduction in the monthly rent based upon the Fair Market Value of such parking or the loss of such parking if not replaced.

21.3 Alternative Parking.

Notwithstanding the above, if during the Term (as it may be extended), Landlord is unable to provide all or any portion of the parking required under Lease, Landlord may, but is not required to, provide valet parking or such alternative parking that Lessor may reasonably believe will satisfy Tenant's parking needs or provide additional parking at an off-site location nor more than a three-minute drive from the Premises. In the event Landlord provides off-site parking Landlord shall provide a shuttle service from the off-site parking location to the Premises. Provided Landlord offers Tenant alternative parking pursuant to this paragraph, Landlord shall not be deemed in default of the Lease and the remedies as set forth in Paragraph 21.2 shall not be applicable. Landlord may also, offer stacked parking to satisfy Tenant's parking only if Landlord also provides valet parking at Landlord's sole cost and expense.

22. ENVIRONMENTAL MATTERS

22.1 Hazardous Materials

Tenant shall not cause nor permit, nor allow any of Tenant's employees agents, customers, visitors, invitees, licensee, contractor, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used

and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

22.2 Landlord Indemnity

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

23. ESTOPPEL CERTIFICATES

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

24. TENANT IMPROVEMENTS

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

25. LIENS

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

26. SUBORDINATION AND MORTGAGES

26.1 Subordination and Non-Disturbance

Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Exhibit 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 sixty (60) days after the execution of this Lease.

26.3 Notice of Default

If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail and requests copies of any notice of default that Tenant serves upon Landlord, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee or beneficiary a copy of any notice of default that Tenant serves upon Landlord which could permit Tenant to terminate this Lease, along with an additional ten (10) 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, ordinary wear and tear, damage by earthquake, fire or the elements and other disaster or casualty excepted. Tenant and Landlord agree, Landlord may require Tenant to remove, at its own expense, during or at the expiration or other termination of the term of this Lease, or any termination of any extension or holdover period thereof, as the case may be, all furniture, 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

28.1 Directory Signage

Tenant shall be allowed building standard signage on the directory located in the ground floor lobby of the Building and elevator lobbies of the floors of the Premises and suite signage, all of which shall be at Landlord's expense. Tenant shall have the right to install, at Landlord's sole cost and expense, up to two (2) lines per 1,000 rentable square feet of the Premises on the Building's directory board in the main lobby of the Building. Tenant shall be permitted to install signs at the Premises that conform with any and all applicable laws and ordinances and Building Rules and Regulations.

28.2 Building Exterior Signage

Subject to California, the City of Norwalk, and any other applicable laws, rules and regulations, and/or the County of Los Angeles Department of Public Works Building and Safety should they be the permitting agency. Tenant shall have signage rights as shown on the Signage Plans (attached herein as Exhibit K). The final plans and specifications for Exterior Signage shall be provided by Tenant and reasonably approved by Landlord. Landlord shall contribute up to \$31,500.00 (Landlord's Contribution towards Tenant's Signage) for the design, purchase and installation of the Tenant's Exterior Signage.

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 Cushman & Wakefield, Inc. (the "Tenant's Agent") and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred

by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. The terms of any commissions due shall be pursuant to a separate commission agreement between Landlord and Tenant's Agent.

30.4 Entire Agreement

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

30.5 Severability

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

30.6 Notices

The parties shall give all notices in writing by (i) personal delivery, (ii) national-recognized, next-day courier service, or (iii) first-class registered or certified mail, postage prepaid, to the Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1.1. Without limiting the generality of the foregoing, Landlord's notices to Tenant shall not be effective if they are delivered to the Premises or to another address that is not set forth in Section 1.1(b) hereof. Any notice given under this Lease shall be deemed effective upon the date of delivery (whether accepted or refused), which, for certified mail and courier service, shall be established by U.S. Post Office return receipt or the courier's proof of delivery, respectively.

30.7 Governing Law and Venue

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

30.8 Waivers

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

30.9 Time of Essence

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

30.10 Consent

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

30.11 Community Business Enterprises

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

30.12 Memorandum of Lease

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

30.13 Counterparts; Electronic Signatures

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

31. AUTHORITY

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

32. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

32.1 Consideration of GAIN Program Participants

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

32.2 Solicitation of Consideration

It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent who has had any involvement in the procurement, negotiation, consummation, administration or management of a lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

Landlord hereby represents and warrants that it has not provided, and will not provide, any financial benefits to any County official, employee or agent who has had any involvement in the procurement, negotiation, consummation, administration or management of this Lease. Landlord hereby agrees that if it

violates any of the terms of this Section 32.2, then the County may declare this Lease null and void, and the County reserves the right to exercise any and all other remedies available under applicable law.

32.3 Landlord Assignment

- (a) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.
- (b) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease, or any portion thereof, as security for the Landlord's obligation to repay any monetary obligation, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.
- (c) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the Tenant. Notwithstanding the foregoing, the Tenant hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (commercial mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.
- (d) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the Tenant may impose damages in an amount equal to the greater of \$500,000 or 10% of the aggregate principal portion of all rental payments payable by the Tenant during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the Tenant may exercise or pursue any other right or remedy it may have under this Lease or applicable law.
- (e) Landlord shall give Tenant written notice and a copy of each and every assignment, transfer, hypothecation or encumbrance of Landlord's interest in this Lease and any instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least thirty (30) days prior to the effective date thereof.

- (f) Except to an existing or future mortgagor or lender, Landlord shall not furnish any information concerning Tenant or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the Tenant) to any person or entity, except with Tenant's prior written consent. Landlord shall indemnify, defend and hold Tenant and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section 32.3.
- (g) The provisions of this Section 32.3 shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns, whether so expressed or not.

32.4 Smoking in County Facilities The Surgeon General of the United States has concluded that passive smoke exposure is the third leading cause of preventable death in the United States. The United States Environmental Protection Agency has found second-hand smoke to be a known carcinogen. It is recognized that the County has a responsibility to establish, maintain and promote a healthful and safe working environment and to reduce health and safety risks of its employees and the public at large. Tobacco smoke is a hazard to the health of County employees and the general public and represents an annoyance which should be regulated and banned in all county facilities to the end that air quality in all such facilities be improved for the preservation and improvement of the health of all County employees and the public. Therefore, to the greatest extent possible, the rights and comfort of all employees shall be respected. Reasonable effort shall be made to provide smokers a place to smoke in areas open to the sky or otherwise located outside County facilities and, except as provided under Los Angeles County, California - Code of Ordinances Chapter 2.126 ("LAMC 2.126"), all portions of County-owned facilities and all portions of facilities leased by or from the County, which areas are not open to the sky, shall be designated as "no smoking" areas. Smoking, including the use of electronic smoking devices, shall be prohibited in the following areas of County facilities: (1) Within 50 feet of any operable entry or exit door or operable window of any County building and within 25 feet of any access ramp or handicap path; (2) Within any County parking lot, parking structure, or parking garage, whether enclosed or open to the sky; or (3) Within any driving range and eating area, including outdoor eating areas, of any County golf course. International no-smoking signs and other appropriate signs which designate no-smoking areas shall be clearly, sufficiently and conspicuously posted in every room, building or other place so covered by LAMC 2.126. The manner of such posting, including the wording, size, color and place of posting, whether on the walls, doors, tables, counters, stands or elsewhere, shall be at the discretion of the building proprietor so long as clarity, sufficiency and conspicuousness are apparent in communicating the intent. (Los Angeles County, California - Code of Ordinances Chapter 2.126.)

33. IRREVOCABLE OFFER

In consideration for the time and expense that Tenant will invest in this Lease, including but not limited to preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County, as necessary, in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.1.

34. OPTION TO EXTEND

- (a) 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 two (2) options to renew this Lease for an additional period of five (5) years each (respectively, the "First Extension Term" and the "Second Extension Term", and collectively, the "Extension Term(s)").
- (b) Exercise of Option. Tenant must exercise its options to extend this Lease by:
 - (i) giving Landlord written notice of its intention to do so (its "Notice of Intent") no later than nine (9) months prior to the end of the initial Term, or the First Extension Term, as applicable, and
 - (ii) 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 ninety (90) days after the expiration of the Term of this Lease as then in effect, Tenant shall be entitled to holdover as provided in this Lease. If Tenant fails to give such written notice to Landlord, Landlord will promptly provide written notice to Tenant that the Term shall not be extended unless Tenant responds within ten (10) business days in writing electing to exercise its respective renewal option, and Tenant shall be granted an additional period of ten (10) business days after receipt of such written notice from Landlord, in which to give Landlord its written notice of its election to exercise such renewal option or election not to exercise such renewal option. Failure by Landlord to provide ten (10) business days written notice to Tenant that the Term shall not be extended unless Tenant responds within ten (10) business days in writing electing to exercise its respective renewal option or Tenant's failure to notify Landlord of its election to exercise such renewal option, after receipt of the ten (10) business day notice, and without any further notice, act, or agreement, this Lease will terminate as of the then-applicable expiration date, and neither Landlord nor Tenant will have any further obligation or liability under this Lease arising or continuing from and after such expiration date, subject, however, to the provisions that expressly survive termination of this Lease.
- (c) 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 ninety-five percent (95%) of 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, including, but not limited to, the comparable rental rate, escalation, abatement, tenant improvements (after first reasonably deducting the value of the existing improvements) and any other tenant inducements then being offered to new tenants leasing space in the Norwalk/Santa Fe Springs sub-market.

- (d) Agreement on Base Rent. Landlord and Tenant shall have ninety (90) days after Landlord receives the Notice of Intent in which to agree on the Base Rent during the applicable Extension Term. Base Rent during the Extension Term(s) shall be the Adjusted Market Rental Value of the Premises calculated as of the date Tenant gives its Notice of Intent with respect to its first and second options to extend, respectively. There shall be no minimum rental rate.
- (e) Market Rental Value. The term "Market Rental Value" shall be the rental rate that comparable Premises in the market 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 by Tenant in 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.
- (f) 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.

- (g) 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.

35. COVID-19 VACCINATIONS OF COUNTY CONTRACTOR PERSONNEL

- 35.1. At Landlord's sole cost, Landlord shall comply with Chapter 2.212 (COVID-19 Vaccinations of County Contractor Personnel) of County Code Title 2 - Administration, Division 4. All employees of Landlord and persons working on its behalf, including but not limited to, Subcontractors of any tier (collectively, "Landlord Personnel"), must be fully vaccinated against the novel coronavirus 2019 ("COVID-19") prior to (1) interacting in person with County employees, interns, volunteers, and commissioners ("County workforce members"), (2) working on County owned or controlled property while performing services under this Lease, and/or (3) coming into contact with the public while performing services under this Lease (collectively, "In-Person Services").
- 35.2. Landlord Personnel are considered "fully vaccinated" against COVID-19 two (2) weeks or more after they have received (1) the second dose in a 2-dose COVID-19 vaccine series (e.g. Pfizer-BioNTech or Moderna), (2) a single-dose COVID-19 vaccine (e.g. Johnson and Johnson [J&J]/Janssen), or (3) the final dose of any COVID-19 vaccine authorized by the World Health Organization ("WHO") or Centers for Disease Control and Protection ("CDC").
- 35.3. Prior to assigning Landlord Personnel to perform In-Person Services, Landlord shall obtain proof that such Landlord Personnel have been fully vaccinated by confirming Landlord Personnel is vaccinated through any of the following documentation: (1) official COVID-19 Vaccination Record Card (issued by the Department of Health and Human Services, CDC or WHO Yellow Card), which includes the name of the person vaccinated, type of vaccine provided, and date of the last dose administered ("Vaccination Record Card"); (2) copy (including a photographic copy) of a Vaccination Record Card; (3) Documentation of vaccination from a licensed medical provider; (4) a digital record that includes a quick response ("QR") code that when scanned by a SMART HealthCard reader displays to the reader client name, date of birth, vaccine dates, and vaccine type, and the QR code confirms the vaccine record as an official record of the State of California; or (5) documentation of vaccination from Landlord who follow the CDPH vaccination records guidelines and standards. Landlord shall also provide written notice to County before the start of work under this Lease that its Landlord Personnel are in compliance with the requirements of this section. Landlord shall retain such proof of vaccination for the document retention period set forth in this


Lease, and must provide such records to the County for audit purposes, when required by County.

- 35.4. Landlord shall evaluate any medical or sincerely held religious exemption request of its Landlord Personnel, as required by law. If Landlord has determined that Landlord Personnel is exempt pursuant to a medical or sincerely held religious reason, the Landlord must also maintain records of the Landlord Personnel's testing results. The Landlord must provide such records to the County for audit purposes, when required by County. The unvaccinated exempt Landlord Personnel must meet the following requirements prior to (1) interacting in person with County workforce members, (2) working on County owned or controlled property while performing services under this Lease, and/or (3) coming into contact with the public while performing services under this Lease:
- a. Test for COVID-19 with either a polymerase chain reaction (PCR) or antigen test has an Emergency Use Authorization (EUA) by the FDA or is operating per the Laboratory Developed Test requirements by the U.S. Centers for Medicare and Medicaid Services. Testing must occur at least weekly, or more frequently as required by County or other applicable law, regulation or order.
 - b. Wear a mask that is consistent with CDC recommendations at all times while on County controlled or owned property, and while engaging with members of the public and County workforce members.
 - b. Engage in proper physical distancing, as determined by the applicable County department that the Lease is with.
- 35.5. In addition to complying with the requirements of this section, Landlord shall also comply with all other applicable local, departmental, State, and federal laws, regulations and requirements for COVID-19.

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

LANDLORD:

SONNENBLICK DEL RIO NORWALK LLC,
a Delaware limited liability company

By: 
Name: Nelson Del Rio
Its: Co-Manager

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


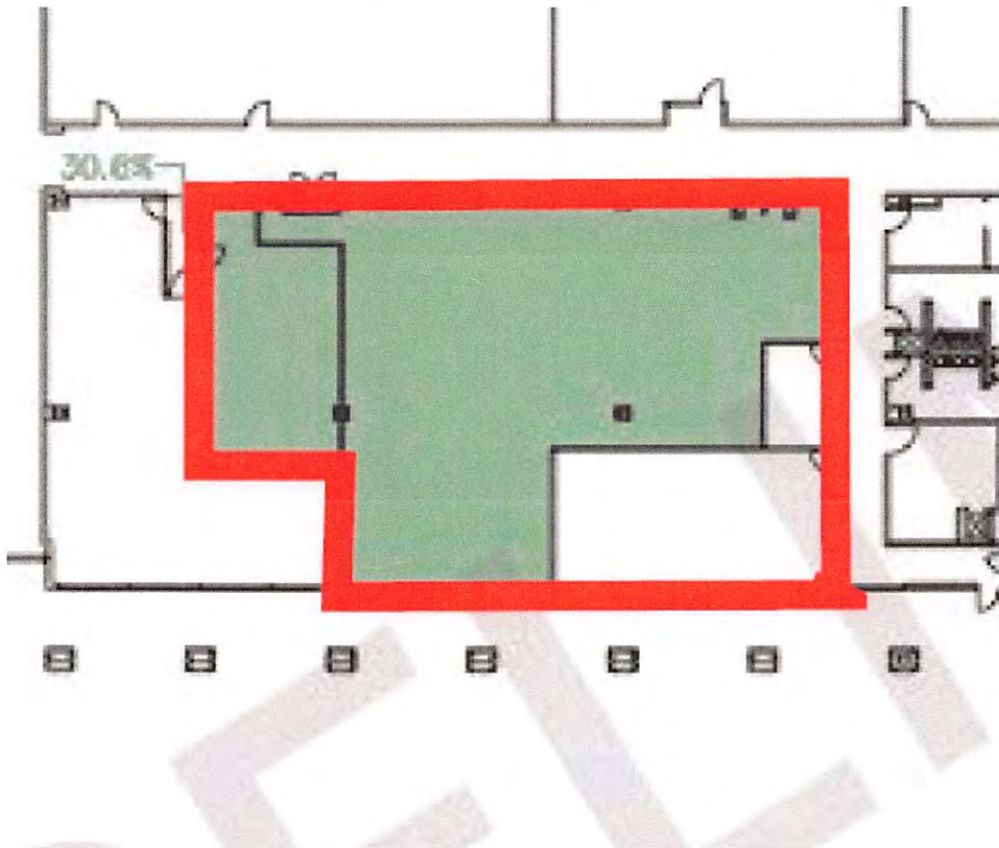
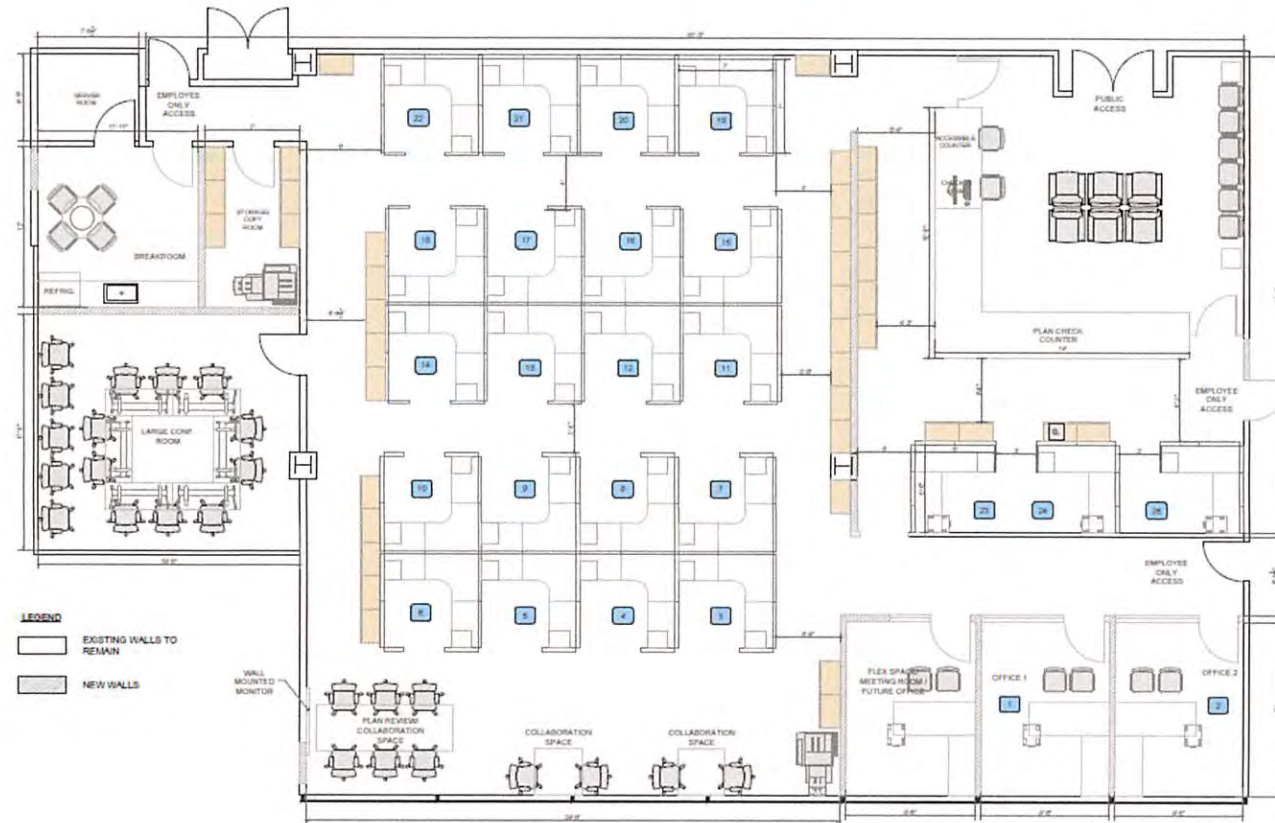
By: 
Senior Deputy

EXHIBIT A
FLOOR PLAN OF PREMISES
Suite 110





PROPOSED LAYOUT BSD WHITTIER OFFICE REV 03/29

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 Sonnenblick Del Rio Norwalk LLC, a Delaware limited liability company ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 12440 Imperial Highway, Suites 110, Norwalk, CA 90650, Landlord and Tenant hereby acknowledge as follow:

- 1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____ ("Possession Date");
- 2) Tenant has accepted possession of the Premises and now occupies the same;
- 3) The Lease commenced on _____ ("Commencement Date");
- 4) The Premises contain 5,479 rentable square feet of space
- 5) Base Rent per month is \$10,684.05.
- 6) Parking Rent per month is \$_____
- 7) The Base Index month is _____.
- 8) The Base Index is _____.
- 9) The first New Index month is _____.

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

Tenant:

COUNTY OF LOS ANGELES,
a body corporate and politic

Landlord:

SONNENBLICK DEL RIO NORWALK LLC,
a Delaware limited liability company

By:

Name _____
Its _____

By:

Name _____
Its _____

EXHIBIT C

VENTILATION AND AIR CONDITIONING IN OTHER THAN DATA AND SERVER ROOMS

Landlord shall supply cooling and ventilating 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. Interior space is designated at a rate of one zone for approximately each 1,000 square feet (+/- 200-sq.ft. to allow for marginal situations) and one diffuser for each 200 square feet (+/- 50-sq.ft. to allow for marginal situations) of usable/net square footage within the Premises (distribution within the Premises shall be considered a Tenant Improvement and be paid for from funds available for Tenant Improvements). If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.

EXHIBIT D

CLEANING AND MAINTENANCE SCHEDULE

A. DAILY (Monday through Friday)

1. Carpets vacuumed.
2. Composition floors dust-mopped.
3. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
4. Waste baskets, other trash receptacles emptied.
5. Chairs and waste baskets returned to proper position.
6. Fingerprints removed from glass doors and partitions.
7. Drinking fountains cleaned, sanitized and polished.
8. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
9. Bulb and tube replacements, as required.
10. Emergency exit signage and egress battery replacement (if applicable)
11. Graffiti expunged as needed within two working days after notice by Tenant
12. Floors washed as needed.
13. Standard kitchen/lunchroom/restroom supplies replenished, including, but, not limited to, paper supplies and soap, if applicable.

B. WEEKLY

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

C. MONTHLY

16. Floors washed and waxed in uncarpeted office area.
17. High-reach areas, door frames and tops of partitions dusted.
18. Picture moldings and frames dusted.
19. Carpet professionally spot cleaned as required to remove stains.

20. VAC chiller water checked for bacteria, water conditioned as necessary, if applicable.

D. QUARTERLY

21. Light fixtures cleaned and dusted.
22. Wood furniture polished.
23. Draperies or mini-blinds cleaned as required, but not less frequently than quarterly.
24. Upholstered furniture vacuumed, plastic and leather furniture wiped.
25. Wall vents and ceiling vents vacuumed.

E. SEMI-ANNUALLY

26. Exterior windows washed as required inside and outside but not less frequently than twice 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. Carpets cleaned and spot cleaned as needed. Landlord shall not use bonnet cleaning on carpets.
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. All grout and porous surfaces resealed with a professional grade sealant, as needed.
32. Touch-up paint interior painted surfaces in a color and finish to match existing, as needed.
33. Server room VAC units serviced for preventative maintenance purposes and other service as required and filters as needed
34. Interior windows washed as required inside and outside

G. AS NEEDED

35. 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.

36. 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.
37. Interior and exterior pest control inspections and remediation, as needed.
38. All VAC ducts cleaned as needed.

H. GENERAL

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

EXHIBIT E

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

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

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

)
)
)
)
)
)
)

Space above for Recorder's Use

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

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

This Subordination, Non-disturbance and Attornment Agreement ("Agreement") is entered into as of the ____ day of _____, 20__ by and among COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant"), [*Insert name of Landlord*], ("Borrower") and [*Insert name of Lender*], ("Lender").

Factual Background

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

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

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

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

Agreement

Therefore, the parties agree as follows:

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

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

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

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

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

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

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

(c) be bound by any prepayment by Tenant of more than one (1) month's installment of rent, unless the Lease expressly requires such prepayment; or

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

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

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

To Lender: _____

To Borrower: _____

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

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

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

By: _____
Name: _____
Title: _____

BORROWER: *[Insert name of Landlord]*

By: _____
Name: _____
Title: _____

LENDER: *[Insert name of Lender],*

By: _____
Name: _____
Title: _____

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

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

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

personally appeared _____,
Name of Signer(s)

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

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

WITNESS my hand and official seal.

Signature (Seal)

EXHIBIT F

TENANT ESTOPPEL CERTIFICATE

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

Attn: _____

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

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

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

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

 (b) The current Rent is set forth above.

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

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

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

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

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

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

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

(e) No rental payments have been made more than one (1) month in advance.

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

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

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____
Name: _____
Title: _____

EXHIBIT G

COMMUNITY BUSINESS ENTERPRISE FORM

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

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

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

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.: _____			MINORITY/WOMEN-OWNED FIRM CERTIFICATION	
Provide the percentage of ownership in each	All Employee	Women	your firm currently certified as a minority owned business firm by the: State of California? <input type="checkbox"/> Yes <input type="checkbox"/> No City of Los Angeles? <input type="checkbox"/> Yes <input type="checkbox"/> No Federal Government? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Black/African American			Section D. OPTION TO PROVIDE REQUESTED INFORMATION <input type="checkbox"/> We do not wish to provide the information required in this form.	
Hispanic/Latin American				
Asian American				
Portuguese American				
American Indian/Alaskan Native				

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

EXHIBIT H

MEMORANDUM OF LEASE

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

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

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

MEMORANDUM OF LEASE

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

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

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

Dated: _____, 20__.

LANDLORD:

By: _____
Its: _____

By: _____
Its: _____

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John Cooke.
Senior Manager, Property Division

ATTEST:

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

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
Acting County Counsel

By: _____
Senior Deputy

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

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

On _____, before me,

_____ Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")
personally appeared _____,

Name of Signer(s)

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

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

WITNESS my hand and official seal.

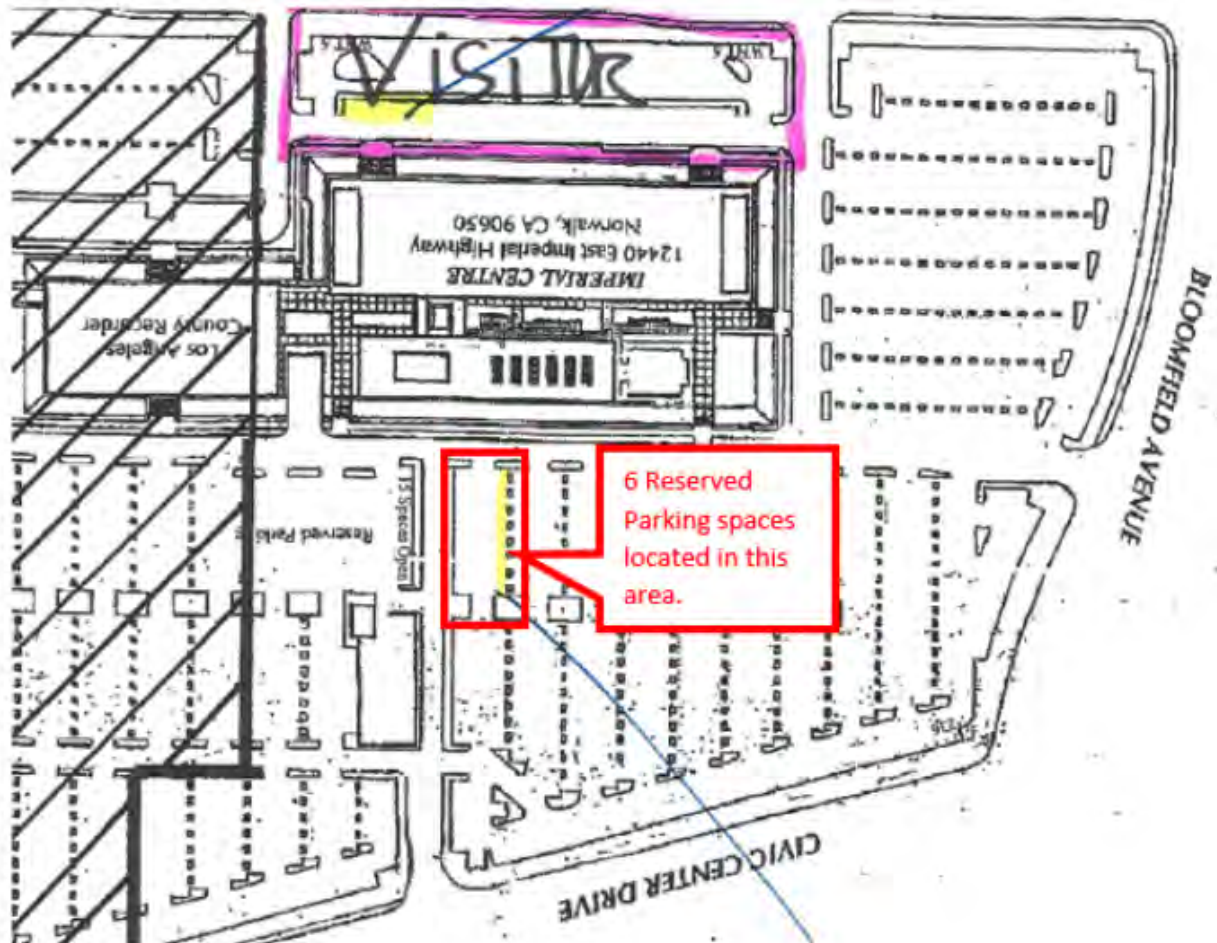
Signature (Seal)

EXHIBIT I
LANDLORD'S WORK LETTER

Exhibit J

Reserved Parking Area

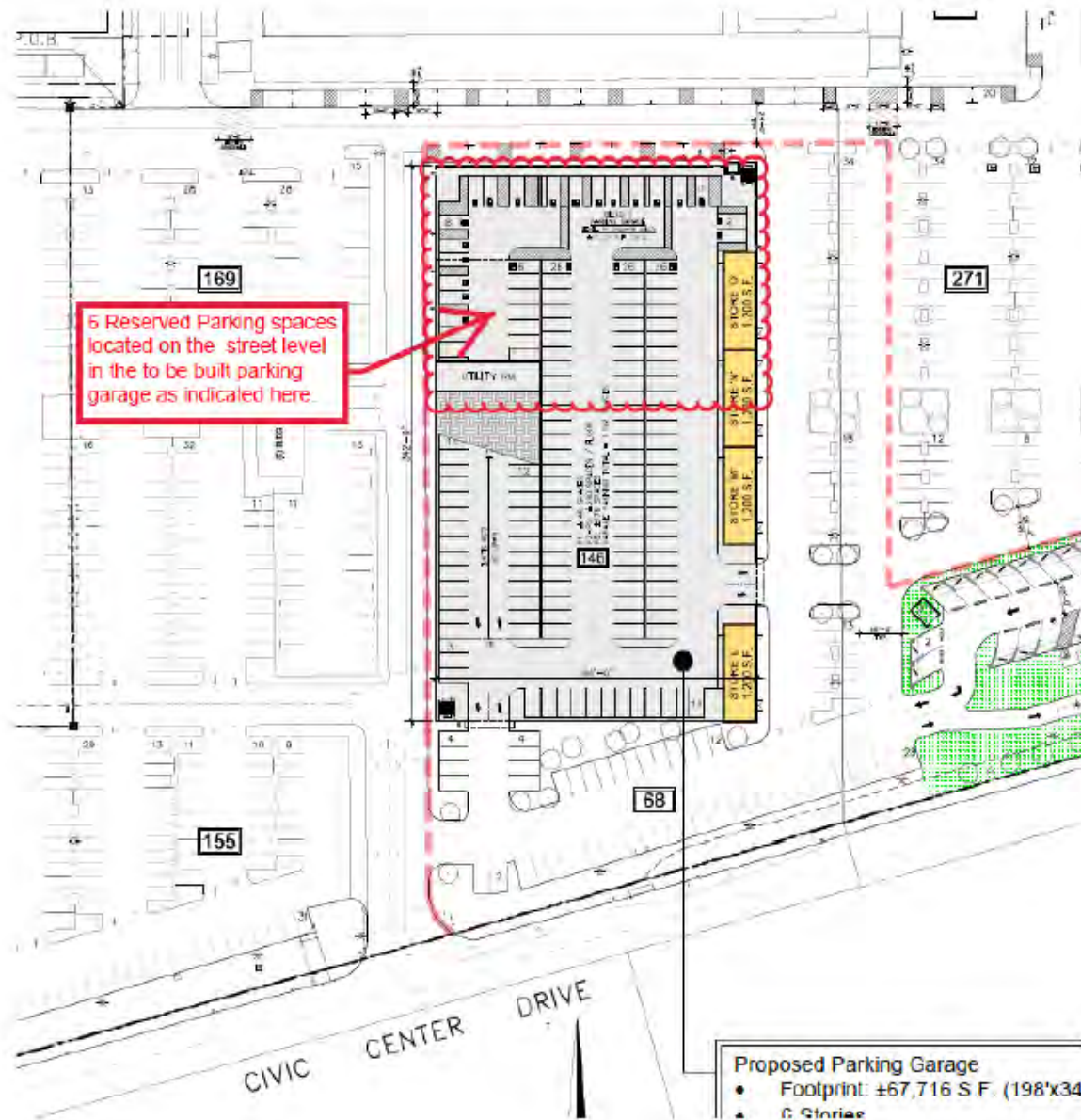
(Before Construction of Parking Garage)



Reserved Parking location during construction shall be located in an on-site location within the Project which is designated by Landlord and mutually approved by Tenant.

Reserved Parking Area

(After Construction of Parking Garage)



Reserved Parking location during construction shall be located in an on-site location within the Project which is designated by Landlord and mutually approved by Tenant.

Exhibit K

Building Tenant's Exterior Signage

- A. DWP would like an "L" shape Monument Sign as shown below, and located at the Imperial Hwy west entrance:



- B. DWP would like Monument Sign as shown below, and located at the Imperial Hwy east entrance:



- C. For this location The arrow on this signage should be pointing to the left (details TBD).



- D. For this location Signage next to the loading dock, should be facing both directions (details to TBD).



- E. For this location the Signage should be facing both sides of the sign, so it appears in both directions (details TBD).



- F. For this location Signage for the back entrance (details TBD).



- G. Below is the Eyebrow signage located along the eyebrow of the back entrance to the Building as shown below:



- H. Eyebrow sign on the front or Imperial Hwy over the main entrance to the Building.



BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	11/30/2022							
BOARD MEETING DATE	12/20/2022							
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)	SHERIFF							
SUBJECT	Approve a 5-year lease renewal for 8,975 square feet of office and 43,598 square feet of land with site improvements including parking at 5130 Clark Avenue, Lakewood							
PROGRAM	Sheriff's Lakewood Station							
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 as of April 3, 2016.							
COST & FUNDING	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Total cost: \$693,000 over 5 years.</td><td style="width: 50%;">Funding source: The rental costs will be 100 percent net County cost.</td></tr> <tr> <td colspan="2">TERMS (if applicable): The proposed lease will have an annual lease cost of \$138,426, where the County will pay all utilities, janitorial, maintenance and repairs to the improvements, including the surface parking lot, with the exception of landscaping.</td></tr> <tr> <td colspan="2">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 the Sheriff Department. Beginning in FY 2023-24, ongoing funding for costs associated with the proposed lease will be part of the budget for the Sheriff until lease termination.</td></tr> </table>		Total cost: \$693,000 over 5 years.	Funding source: The rental costs will be 100 percent net County cost.	TERMS (if applicable): The proposed lease will have an annual lease cost of \$138,426, where the County will pay all utilities, janitorial, maintenance and repairs to the improvements, including the surface parking lot, with the exception of landscaping.		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 the Sheriff Department. Beginning in FY 2023-24, ongoing funding for costs associated with the proposed lease will be part of the budget for the Sheriff until lease termination.	
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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 the Sheriff Department. Beginning in FY 2023-24, ongoing funding for costs associated with the proposed lease will be part of the budget for the Sheriff until lease termination.								
PURPOSE OF REQUEST	Approval of the recommended actions will authorize and provide the necessary office space and land needs for the Sheriff.							
BACKGROUND (include internal/external issues that may exist including any related motions)	The County has leased the subject location since 1984. 75% of the current building is located on County property and 25% is located on City property. To have use of the entire building, the County must enter into this lease. The facility adequately meets the office space and land needs of the Sheriff's Department. The Landlord has expressed concern due to favorable rental rate that would be best to have current city council vote on this matter before the end of the year. Further, Landlord requested full execution of this lease by year end, to avoid an increase to the rental rate.							
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

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

December 20, 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 SHERIFF'S DEPARTMENT 5130 CLARK AVENUE, LAKEWOOD (FOURTH DISTRICT) (3 VOTES)

SUBJECT

Approval of a proposed five-year lease to renew an existing lease to provide the Sheriff's Department (Sheriff) continued use of a portion of real property, which is approximately 43,598 square feet of land, which includes 8,975 square feet of office space, with a parking area.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease is exempt from the California Environmental Quality Act (CEQA), for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed lease with the City of Lakewood, a California municipal corporation (Landlord), for approximately 43,598 square feet of land, which includes 8,975 square feet of office space and 34,623 square feet of parking spaces located at 5130 Clark Avenue, Lakewood, CA, to be occupied by the Sheriff. The estimated maximum first year base rental cost is \$138,426. The estimated total lease cost is \$693,00 over the five-year term. The rental costs will be funded 100 percent by net County cost.

3. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed lease, and to take actions necessary and appropriate to implement the proposed lease, including, without limitation, exercising any early termination rights and two options to renew the lease, for an additional period of 60 months each, upon further Board approval.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Lakewood Sheriff's Station is located at 5130 Clark Avenue, Lakewood. The Sheriff's Complex, which has a total land area of 174,275 square feet, is improved with the Sheriff's Station, the Sheriff's Vehicle Service/Storage Building, and related surface parking. The Sheriff's Station Complex is located on two adjacent properties. Approximately 75 percent of the Complex (130,677 square feet) is located on County-owned land and 25 percent of the Complex (43,598 square feet) is on land owned by the City of Lakewood (City). The City owns the building, parking, and site improvements located on their land.

The lease agreement between the County and the City originated in 1984 with a 20-year term, and has been renewed thereafter, with the current lease on month-to-month holdover as of April 3, 2016. There is no holdover fee. The proposed lease will allow the Sheriff to continue to occupy the Lakewood Sheriff's Station, providing public safety enforcement services to the residents of contract cities located in Artesia, Bellflower, Hawaiian Gardens, Lakewood, and Paramount, including the surrounding unincorporated area.

This location is currently housing 376 employees. The Sheriff would like to retain a presence in the City to provide mandated general law enforcement services in accordance with their service contract. Currently, there are no plans for teleworking at this location. This program is a direct service program that requires face-to-face interaction with the public. The hoteling of space is already built into the structure of the Lakewood Sheriff's Station and daily operations. The Lakewood Sheriff's Station is open 24/7 with personnel rotating through various shifts.

The subject property can be accessed by Long Beach Transit Bus Lines 93 and 176 which stop at the Lakewood Center, across the street from the Civic Center. These bus services link to the Metro Light Rail System Blue Line and Green Line.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal 3 - *"Realize Tomorrow's Government Today"* - provides that our increasingly dynamic, and complex environment, challenges our collective abilities to respond to public needs and expectations. We want to be an innovative, flexible, effective, and transparent partner focused on advancing the common good.

The proposed lease is also consistent with Strategic Asset Management Goal 2 - Strengthen connection between service priorities and asset decisions and Key Objective No. 1 Maintain Asset Inventory.

The proposed lease supports the above goals and objective by allowing the Sheriff to be housed within the community they serve and to continue to use existing County owned and leased space.

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

FISCAL IMPACT/FINANCING

The aggregate cost associated with the proposed lease over the entire term is \$693,000 as shown in Enclosure B-1. The rental costs will be funded 100 percent by net County cost.

Sufficient funding to cover the proposed rent for the first year of the proposed lease term is included in the Fiscal Year 2022-23 Rent Expense budget and will be billed back to the Sheriff. Ongoing funding for costs associated with the proposed lease will be part of the budget for the Sheriff until lease termination.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

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

- Upon commencement of the proposed lease, the annual rental rate will increase 7.8 percent from \$14.30 per square foot to \$15.42 per square foot annually. The base rent will remain flat throughout the five-year term.
- A modified-gross lease whereby the County will be responsible for the operational and maintenance costs of the leased premises, and the surface parking lot with the exception of landscape maintenance to be paid by the Landlord.
- Parking spaces are included as part of the land site improvements of the lease. The overall parking count for the entire site is approximately 194 spaces, of which approximately 66 spaces, are located on the City property.
- A comparison of the existing lease and the proposed lease is shown in Enclosure B-2.

- The lease represents a five-year term to extend the lease. The County has two options to renew the lease with six month's advance notice. Option rents can only be determined at the time of renewal. Both options will have rent increases calculated by a cumulative Consumer Price Index (CPI) adjustment, and rent will remain fixed for the duration of each respective five-year option term. (i.e. The first option rent will be increased by a cumulative CPI five years from the lease extension commencement date. The second option rent will be increased by a cumulative CPI 10 years following the commencement date). Options would be exercised under further Board approval.
- The County has the right to terminate the proposed lease early at any time with 90 days' notice.
- Holdover at the proposed lease expiration is permitted on the same lease terms and conditions except the monthly base rent during the holdover period will be adjusted to the amount inclusive of the CPI adjustment that would have gone into effect had the County exercised the option. During holdover, the Landlord may terminate the lease upon 180 days' notice, and the County may terminate upon 90 days' notice.
- The five-year term will commence effective on the first day of the month following approval by the Board.

Because the Sheriff's Complex is located on both County land and City land, the Sheriff desires to renew this lease with the City. Since the building is 75 percent on County owned land, it is not practical to relocate the other 25 percent in another non-contiguous space. In 2012, the County hired a professional real property appraisal company, R.P. Laurain & Associates, Inc., who determined \$10,300 per month as a fair market rent for the subject property. The City agreed to continue charging the County a rental rate based on the 2012 appraised value with reasonable increases. Recent review of fair market rents for this special use property supports the proposed rental amount. The proposed location continues to meet the County's requirements.

Co-working office space is not viable for the Sheriff to provide its public facing and confidential services.

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

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

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

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

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

IMPACT ON CURRENT SERVICES (OR PROJECTS)

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

The Honorable Board of Supervisors
December 20, 2022
Page 6

CONCLUSION

It is requested that the Executive Office of the Board, return one certified copy of the Minute Order and an adopted stamped copy of this 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:OM:FC:gb

Enclosures

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

**SHERIFF
5130 CLARK AVENUE**

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? Adjacent to County-owned property		X		
C	Does this lease centralize business support functions?		X		
D	Does this lease meet the guideline of 200 sq. ft of space per person? Could not calculate as City property is 25% of the Sheriff station.				X
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? Could not calculate as City property is 25% of the Sheriff station.				X
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ² Access to Long Beach Transit Bus Lines 93 and 176 which stop at the Lakewood Center, across the street from the Civic Center. Bus Services link to the Metro Light Rail System Blue Line and Green Line .		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? The County owns 75% of the building and the City will not sell the 25% portion of the building on City property.			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. ____ No suitable County occupied properties in project area.				
	3. X 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			X	
F	Has growth projection been considered in space request?		X		
G	¹ Has the Dept. of Public Works completed seismic review/approval?		X		

¹As approved by the Board of Supervisors 11/17/98

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

**5130 Clark Avenue, Lakewood
Sheriff's Department**

Leased Area (sq.ft.)	Office/Land	8,975	43,598
Term (months)		60	
Annual Rent Adjustment		Flat Rent	
		Cost Per RSF Per Month	Cost Per RSF Per Year
Base Rent		\$1.29	\$15.42

	1st Year	2nd Year	3rd Year	4th Year	5th Year	Total 5 Year Rental Costs
Annual Base Rent Costs ⁽¹⁾	\$138,426	\$138,426	\$138,426	\$138,426	\$138,426	\$693,000
Utilities Costs ⁽²⁾	TBD	TBD	TBD	TBD	TBD	TBD
Maintenance Costs ⁽³⁾	TBD	TBD	TBD	TBD	TBD	TBD
Total Annual Lease Costs						\$693,000

Footnotes

⁽¹⁾ The Base Rent is flat with no increases over the 5 year lease term.

⁽²⁾ The utilities costs are to be paid by the County (direct to the utility companies). These utilities are paid under the adjacent County-owned portion of the property.

⁽³⁾ The County pays for maintenance of the premises which includes the office building and the surface parking lot. The City pays for frontage landscaping services

COMPARISON OF THE PROPOSED LEASE TO EXISTING LEASE

	Existing Lease: 5130 Clark Avenue, Lakewood, CA	Proposed Lease 5130 Clark Avenue, Lakewood, CA	Change
Area (Land) Square Feet	43,598.	43,598	None
Area (office) Square Feet	8,975	8,975	None
Term (years)	Currently on month-to-month holdover	5 years (first of the month, following board approval)	+5 years
Annual Base Rent ⁽¹⁾ (Base rent includes parking spaces)	\$128,354	\$138,426	+\$10,072
County's TI Cost	None	None	None
Annual Parking Cost	None	None	None
Operating Expenses	Paid direct by County	Paid direct by County	None
Cancellation	None	County, anytime with 90 days prior written notice	+ Right to cancel
Option to Renew	None	Two 5-year options	+ Two 5-year options
Rental rate adjustment	None. Rent is flat throughout the lease term.	None. Rent is flat throughout the lease term.	None

⁽¹⁾ This is a modified full-service gross lease wherein the County will be responsible for all operational and maintenance costs of the facility, with the exception of landscape maintenance to be paid by the City.

**SHERIFF'S DEPARTMENT
SPACE SEARCH – 3 MILE RADIUS FROM
5130 CLARK AVENUE, LAKEWOOD**

Property ID	Name	Address	Ownership Type	Gross Sq Ft	Sq Ft Available	Vacant
4401	DHS - Bellflower Health Center	10005 E Flower St. Bellflower 90706	Owned	15,524	9,053	NONE
0005	Bellflower Courthouse	10025 E Flower St. Bellflower 90706	CA - Superior Courts	110,287	45,966	NONE
A293	Sheriff - Bellflower Substation	16615 Bellflower Blvd Bellflower 90706	Permit	7,400	6,700	NONE
A403	DMH - Rio Hondo Mental Health Services	17707 Studebaker Rd Cerritos 90701	Leased	27,924	17,633	NONE
A139	DCFS - South County (SPA 8)	4060 Watson Plaza Dr Lakewood 90712	Leased	87,200	60,265	NONE
5867	Public Library - Angelo M. Iacoboni Library	4990 Clark Ave Lakewood 90712	Owned	22,000	20,762	NONE
B580	Board of Supervisors - 4th District/PW - Inc City Offices	5050 Clark Ave Lakewood 90712	Gratis Use	421	400	NONE
A350	Department of Animal Care and Control Headquarters	5898 Cherry Ave Long Beach 90808	Owned	12,450	9,897	NONE
B600	Public Library - George Nye, Jr. Library	6600 Del Amo Blvd Lakewood 90713	Leased	7,100	6,136	NONE
6445	Alternate Public Defender - Legal Defense	9928 E Flower St. Bellflower 90706	Leased	900	855	NONE
6444	Public Library - Clifton M. Brakensiek Library	9945 E Flower St. Bellflower 90706	Leased	20,160	16,967	NONE

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: A five-year lease renewal for the Sheriff's Department at 5130 Clark Avenue, Lakewood – Fourth District.

A. Establish Service Function Category – The Lakewood Sheriff's Station Complex provides law enforcement services to the general public to the residents of the City of Lakewood and surrounding contract cities.

B. Determination of the Service Area – The Sheriff has leased this property since 1984. The proposed lease renewal will provide the Sheriff uninterrupted use of approximately 43,598 square feet of land, improved with 8,975 square feet of office space with parking and site improvements on the property.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: The Sheriff provides public safety enforcement services to the City of Lakewood and residents of contract cities, including the surrounding unincorporated areas.
- 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 served by the Long Beach Transit Bus Lines 93 and 176 which stop at the Lakewood Center Mall, across the street from the Civic Center. Bus services link to the Metro Light Rail System Blue Line and Green Line.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no existing County buildings available to meet the Sheriff's service needs.
- Compatibility with local land use plans: The City of Lakewood has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.
- Estimated acquisition/construction and ongoing operational costs: The maximum first year annual total lease costs are \$138,426 or \$15.42 per square foot per year, and comprises the total annual rental cost for the land and improvements on the property.

D. Analyze results and identify location alternatives

N/A

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

The proposed lease will provide adequate and efficient office space for 376 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 Sheriff's requirements.

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

**COUNTY OF LOS ANGELES - Tenant
CITY OF LAKEWOOD – Landlord**

**5130 NORTH CLARK AVENUE
LAKEWOOD, CALIFORNIA**

LEASE

This Lease Agreement ("Lease") is entered into as of the ____ day of _____, 2022 ("Effective Date"), by and between the CITY OF LAKEWOOD ("Landlord" or the "City") and the COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant" or the "County").

The parties hereby agree as follows:

1. Premises. Landlord is the owner of the land and a portion of a building comprising the "Premises", including approximately 34,623 square feet of land and approximately 8,975 square feet of building located thereon, commonly known as 5130 North Clark Avenue, in the City of Lakewood, County of Los Angeles. The portion of the building contained within the Premises constitutes a portion of the entire building utilized by Tenant as a Sheriff's station, which building is located partially on land owned by Tenant and partially on land owned by Landlord. The Premises are depicted in Exhibit A, and described legally in Exhibit B, which exhibits are attached hereto and incorporated by reference as though fully set forth herein. Landlord does hereby lease to Tenant, and Tenant does hereby Lease from Landlord, the Premises, on the terms set forth herein below.

2. Rent. Tenant shall pay to Landlord base rent ("Rent") in the amount of \$11,535.51 per month for rental of the Premises. Payments shall be made the first day of each calendar month, provided that at least fifteen (15) business days prior to the Commencement Date (as defined below), 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. Such payments shall be paid by electronic transfer via Automated Clearing House (ACH). Rent for any partial calendar month during the Term (as defined below) shall be prorated in proportion to the number of days during the Term (as defined below) within such calendar month.

3. Term. The initial term of this Lease shall be five (5) years ("Term"), 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 ("Commencement Date"), and ending sixty (60) months thereafter. 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 (as defined below) of this Lease together with any additional Extension Term (as defined below) for which an option has been validly exercised. Within thirty (30) days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing a Commencement Date Memorandum and Confirmation of Lease Terms in the form attached hereto as Exhibit C.

4. Tenant's Options to Renew. Tenant shall have two (2) options to renew this Lease, each for a term of five (5) years (individually an "Extension Option" and collectively the "Extension Option"). In order to exercise either of such Extension Options, Tenant shall give Landlord written notice of Tenant's exercise of either such option not less than six (6) months prior to the expiration of the Term then in effect. Such extended Lease shall be pursuant to the same terms and conditions, except that at the end of the Initial Term and the first five-year Extension Option thereof, the rental rate shall be adjusted by the cumulative change in the Consumer Price Index for all Urban Consumers for the Los Angeles-Long Beach-Anaheim California Area, published by

the United States Department of Labor, Bureau of Labor Statistics (the "CPI"), which adjustment(s) shall be computed as follows:

First extension (effective sixty (60) months after the Commencement Date):

$$\frac{\text{New Index (5 Years after Commencement Date)}}{\text{Base Index (July 2021)}} \times \text{Base Rent (\$11,535.51)} = \text{Adjusted Rent (Option 1)}$$

Second Extension (one hundred and twenty (120) months after the Commencement Date):

$$\frac{\text{New Index (10 Years after Commencement Date)}}{\text{Base Index (July 2026)}} \times \text{Option 1 Rent} = \text{Adjusted Rent (Option 2)}$$

5. Early Termination. Tenant shall have the right to terminate this Lease at any time by giving Landlord ninety (90) days prior written notice of such termination.

6. Holdover. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease or any extension thereof, such holdover Tenancy shall be terminable by Landlord on one hundred eighty (180) days written notice to Tenant, or by Tenant on ninety (90) days written notice to Landlord. During such holdover tenancy Tenant shall pay monthly rent in the amount inclusive of the CPI adjustment that would have gone into effect had Tenant exercised an option to extend the Term. If such holdover is after the Initial Term or the First Extension, the monthly rent will be equivalent to the Adjusted Rent amounts in Option 1 or Option 2, respectively (as calculated in Section 4 above).

If the holdover is after the Second Extension, the monthly rent will be adjusted as follows:

Holdover Tenancy:

$$\frac{\text{New Index (180 months after the Commencement Date)}}{\text{Base Index (120 months after the Commencement Date)}} \times \text{Option 2 Rent} = \text{Holdover Rent}$$

7. Use of the Premises. Tenant shall not use the Premises or any portion thereof for any purpose other than a Sheriff's station, twenty-four hours a day and seven days a week, and Tenant shall not sublease the Premises or any portion thereof, without the express, prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed.

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 ("Applicable Laws"). Tenant, not Landlord, 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").

9. Repairs and Maintenance. Tenant shall, at its expense, be responsible for all repairs and maintenance of any nature at the Premises. All such repairs and maintenance shall be at least equal in quality, value, and utility to the original work or installation. Tenant may hire Landlord to perform some of Tenant's maintenance obligations.

10. Alterations and Additions. Tenant shall not make any structural alterations, improvements, additions, or utility installations ("Alteration(s)") at the Premises without first

obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria:

- a. is not visible from the exterior of the Premises;
- b. will not materially affect the systems or structure of the Premises; and
- c. complies with all Applicable Laws.

If Landlord fails to respond in writing within thirty (30) days of any such request, Landlord shall be deemed to approve the Alteration.

11. Services and Utilities. Tenant shall pay for all services required for Tenant's use of the Premises. Tenant shall pay all charges for utilities, including but not necessarily limited to sewer, effluent treatment, water, electricity, gas, heating, HVAC, and any other utility charges payable in connection with the use of the Premises.

12. Tenant's Indemnity. Tenant shall indemnify, defend and hold harmless 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 Tenant's repair, maintenance and other acts and omissions arising from and/or relating to Tenant's use of the Premises.

13. Landlord's Indemnity. Landlord shall indemnify, defend and hold harmless 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 Landlord's repair, maintenance and other acts and omissions arising from and/or relating to Landlord's ownership of the Premises.

14. Tenant Insurance. During the term of this Lease, Tenant shall maintain the following insurance:

(a) Commercial property insurance which shall:

i. cover damage to the Premises, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates) and

ii. be written for full replacement cost of the Premises, with a deductible of no greater than five percent (5%) of the property value.

(b) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

i. per occurrence and general aggregate amount of \$5,000,000;

ii. products/completed operations aggregate of \$2,000,000 and

iii. personal and advertising injury of \$1,000,000.

(c) Insurance proceeds shall be payable to Landlord and Tenant as their interests may appear and be utilized for repair and restoration of the Premises.

Failure by Tenant to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or to use any insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Lease.

All insurance policies required to be maintained by Tenant under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All liability and property damage and other casualty policies of Tenant shall be written as primary policies, not contributing with, and not in excess of coverage which Landlord may carry.

Tenant shall deliver to Landlord on the commencement date of this Lease and thereafter at least 15 days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates shall include the address of the Premises and must document that Tenant has named Landlord as an additional insured (or its equivalent) on its general liability and property insurance policy, and that Landlord has been named a loss payee on Tenant's commercial property insurance policy, as required. Further, all certificates shall expressly provide that no less than 30 days' prior written notice shall be given to Landlord in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

Tenant may satisfy its insurance obligation by self-insurance.

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

15. Landlord Insurance. During the term of this Lease, Landlord shall maintain the following program of insurance/self-insurance coverage:

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

General Aggregate:	\$ 4 million
Products/Completed Operations Aggregate:	\$ 2 million
Personal and Advertising Injury:	\$ 1 million
Each Occurrence:	\$ 2 million

Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or to use any insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Lease.

All insurance policies required to be maintained by Landlord under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All liability and property damage and other casualty policies of Landlord shall be written as primary policies, not contributing with, and not in excess of coverage which Tenant may carry.

Landlord shall deliver to Tenant on the commencement date of this Lease and thereafter at least 15 days prior to expiration of any insurance required to be carried hereunder,

certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates shall include the address of the Premises and must document that Landlord has named Tenant as an additional insured (or its equivalent) on its general liability and property insurance policy, and that Tenant has been named a loss payee on Landlord's commercial property insurance policy, as required. Further, all certificates shall expressly provide that no less than 30 days' prior written notice shall be given to Tenant in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

Landlord may satisfy its insurance obligation by self-insurance

16. Hazardous Materials. Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or sub-tenants 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, 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 or the Premises.

17. Environmental Condition (Fuel Tanks). Currently, on the portion of the Sheriff's station property not owned by the City, the County operates an active fueling facility that consists of a canopied fuel island with two fuel dispensers and two double-wall steel 8,000-gallon unleaded gasoline underground storage tanks (USTs). The gasoline USTs are located approximately 90 feet southwest of the fuel island in an area used for light-vehicle parking. There was a former fueling facility (removed in 1993) consisting of two 8,000-gallon unleaded gasoline USTs located approximately 40 to 50 feet west of the existing fuel island beneath a common concrete pad (see Exhibit D). The County submitted a closure report in 1993 to the County Department of Public Works for the UST removal, but the case remained open and was transferred to the Los Angeles Regional Water Quality Control Board (LARWQCB) in March 2015. Since 2015, LARWQCB has ordered the County to take corrective action to investigate contamination in soil and groundwater resulting from the USTs. To date, the investigation indicates that total petroleum hydrocarbons as gasoline (TPH_G), total petroleum hydrocarbons as diesel (TPH_D), benzene, toluene, ethylbenzene, and xylenes (BTEX), and methyl tert-butyl ether (MTBE) exist in soil and groundwater at, about, and under the County's parcel (the Environmental Condition). The County will be installing a groundwater well on the Premises pursuant to a separate access agreement with the City.

18. Environmental Indemnity. To the extent permitted by Environmental Laws, in addition to the general Tenant's Indemnity set forth above, the County shall indemnify, protect, defend (by counsel acceptable to the City) and hold harmless the City and all City officials, employees, and agents from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, the Environmental Condition, or other violation of laws relating to Hazardous Materials, other than those caused by Landlord. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup, remediation, mitigation, or detoxification, and the preparation and implementation of any closure, investigation, monitoring or other required plans, as such action is required by federal, state, and/or local laws and regulations or any governmental agency. The County shall promptly deliver to the City a copy of any notice or correspondence received from or submitted to any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or on, at or about the Premises and the Environmental Condition. The County's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by the County under this Section shall constitute a material default under this Lease.

19. Casualty/Damage. If all or any portion of the Premises shall be made unusable by fire or other casualty, Landlord shall promptly, but in any event within ten (10) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time and cost required to substantially complete the repair and restoration of the Premises and make the Premises leasable again using standard working methods. Landlord and Tenant shall meet and confer within twenty (20) days and in good faith negotiate the allocation of costs with regards to repair and restoration of the Premises. If the parties cannot agree on repair and restoration of the Premises, Tenant may terminate the Lease and Tenant will vacate the Premises. If Tenant vacates, Tenant is not liable for rent that would have been due after the date of termination. Rent shall abate to the extent that the Premises are unusable by Tenant.

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

21. Headings. Titles to sections of this Lease shall not have any effect on the construction or interpretation of any part hereof.

22. Construction and Interpretation of Lease. Each party to this Lease has been represented by legal counsel. In construing or interpreting this Lease, no presumption shall apply with respect to which party drafted this Lease.

23. Severability. Should any provision of this Lease be determined to be invalid, void, or illegal, that shall not affect the validity of the remaining portions of this Lease, which shall continue to be in full force and effect.

24. Entire Agreement. This Lease is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises 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.

25. Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

- a. Landlord's Address for Notice: City of Lakewood
5050 Clark Avenue
Lakewood, CA 90712
Attn: Director of Finance &
Admin. Services
- b. Tenant's Address for Notice: Board of Supervisors
Kenneth Hahn Hall of Administration
Room 383
500 West Temple Street
Los Angeles, CA 90012

With a copy to:

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

26. Governing Law and Forum. 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.

27. 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.

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

29. CASp Inspection. 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.

30. 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 any common areas during the Term of this Lease, subject to the terms and conditions of this Lease.

31. 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.

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

33. Authority. Only the County's Board of Supervisors ("Board of Supervisors") has the authority, by formally approving and/or executing this Lease, to bind Tenant to the terms included herein. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the

Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease, and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by Tenant. Tenant shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Office of the County (the "Chief Executive Office") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an early termination notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

34. Smoking in County Facilities. The Surgeon General of the United States has concluded that passive smoke exposure is the third leading cause of preventable death in the United States. The United States Environmental Protection Agency has found second-hand smoke to be a known carcinogen. It is recognized that the County has a responsibility to establish, maintain and promote a healthful and safe working environment and to reduce health and safety risks of its employees and the public at large. Tobacco smoke is a hazard to the health of County employees and the general public and represents an annoyance which should be regulated and banned in all county facilities to the end that air quality in all such facilities be improved for the preservation and improvement of the health of all County employees and the public. Therefore, to the greatest extent possible, the rights and comfort of all employees shall be respected. Reasonable effort shall be made to provide smokers a place to smoke in areas open to the sky or otherwise located outside County facilities and, except as provided under Los Angeles County, California - Code of Ordinances Chapter 2.126 ("LAMC 2.126"), all portions of County-owned facilities and all portions of facilities leased by or from the County, which areas are not open to the sky, shall be designated as "no smoking" areas. Smoking, including the use of electronic smoking devices, shall be prohibited in the following areas of County facilities: (1) Within 50 feet of any operable entry or exit door or operable window of any County building and within 25 feet of any access ramp or handicap path; (2) Within any County parking lot, parking structure, or parking garage, whether enclosed or open to the sky; or (3) Within any driving range and eating area, including outdoor eating areas, of any County golf course. International no-smoking signs and other appropriate signs which designate no-smoking areas shall be clearly, sufficiently and conspicuously posted in every room, building or other place so covered by LAMC 2.126. The manner of such posting, including the wording, size, color and place of posting, whether on the walls, doors, tables, counters, stands or elsewhere, shall be at the discretion of the building Tenant so long as clarity, sufficiency and conspicuousness are apparent in communicating the intent. (Los Angeles County, California - Code of Ordinances Chapter 2.126.)

35. 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.

36. 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's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet Landlord's minimum qualifications for the open position. Tenant will refer GAIN-GROW participants by job category to Landlord. GAINGROW@DPSS.LACOUNTY.GOV and BSERVICES@WDACS.LACOUNTY.GOV

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

LANDLORD:

CITY OF LAKEWOOD

By: _____
Steve Croft, Mayor

TENANT:

COUNTY OF LOS ANGELES
a body corporate and politic

FESIA A. DAVENPORT
Chief Executive Officer

By: _____
John T. Cooke
Assistant Chief Executive Officer
Asset Management Branch

ATTEST:

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

By: _____
Deputy

APPROVED AS TO FORM

DAWYN R. HARRISON
Interim County Counsel


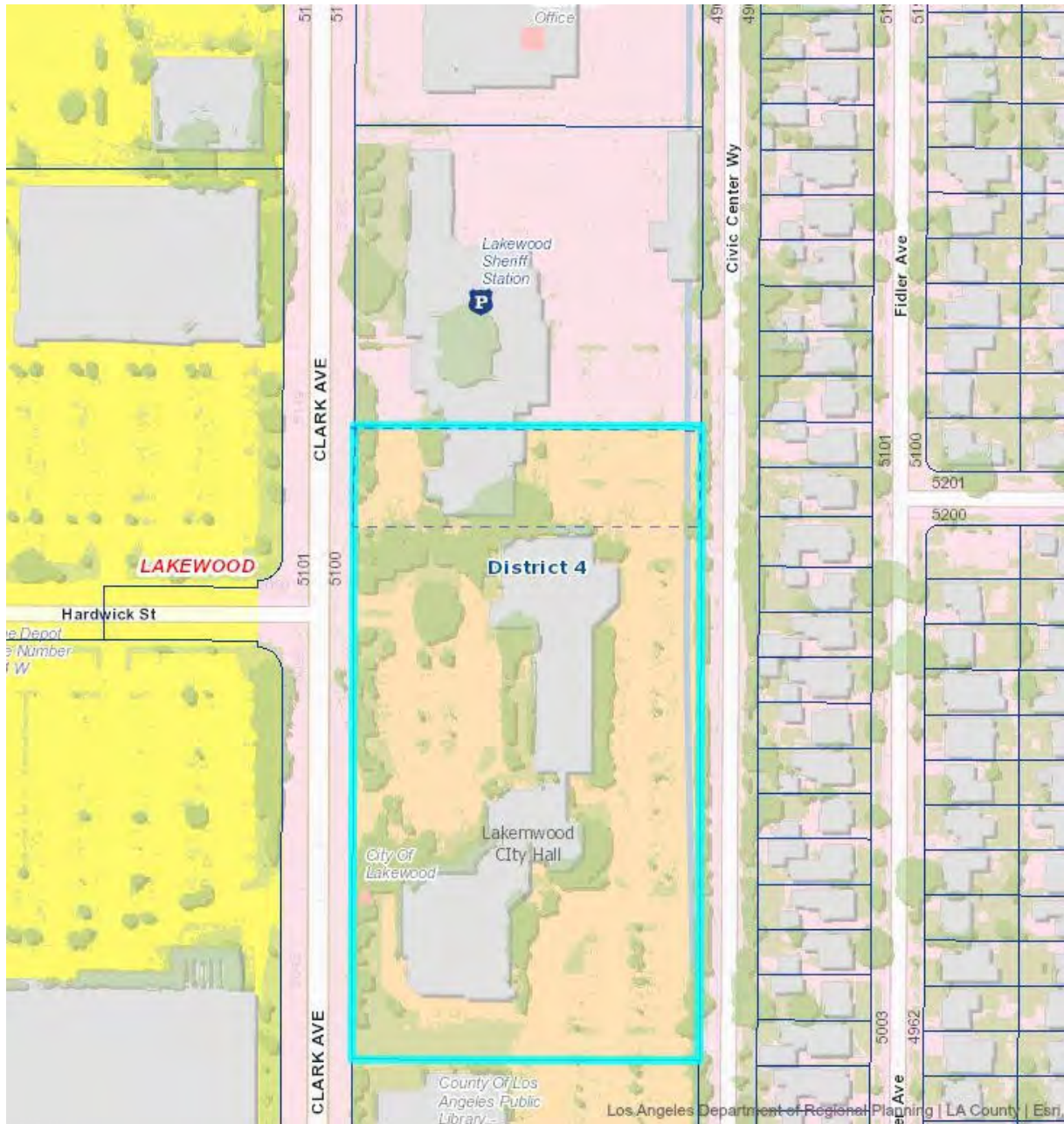
By:  _____
Senior Deputy

EXHIBIT A
SITE PLAN OF PREMISES



Portion of APN 7172-002-908 (shown dashed)

EXHIBIT B

LEGAL DESCRIPTION OF PREMISES

Portion of Lot 18, Tract No. 8084, recorded in Book 171, Page 24-30, of Maps, County of Los Angeles, California described by Instrument No. 217, recorded October 30, 1973.

EXHIBIT C

COMMENCEMENT DATE MEMORANDUM AND CONFIRMATION OF LEASE TERMS

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

Landlord and Tenant hereby acknowledge as follow:

- 1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____ ("Possession Date");
- 2) Tenant has accepted possession of the Premises and now occupies the same;
- 3) The Lease commenced on _____ ("Commencement Date");
- 4) The Premises contain _____ rentable square feet of space; and
- 5) Landlord has paid a commission in the amount of \$_____ to Tenant pursuant to Section 30.3 of the Lease.

[INCLUDE ONLY IF SECTION 5.2 PROVIDES FOR BASE RENT ADJUSTMENTS:]

[For clarification and the purpose of calculating future rental rate adjustments:

- 1) Base Rent per month is _____.
- 2) The Base Index month is _____.
- 3) The Base Index is _____.
- 4) The first New Index month is _____.]

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

Tenant:

COUNTY OF LOS ANGELES,
a body corporate and politic

Landlord:

_____,
a _____

By:

Name _____
Its _____

By:

Name _____
Its _____

Legend

- Proposed Groundwater Monitoring Well Location
- Approximate Location of Groundwater Monitoring Wells (MW-1 through MW-5 installed February 2019, MW-6 through MW-9 installed in December 2019)
- Approximate Location of Soil Boring (2017)
- Approximate Location of Former Underground Storage Tanks Excavation Pit (Removed 1993)
- Approximate Location of Existing Fuel Island
- Existing USTs

Approximate location of the Property Line

County of Los Angeles - property
AIN: 7112 - 002 - 901

City of Lakewood's property
AIN: 7112 - 002 - 908

North Arrow

Scale: 1" = 30'

Project: 11561.031

Eng/Geot: MW

Date: September 2020

Base Map: ESRI Aerials Online 2000

Thematic Information: Lighten

Author: Laidman Geomatics (Intern)

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	11/30/2022			
BOARD MEETING DATE	12/20/2022			
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)	Registrar-Recorder/County Clerk			
SUBJECT	Approve a proposed fifteen-year lease for approximately 144,000 square feet of office/warehouse space and 785 on-site parking spaces at 13401 Crossroads Parkway North, City of Industry, CA 91746 and authority to negotiate and execute a separate lease for the temporary relocation of the Registrar-Recorder /County Clerk's Vote by Mail operations into a building to be determined and used during construction of the tenant improvements. If the two 5-year options to extend the term are exercised, the total terms would be twenty-five years.			
PROGRAM	County election operations			
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	The proposed Premises must be operational by January 1, 2024, in advance of the 2024 Presidential election.			
COST & FUNDING	<table border="1"> <tr> <td>Total cost: \$109,049,000</td><td>Funding source: The costs will be funded with a combination of net County cost, one-time available fund balance, and RR/CC's existing resources.</td></tr> </table>		Total cost: \$109,049,000	Funding source: The costs will be funded with a combination of net County cost, one-time available fund balance, and RR/CC's existing resources.
Total cost: \$109,049,000	Funding source: The costs will be funded with a combination of net County cost, one-time available fund balance, and RR/CC's existing resources.			
	TERMS (if applicable): Base rent is subject to annual CPI increases capped at 3% per annum. 785 on-site parking spaces are included in the lease.			
	Explanation: Sufficient funding for Fiscal Year (FY) 2023-24 to cover the proposed rent, County TI costs, and Low-Voltage Items for the first year has been set aside in the Provisional Financing Uses Budget unit and will be transferred to RRCC during the FY 23-24 Recommended Budget. Beginning in FY 2024-25, ongoing funding for costs associated with the proposed lease will be requested by RRCC as part of the annual budget process.			
PURPOSE OF REQUEST	Approval of the recommended actions will authorize and adequately provide necessary office/warehouse space for RR/CC and a separate lease for temporary space to relocate the RR/CC's Vote by Mail operations at a location to be determined and used until the permanent space is ready for occupancy.			
BACKGROUND (include internal/external issues that may exist including any related motions)	A proposed fifteen-year lease for 144,000 square feet of office/warehouse space, and 785 on-site parking spaces for the Registrar-Recorder/County Clerk allowing for consolidation of the County's election operations.			
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	Mike 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

December 20, 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:

**FIFTEEN-YEAR LEASE
REGISTRAR-RECORDER/COUNTY CLERK
13401 CROSSROADS PARKWAY NORTH, CITY OF INDUSTRY
(FIRST DISTRICT) (3 VOTES)**

SUBJECT

Approval of a proposed new fifteen-year lease for approximately 144,000 square feet of office/warehouse space, and 785 on-site parking spaces for the Registrar-Recorder/County Clerk (RR/CC) for consolidation of the County's election operations and authorization of the issuance of taxable commercial paper notes (Notes) through the County Capital Asset Leasing Corporation Lease Revenue Note Program (Note Program) to provide financing for the tenant improvement (TI) costs.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease is exempt from the California Environmental Quality Act (CEQA), for the reasons stated in this Board letter and in the record of the project.
2. Find that the issuance of Notes through the Note Program in order to finance TI costs is not subject to CEQA because they are activities that are excluded from the definition of a project for the reasons stated in this Board letter and in the record of the project.
3. Authorize the Chief Executive Officer, or her designee, to execute the proposed lease with RR&C CROSSROADS NO. 1, LLC, a Delaware limited liability company (Landlord), for approximately 144,000 square feet of office/warehouse space, and 785 on-site parking spaces located at 13401 Crossroads Parkway North, City of Industry, 91746 (Premises) to be occupied by the RR/CC. The estimated

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

maximum first year base rental cost of \$3,312,000 paid to the Landlord, includes rent abatement of \$662,400. The estimated maximum total lease cost is \$109,049,000, including County's TI contribution, costs, low-voltage costs and rent abatement, over the 15-year term. The costs will be funded with a combination of net County cost, one-time available fund balance, and RR/CC's existing resources.

4. Authorize the Chief Executive Officer, or her designee, to reimburse the Landlord up to \$21,024,000 for the County's TI contribution, if paid in lump sum or \$25,427,000 if amortized over five years at 7.75 percent interest per annum.
5. To finance the County's TI contribution, establish TI Project No. 57254 for the lease at 13401 Crossroads Parkway North, City of Industry, CA.
6. Authorize the issuance of Notes through the Note Program in the amount not to exceed \$21,025,000 for the TI costs. Also, approve an amount not to exceed \$790,000 be funded by the benefiting department, for interest due to the Landlord until County payment is received.
7. Authorize the Director of RR/CC to contract with and direct the Internal Services Department (ISD), in coordination with the Chief Executive Officer, or her designee, for the acquisition and installation of telephone, data, and low-voltage systems and vendor installation (Low-Voltage Items) at a total cost not to exceed \$9,000,000 if paid in a lump sum or \$10,365,000 if amortized over five years at 8 percent interest per annum. The cost for the Low-Voltage Items is in addition to the rental costs and the County's TI contribution payable to the Landlord.
8. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the terms of the proposed lease, and to take actions necessary and appropriate to implement the terms of the proposed lease, including, without limitation, exercising any renewal options, and termination rights.
9. Authorize the Chief Executive Officer, or her designee, to negotiate and execute a separate lease for the temporary relocation of the RR/CC's Vote by Mail (VBM) operations into a building to be identified with approximately 60,000 square feet of office/warehouse space and up to 500 parking spaces during construction of the tenant improvements at the Premises. The initial term of a temporary lease shall not exceed two years and the maximum first year base rental cost shall not exceed \$42 per square foot, per year plus utilities, and parking costs shall not exceed \$1,200 per space per year. The Chief Executive Officer, or her designee, will notify the Board when a temporary lease is executed.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed lease will allow the RR/CC to consolidate the County's election operations that have outgrown their existing offices and are currently housed in several different spaces at various locations throughout the County. The consolidation will free up space and ease overcrowding within the RR/CC's County-owned headquarters located at 12400 Imperial Highway, Norwalk. In addition, space temporarily used by RR/CC within County-Owned Probations facility located at 9150 East Imperial Highway, Downey can be returned to ISD. Finally, RR/CC will no longer need to lease yard space for storage of the election vehicles and trucks. The consolidation will include the RR/CC's VBM operations, the Tally Operation Center, Ballot Preparation, Canvass operations, the Ballot Drop Box program, the Election Call Center, parking of election deployment vehicles and trucks, plus placement of storage containers within the parking lot, and the use of a portion of the parking lot for helicopters used to transport ballots. Bringing all these RR/CC functions under one roof will increase ballot and election security and operational efficiency by eliminating the need for ballot handoffs and travel between various processing locations throughout the County.

The RR/CC's VBM has been occupying a portion of the Premises since March 2021, while the parties negotiated this proposed lease. Once the TI work begins in this space, a separate temporary lease is needed to relocate the VBM operations commencing with construction of the TI work until this proposed space is ready for occupancy. The Chief Executive Office (CEO) is searching for space for RR/CC to use during TI construction and will terminate the existing lease at the Premises once the County executes a new temporary lease at a location to be determined. If CEO is able to locate a temporary location that meets the RR/CC's space needs, then it will be critical to execute a lease agreement quickly to secure the space given the need to have the permanent space ready for occupancy in advance of the 2024 Presidential Election.

The VBM operation provides a VBM ballot to every registered voter in the County followed by processing the returned ballots which includes manually sorting them in advance of scanning them through the Automatic Signature Recognition equipment, extracting VBM ballots, processing all undeliverable VBM packages, issuing second ballots to voters, decompressing ballot security envelopes, forwarding provisional ballots to data entry, process petitions and de-processing approximately 400 VBM drop off locations.

The Tally Operation Center program includes tally, ballot preparation, and canvas operations. Tally counts and tally's all election ballots received. Ballot prep includes management and inspection of all ballots received prior to scanning and tallying maintenance of the chain of custody to minimize the risk if missing/stolen/lost ballots and overseeing the review and verify accuracy of ballots while maintaining a productive workflow. Canvass includes post-election coordination and tasks involving remaking ballots received, processing provisional ballots and the manual tallying and auditing a percentage of all Ballot Marking Device (BMD) and VBM ballots received. The Call Center

reconciles election and nonelection-related issues with equipment and processes, and IT-related and non-IT related storage.

The Premises will be occupied by approximately 996 RR/CC employees, including 786 temporary employees during elections.

The facility is centrally located within the County, and in close proximity to public transportation and major freeways.

We have provided for TIs to be funded either by the Landlord or through the Note Program and will select the lower cost option at the time TIs must be paid. Based on current rates, the Note program is currently estimated to save the County approximately \$1,039,627 in borrowing costs, exclusive of insurance costs and interest to the Landlord, if any.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal 3 - *“Realize Tomorrow’s Government Today”* - provides that our increasingly dynamic, and complex environment, challenges our collective abilities to respond to public needs and expectations. We want to be an innovative, flexible, effective, and transparent partner focused on advancing the common good.

The proposed lease is also consistent with Strategic Asset Management Goal Strengthen Connection Between Service Priorities And Asset Decisions and Key Objective No. 4 Guide Strategic Decision Making.

The proposed lease supports the above goals and objective by consolidating the County’s election operations.

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

FISCAL IMPACT/FINANCING

The aggregate cost associated with the proposed lease over the entire term is \$109,049,000 as shown on Enclosure B. The costs, including repayment of the Notes, if applicable, will be funded with a combination of net County cost, one-time available fund balance, and RR/CC’s existing resources.

Traditionally, the County borrows the TI dollars from the landlord at interest rates in the range of seven to eight percent. The Note Program serves as an alternative funding mechanism to finance the TI costs in place of the TI funding provided by the landlord. For budgetary and planning purposes, the County assumes a borrowing cost, including interest, administrative cost, and insurance, of six percent for the Note Program.

However, the interest rate of the Notes will be based on the market conditions at the time of issuance. It is anticipated that the department can borrow the TI dollars at a lower rate than that offered by the Landlord, and thereby achieve a cost savings.

The Notes will be issued to fund TI costs after completion of the TI project, tenant department takes occupancy of the leased space, with payment due within 60 days of receiving the Landlords reconciliation of project expenditures. After the Landlord is reimbursed for the TI, RR/CC would begin to repay the Note costs, which include principal, interest, administrative fees, and insurance. The Notes will have a final repayment date not to exceed five years from the date of issuance. Annually, the CEO will coordinate with the tenant department to determine the amount of available cash to repay all or a portion of the outstanding Notes, and incorporate the planned redemptions in the budget no later than May 15th of each year in order for redemption of the outstanding Notes to be completed by June 30th of each year.

Should the Note Program be used to pay TIs, sufficient funds would be appropriated through the budget process in the TI project number under J50 to allow for the lump sum payment to the Landlord. Sufficient funds for the proposed lease and County TI reimbursement costs, including repayment amounts for the Note Program or repayment to the Landlord, as applicable, would be appropriated in the Rent Expense Budget and will be billed back to RR/CC.

Subject to the lease terms, there may be interest due to the Landlord until the County payment is received. Since this interest cost is not eligible to be financed under the Note Program, this interest cost will be paid by the Rent Expense Budget and the costs will be disbursed to the tenant department.

Sufficient funding for Fiscal Year (FY) 2023-24 to cover the proposed rent, County TI costs, and Low-Voltage Items for the first year has been set aside in the Provisional Financing Uses Budget unit and will be transferred to RRCC during the FY 23-24 Recommended Budget. Beginning in FY 2024-25, ongoing funding for costs associated with the proposed lease will be requested by RR/CC as part of the annual budget process. The costs for Low-Voltage Items will be paid by RR/CC directly to ISD and are not part of the proposed lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

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

- The initial base rent of \$23 per square foot, per year is the effective rate after taking into account the rent abatement provided in the lease. The base rent includes parking and is subject to annual increases based on the Consumer Price Index capped at 3 percent per annum.

- The maximum first year rental cost of \$3,974,400 paid to the Landlord is adjusted to \$3,312,000 after deducting the one-time credit of \$662,400, a rent abatement for months one and two of the initial term.
- Total TI costs are expected to be \$26,784,000 (\$186 per square foot). The Landlord will provide \$5,760,000 (\$40 per square foot) base TI allowance and the County's TI contribution shall be \$21,024,000 (\$146 per square foot).
- The Landlord will provide an additional \$1,440,000 (\$10 per square foot) future refurbishment base TI allowance after the 126th month of the initial term or after the 120th month of the initial term, upon the County waiving its early termination right.
- The Landlord is to provide approximately 785 parking spaces comprised of approximately 771 reserved and 14 in-common parking spaces at no additional cost subject to restriping of the parking lot in order to comply with the Americans with Disabilities Act (ADA) requirements which may reduce total number of parking spaces.
- The Landlord is responsible for installing electric charging stations at a minimum of 3 percent of the total parking spaces.
- The County is permitted to install storage containers in the parking lot including the parking of deployment vehicles and trucks overnight, installation of temporary canopies and the landing of helicopters onsite, subject to any required governmental approvals, as needed.
- The Landlord will provide the County with additional after-hours parking spaces at the Landlord's other property located across the street at 13300 Crossroads Pkwy North, City of Industry, during elections at no additional cost, subject to availability.
- The County is responsible for reimbursing the Landlord the costs of its electric usage including its pro rata share of electric usage for the freeway pylon signage separately metered.
- The Landlord is responsible for janitorial services, including day porter service at its sole cost and expense.
- The Landlord is responsible for the operating and maintenance costs of the building excepting electric. The County is not subject to the building's operating expense increases.

- The County is responsible to reimburse Landlord for all Property Taxes exceeding \$250,000 per annum.
- Two options to extend the lease for an additional period of five years each with nine months' prior written notice at 100 percent of Fair Market Value. If all options are exercised, the total term of the proposed lease would be twenty-five years.
- The County has the right to terminate the proposed lease any time between the 120th and 126th months of the initial lease term with 180 days' notice.
- The Landlord, at its sole cost and expense will construct and install fencing around the perimeter of the property in consultation with the County, replace the building's backup generator, and replace the existing roof and HVAC equipment.
- Holdover at the proposed lease expiration is permitted on the same lease terms and conditions, and not subject to a holdover fee.
- The right to install signage on the exterior of the building and the exclusive right to install signage on the top prominent position of the building's multi-tenant pylon sign at its sole cost and expense. The County shall be responsible for its pro rata share of the maintenance, repair and electric costs of the signage.
- In the event the Landlord elects to sell the building to an unrelated third party, Landlord shall give written notice to the County offering the building to the County for purchase.
- The proposed lease will be effective upon approval by the Board and full execution of the proposed lease, but the term and rent will commence upon 30 days following substantial completion of the tenant improvements by the Landlord and acceptance of the Premises by the County.

The CEO issued a flyer and conducted a market search of available office space for lease but was unable to identify any sites that could accommodate this requirement more economically. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$29.33 and \$33.26 per square foot, per year. The effective first year base annual rental rate of \$23 per square foot, per year for the proposed lease represents a rate that is below the market range for the area. We recommend the proposed facility as the most suitable to meet the County's space requirements.

The RR/CC provides direct services and the unique Election operations space needs for this requirement makes co-working space not a suitable option

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

The Department of Public Works has inspected the facility and found it suitable for County occupancy. Construction of the TIs will be completed in compliance with relevant building and construction laws and regulations, including the Americans with Disabilities Act. The required notification letter to the City of Industry has been sent in accordance with Government Code section 25351.

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

The proposed lease will provide for a suitable office/warehouse location for RR/CC's program(s), which is consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012, as outlined in Enclosure D.

The Note Program is a short-term financing program utilized by the County to provide the initial funding mechanism for construction and capital improvement projects. The Notes issued through the Note Program are short-term variable rate debt instruments and the interest rate is reflective of the market conditions at the time of issuance. Upon project completion and after occupancy of the leased spaces and reconciliation of project expenditures, Notes will be issued to remit for the TI costs.

The Note Program process involves the County making a lump sum payment to the landlord upon reconciliation of the final TI costs by use of a special fund, designated as J50. The J50 fund has been established to capture the TI expenditures exclusively related to the TIs funded by the Notes.

ENVIRONMENTAL DOCUMENTATION

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

Using the Note Program to finance the TIs is not subject to CEQA because they are activities that are excluded from the definition of a project by section 21065 of the Public Resources Code and section 15378 of the State CEQA Guidelines. The proposed action to establish TI project numbers and authorize the issuance of short-term Notes is organizational and an administrative activity of government that will not result in indirect or direct physical changes to the environment pursuant to section 15378(b)(5). The projects to which the recommended organizational and/or administrative actions apply have previously been approved by the Board and necessary CEQA findings for each project were made at the time of approval. There are no changes proposed to the projects as a result of the currently recommended actions, which would necessitate further findings under CEQA.

Upon the Board's approval of the recommended actions, a Notice of Exemption will be filed with the RR/CC in accordance with section 21152 of the California Public Resources Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

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

CONCLUSION

It is requested that the Executive Office of the Board return one certified copy of the Minute Order and an adopted stamped copy of this 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:MAN:MAC:gb

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Internal Services
Registrar-Recorder/County Clerk

**Registrar-Recorder/County-Clerk
13401 Crossroads Parkway North, City Of Industry**

Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>	Yes	No	N/A
A	Does lease consolidate administrative functions? It consolidates the County's Election operations.	X		
B	Does lease co-locate with other functions to better serve clients? It consolidates the County's Election operations	X		
C	Does this lease centralize business support functions? It consolidates the County's Elections operation	X		
D	Does this lease meet the guideline of 200 sq. ft of space per person? It is approximately 145 sq. ft. of space per person due to the additional 786 temporary employees during elections		X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline?	X		
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? 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 enclosed as Enclosure C?			
G	Was build-to-suit or capital project considered?		X	
3.	<u>Portfolio Management</u>			
A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?			X
D	Why was this program not co-located?			
	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? The County is responsible for its electrical usage costs)		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				

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

13401 Crossroads Parkway North, City of Industry
Registrar-Recorder/City Clerk

Leased Area (sq. ft.)

144,000

Term (Months)

180

6/1/2023

Base Rent (Monthly Gross, net of electric)

\$27.60

Annual MG Base Rent Adjustment

3.00%

of People for Low Voltage

750

Low Voltage Costs

\$9,000,000

Low Voltage (Lump Sum) (30%)

\$2,700,000

LV (Labor & TESMA Cost) (70%)

\$6,300,000

LV (Labor & TESMA Cost) (70%) Amortized 5 years at 8% IR

\$7,664,477

Labor Cost Lump Sum Payment

TESMA (Lump Sum Costs)

TESMA (Amortized Costs @ 8% IR, 5 Yrs)

Low Voltage Total

(Labor + TESMA Cost) Low Voltage (Lump Sum)

\$2,700,000

\$6,300,000

\$0

\$9,000,000

(Labor + TESMA Cost) Low Voltage (Amortized)

\$2,700,000

\$6,300,000

\$1,364,477

\$10,364,477

Lump Sum Cost

Amortized Cost @ 7.75% IR, 5 Yrs

Difference

Tenant's TI Contribution (Reimbursable)

\$21,024,000

\$25,426,795

\$4,402,795

1st Year

2nd Year

3rd Year

4th Year

5th Year

6th Year

7th Year

8th Year

9th Year

10th Year

11th Year

12th Year

13th Year

14th Year

15th Year

Total 15 Year Rental Costs

Base Rent¹

\$3,974,400

\$4,093,632

\$4,216,441

\$4,342,934

\$4,473,222

\$4,607,419

\$4,745,641

\$4,889,011

\$5,034,651

\$5,185,691

\$5,341,261

\$5,501,489

\$5,666,544

\$5,836,540

\$6,011,637

\$73,920,660

Base Rent²

\$955,400

\$653,000

Sub-Total Paid to Landlord

\$3,317,000

\$4,093,632

\$4,216,441

\$4,342,934

\$4,473,222

\$4,607,419

\$4,745,641

\$4,889,011

\$5,034,651

\$5,185,691

\$5,341,261

\$5,501,489

\$5,666,544

\$5,836,540

\$6,011,637

\$73,258,000

Tenant's TI Contribution (Reimbursable)³

\$5,085,359

\$5,085,359

\$5,085,359

\$5,085,359

\$5,085,359

\$5,085,359

\$5,085,359

\$5,085,359

\$5,085,359

\$5,085,359

\$5,085,359

\$5,085,359

\$5,085,359

\$5,085,359

\$5,085,359

\$25,427,000

Total Paid to Landlord

\$8,299,259

\$9,178,991

\$9,301,800

\$9,428,293

\$9,558,581

\$9,692,778

\$9,831,000

\$9,974,370

\$10,119,010

\$10,267,050

\$10,416,620

\$10,568,848

\$10,722,903

\$10,878,899

\$11,037,000

\$98,685,000

Low Voltage Lump Sum (30%)⁴

\$2,700,000

\$2,700,000

LV (TESMA Labor & Materials) (70%)⁵

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$7,665,000

Total Low Voltage

\$4,232,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$1,532,895

\$10,365,000

Total Lease Costs

\$12,632,154

\$10,711,886

\$10,834,695

\$10,961,189

\$11,091,477

\$11,224,114

\$11,358,496

\$11,494,206

\$11,631,546

\$11,769,586

\$11,908,556

\$12,048,384

\$12,188,744

\$12,329,644

\$12,471,092

\$128,048,000

Based on a Modified-Gross Base Rent subject to Consumer Price Index (CPI) increases capped at 3 percent per annum. The County shall reimburse the Landlord for the County's electric usage.

¹ The County is subject to Real Estate Taxes exceeding \$250,000 per annum (Expense Step).

² The monthly rent for months 1 and 2 of the initial term shall be waived.

³ Based on the Tenant's TI Contribution (Reimbursable) (\$146 SF) should it be fully spent, and amortized over 5-years @ 7.75% interest per annum

⁴ Based on BID's costs paid lump sum.

⁵ Based on the TESMA Low Voltage Labor & Materials costs amortized over 5-years @ 8% interest per annum.

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

**REGISTRAR-RECORDER/COUNTY CLERK
SPACE SEARCH – FIVE MILE RADIUS
13401 CROSSROADS PARKWAY NORTH, CITY OF INDUSTRY**

Property ID	Name	Address	Ownership	Gross Sq Ft	Vacant
4521	Sheriff - Homicide Bureau & Parole Compliance	1 Cupania Circle Monterey Park 91755	Leased	42,547	NONE
10111	Regional Facilities Agency	265 Cloverleaf Dr Baldwin Park 91706	Owned	444,244	NONE
A275	Community Development Commission Headquarters	2 Coral Cir Monterey Park 91755	Leased	67,500	NONE
A130	DPSS - Administrative Headquarters	12860 Crossroads Pkwy S City of Industry 91745	Leased	55,000	NONE
6144	Maclaren Children's Center	4024 N Durfee Ave El Monte 91732	Owned	71,733	NONE
6064	El Monte Courthouse	11234 E Valley Blvd El Monte 91731	CA - Superior Courts	136,512	NONE
5883	Alhambra Courthouse	150 W Commonwealth Ave Alhambra 91801	CA - Superior Courts	111,727	NONE
A387	DPSS - Gain Program Headquarters/DA - Claims Unit	3220 Rosemead Blvd El Monte 91731	Leased	26,335	NONE
B002	DPSS - Administrative Headquarters East Annex	12900 Crossroads Pkwy S City of Industry 91745	Leased	34,245	NONE
0229	Ag Comm/Wts & Meas HQ/Probation Special Services	12300 Lower Azusa Rd Arcadia 91706	Owned	35,878	NONE
A493	San Gabriel Valley Family Service Center I	3350 Aerojet Ave El Monte 91731, 9150 Flair Dr El Monte 91731	Leased	120,000	NONE
A507	DPSS - Administrative Headquarters West Annex	12820 Crossroads Pkwy S City of Industry 91745	Leased	33,331	NONE
A522	PH/DPSS/DCFS - Telstar El Monte County Center	9320 Telstar Ave El Monte 91731	Leased	163,000	NONE

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Lease for the Registrar-Recorder/County Clerk – 13401 Crossroads Parkway North, City of Industry – First District.

A. Establish Service Function Category – RR/CC election operations.

B. Determination of the Service Area – Location needs to be centrally located within the County with close proximity to freeway access.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: Centrally located within the County.
- Need for proximity to existing County facilities: In close proximity to the RR/CC's Headquarters located in Norwalk.
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: Located in close proximity to local transit services, i.e. bus service and Metrolink.
- Availability of affordable housing for County employees: N/A.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no alternative existing County buildings available that meet RR/CC's space needs.
- Compatibility with local land use plans: The City of Industry has been notified of the proposed County use which is consistent with its use and zoning for office/warehouse space at this location.
- Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed Lease over the initial 15-year term is \$109,049,000.

D. Analyze results and identify location alternatives

The CEO issued a flyer and conducted a market search of available office space for lease but was unable to identify any sites that could accommodate this requirement more economically. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$29.33 and \$33.26 per square foot, per year. The effective base annual rental rate of \$23 per square foot, per year for the proposed lease represents a rate that is below the market range for the area. We recommend the proposed facility as the most suitable to meet the County's space requirements.

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

The proposed lease will provide adequate and efficient office space for 996 employees and clients consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

COUNTY OF LOS ANGELES - Tenant
RR&C CROSSROADS NO. 1, LLC - Landlord

13401 CROSSROADS PARKWAY NORTH
CITY OF INDUSTRY, CALIFORNIA

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EXHIBITS

- Exhibit A – Floor Plan of the Premises
- Exhibit B – Commencement Date Memorandum and Confirmation of Lease Terms
- Exhibit C – Heating, Ventilation, and Air Conditioning Standards
- Exhibit D – Cleaning and Maintenance Schedule
- Exhibit E – Subordination, Non-disturbance and Attornment Agreement
- Exhibit F – Tenant Estoppel Certificate
- Exhibit G – Community Business Enterprise Form
- Exhibit H – Memorandum of Lease
- Exhibit I – Landlord's Work Letter
- Exhibit J - Supplemental Parking Area
- Exhibit K - Covenants, Conditions and Restrictions

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") is entered into as of the _____ day of _____, 2022 between RR&C CROSSROADS NO. 1, LLC, a Delaware limited liability company ("Landlord"), and COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION

1.1 Terms

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

(a) Landlord's Address for Notices:	RR&C Crossroads No. 1, LLC c/o Majestic Realty Co. 13191 Crossroads Parkway North 6th Floor City of Industry, California 91746 Attention: Property Manager
(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 144,000 rentable square feet (RSF) in the Building (defined below) as shown on <u>Exhibit A</u> attached hereto.

(d) Building:	The Building located at 13401 Crossroads Parkway North, City of Industry, California, which is currently assessed by the County Assessor as APN 8120-026-013 (collectively, the "Property");
(e) Term:	Fifteen (15) years, commencing on the first day of the month following thirty (30) days after substantial completion of Landlord's Work and the date of Tenant's Acceptance of the Premises, as defined in Section 4.1 (the "Commencement Date"), and terminating at midnight on the day before the fifteenth 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:	The later of: (i) eight (8) months from the date following Tenant's written approval of the Final TI Cost Summary; and (ii) January 1, 2024.
(g) Irrevocable Offer Expiration Date: (see Section 33)	January 10, 2023
(h) Base Rent:	\$2.30 per rentable square foot per month (i.e., \$331,200.00 per month or \$3,974,400.00 per year and adjusted annually as referenced in Section 5.2 below)
(i) Early Termination Period (see Section 4.4)	Tenant will have a right to terminate the Lease for any reason between the 120th and 126th month following the Commencement Date.
(j) Rentable Square Feet in the Premises:	144,000 rentable square feet
(k) Initial Departmental Use:	Register-Recorder County Clerk, for office, warehouse, with public facing use and, for any other lawful use, subject to Section 6.
(l) Parking Spaces:	785 parking spaces comprised of approximately 771 reserved, and 14 unreserved parking spaces (5.45 parking spaces per 1,000 RSF),

	subject to adjustment based on installation of charging stations, restriping of the parking lot, and required improvements to the parking lot as part of the construction permit process.
(m) Tenant's Hours of Operation:	6 a.m. to 8 p.m. Monday through Friday, and 9 a.m. to 2 p.m. on Saturdays.
(n) Asbestos Report:	A report dated December 2002 prepared by SCS Engineers, a licensed California Asbestos contractor.
(o) Seismic Report	A report dated December 2002 prepared by Myers, Houghton & Partners, Inc. Building constructed in 2001, making it exempt from seismic evaluations by the Department of Public Works.
(p) Disabled Access Survey	A report dated October 25, 2021 prepared by Commerce Construction Co., L.P.

1.2 Defined Terms Relating to Landlord's Work Letter

(a) Landlord's TI Allowance:	\$5,760,000.00 (\$40.00 per RSF of the Premises)
(b) Landlord's Future TI Refurbishment Allowance:	\$1,440,000.00 (\$10.00 per RSF of the Premises)
(c) Tenant's TI Contribution:	\$21,024,000.00 (\$146.00 per RSF of the Premises)
(d) Tenant's TI Contribution Amortization Rate and Change Authorization Amortization Rate:	Fixed seven and seventy-five hundredths percent (7.75%) per annum
(e) Estimated Monthly Payments Attributable to Total TI Costs in Excess of Landlord's TI Allowance	\$416,300.40 per month, ending on the sixtieth (60 th) month of the Term.
(f) Tenant's Work Letter Representative:	An assigned staff person of the Chief Executive Office-Real Estate Division
(g) Landlord's Work Letter Representative:	An assigned staff person of the Landlord

(h) Landlord's Address for Work Letter Notices:	Majestic Realty Co. 13191 Crossroads Parkway North 6th Floor City of Industry, California 91746 Attention: Property Manager
(i) Tenant's Address for Work Letter 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
1.3 <u>Exhibits to Lease</u>	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 Enterprise Form Exhibit H - Memorandum of Lease Exhibit I - Landlord's Work Letter Exhibit J - Supplemental Parking Area Exhibit K - Covenants, Conditions and Restrictions

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

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

4.2 Termination Right

If the Commencement Date has not occurred within six (6) months after the Estimated Commencement Date (the "Outside Date"), subject to Tenant Delays or Force Majeure Delays, then Tenant may, within ten (10) business days of the Outside Date, terminate this Lease effective upon the giving of written notice (the "Termination Notice"), as extended for Tenant Delays and Force Majeure Delays. In the event that Tenant properly and timely elects to terminate this Lease in accordance with this Section 4.2, then this Lease shall automatically terminate and be of no further force or effect as of the Outside Date, and the parties shall thereafter be released from their respective obligations under this Lease, except with respect to any obligations which expressly survive the expiration or earlier termination of this Lease. Tenant's termination right as set forth in this Section 4.2

shall be Tenant's sole and exclusive remedy for Landlord's failure to cause the Commencement Date to occur by the Outside Date. Tenant's rights under this Section 4.2 shall be personal to the Tenant named herein and may only be exercised by the Tenant named herein (and not any other assignee, or any sublessee or other transferee of Tenant's interest in this Lease). In addition, Tenant's rights under this Section 4.2 may only be exercised by the Tenant named herein if it is not then in default under this Lease.

4.3 Early Entry

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

4.4 Early Termination

Tenant shall have the right to terminate this Lease at any time during the Early Termination Period specified in Section 1.1(i), by giving Landlord not less than one hundred and eighty days (180) days prior written notice, executed by Tenant's Chief Executive Officer or his/her designee.

4.5 Lease Expiration Notice

No later than twelve (12) months, nor earlier than eighteen (18) months, prior to the expiration of the Lease Term, Landlord will use commercially reasonable efforts to provide a written notice to Tenant notifying Tenant of the Termination Date; provided, however, Landlord's failure to provide such notice shall not be a default under this Lease.

5. RENT

5.1 Base Rent

Tenant shall pay Landlord the Base Rent stated in Section 1.1 during the Term hereof within fifteen (15) days after (a) the Commencement Date, and (b) the first day of each calendar month thereafter, provided that at least fifteen (15) business days prior to the Commencement Date, Landlord must provide the Auditor of the County of Los Angeles with the following information: (i) name and address of Landlord or other party to whom Base Rent should be paid, (ii) Landlord's federal tax ID number; (iii) name of contact person and contact information (including phone number) for Landlord; (iv) a completed IRS form W-9, and (v) evidence of insurance in compliance with Section 20.2. If Landlord fails to timely provide the information required pursuant to this Section 5.1, or to provide updates for any changed information, then Tenant shall not be required to pay Base Rent to Landlord until fifteen (15) business days after Landlord provides such information. Base Rent for any partial calendar month during the Term shall be prorated in proportion to the number of days during the Term within such calendar month.

5.2. Base Rent Adjustments

(a) CPI. From and after the first (1st) anniversary of the Commencement Date, on the first day of the first full calendar month thereafter (the "Adjustment Date") and on every anniversary of the Adjustment Date thereafter, Base Rent shall be adjusted by applying the CPI Formula set forth below. The "Base Index" shall be the Index published for the month the Lease commences.

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

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

$$\frac{\text{New Index}}{\text{Base Index}} \times \text{Base Rent at the Commencement Date} = \text{Adjusted Base Rent}$$

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

5.3 Rent Abatement

The Base Rent and Operating Expenses Rent for months one (1) and two (2) of the Term shall be abated.

6. USES

Landlord agrees that the demised Premises, together with all appurtenances thereto, shall be used by the Tenant for the government department set forth in Section 1.1, any other County Department the County designates, any other governmental purposes, or other lawful purposes that do not materially adversely interfere with other uses in the Building, during Tenant's Hours of Operation, after Tenant's Hours of Operation, and on weekends and holidays. Notwithstanding the foregoing, in no event shall the Premises be used for any of the following uses: (i) drive-through, fast-food restaurant business serving hamburgers; (ii) convenience store; or (iii) retail gas station.

7. HOLDOVER

If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy which is terminable only upon

ninety (90) days written notice from Landlord or thirty (30) days written notice from Tenant's Chief Executive Officer or his/her designee at the last monthly Base Rent payable under this Lease (as such Base Rent may be adjusted from time to time in accordance with this Lease), plus any other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. COMPLIANCE WITH LAW

Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the Term of this Lease, 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 two hundred forty (240) days after the date of such damage (the "Repair Period"), then Landlord shall, 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 untenable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within ten (10) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises leasable again using standard working methods. The failure to do so shall be a material default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant. 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 and Landlord 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, then Landlord or its agents shall, within thirty (30) days of the date of such damage, provide written notice to Tenant of Landlord's good faith estimate of the time period required to complete the work (the "Repair Notice") of the Premises to restore the Premises to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty. In the event the Repair Notice indicates the repair work will exceed two hundred forty (240) days from the date of damage occurred (the "Repair Period"), then Tenant may terminate this Lease by giving written notice of such termination to Landlord within ten (10) days after the date of

the Repair Notice; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became untenable. In the event that Tenant does not 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. In the event the insurance proceeds are not available to repair the damages, Landlord will provide written notice of such to Tenant (the "Overage Notification") together with reasonable documentation evidencing the amount (the "Overage") by which the insurance proceeds required of Landlord pursuant to Section 20 of this Lease will not fully cover such repairs and Tenant shall have the right by written notice to Landlord sent within thirty (30) days of the date of the Overage Notification (the "Overage Payment Notification") to advise Landlord whether or not Tenant will fund the Overage. In the event Tenant either (i) elects not to fund the Overage or (ii) does not timely provide the Overage Payment Notification then, in either event, Landlord shall have the right, by written notice to Tenant sent within ten (10) days of receipt of the Overage Notification, to terminate this Lease. In the event it is determined that insurance proceeds are available to repair the damages, but Landlord will not receive the proceeds within thirty (30) days of such determination, Landlord will provide written notice of such to Tenant (the "Proceeds Notification") together with anticipated time it will take for Landlord to receive the insurance proceeds and the anticipated construction cost to complete the repairs (the "Repair Cost"). Tenant shall have the right by written notice to Landlord sent within ten (10) days of the date of the Proceeds Notification (the "Funding Notification") to advance the funds for Landlord to commence construction of the repairs. In the event Tenant timely sends the Funding Notification, Tenant shall advance sufficient funds for Landlord to commence construction by payment of such funds to Landlord (the "Funding Amount") and, upon receipt of the insurance proceeds, Landlord agrees to reimburse Tenant the Funding Amount advanced to Landlord. In the event Landlord fails to complete repair of the damage within six (6) months of the Repair Period, as extended for Tenant Delays and Force Majeure Delays, then Tenant shall have the right to terminate this Lease upon thirty (30) days' prior written notice to Landlord (the "Notice Period"), provided, however, in the event Landlord substantially completes such repairs prior to expiration of the Notice Period, Tenant's termination shall be null and void this Lease shall remain in full force and effect. If this Lease is timely terminated, then (i) this Lease shall automatically terminate and be of no further force or effect as of the expiration of such thirty (30) day period, as extended for Tenant Delays and Force Majeure Delays, and the parties shall thereafter be released from their respective obligations under this Lease, except with respect to any obligations which expressly survive the expiration or earlier termination of this Lease; and (ii) in the event any portion of Tenant's TI Contribution remains unpaid by Tenant in accordance with Section 6.4 of Landlord's Work Letter executed concurrently herewith and attached hereto as Exhibit I and incorporated herein by reference after the application of any insurance proceeds received by Landlord for reimbursement of the cost of any Tenant Improvements paid with Tenant's TI Contribution, Tenant shall be obligated to pay Landlord such unamortized portion of the remaining Tenant's TI Contribution due within thirty (30) days of the termination date of this Lease.

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) Exercise the Tenant's Right to Repair as set forth in Section 10.4 below.

10. REPAIRS AND MAINTENANCE

10.1 Landlord Representations

- (a) To its best knowledge without duty to investigation or research, and except as set forth in the Asbestos Report, Seismic Report and/or Disabled Access Survey, Landlord represents to Tenant that, as of the Commencement Date:
 - i. The Premises, the Building, and all Common Areas (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including but not limited to the Americans With Disabilities Act, and are in good working order and condition;
 - ii. The Building and the Premises comply with all covenants, conditions, restrictions and insurance underwriter's requirements;
 - iii. The Premises, the Building and the Common Areas are free of the presence of Hazardous Materials (as hereinafter defined); and
 - iv. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation.

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

(c) CASp Inspection:

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

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

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

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

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

10.2 Landlord Obligations

- (a) Landlord shall keep and maintain 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 and interior walls, floors and ceilings, foundations, roof, concealed plumbing, stairways, concealed electrical systems and intra-building telephone network cables;
 - ii. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Building;
 - iii. the Common Areas;
 - iv. exterior windows of the Building; and
 - v. elevators serving the Building.
- (b) Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to, or replacements of:
- i. the floor covering (if such floor covering is carpeting it shall be replaced as needed, but not less often than after five (5) years of use);
 - ii. interior partitions;
 - iii. doors, door frames and hardware;
 - iv. the interior side of demising walls (which shall be repainted as needed but not less often than every five (5) years);
 - v. signage (except Building Top Signage, which shall be Tenant's responsibility at its sole cost and expense and the Pylon Costs for Tenant's portion of the Pylon Cost for the Pylon Sign, which shall be reimbursed by Tenant);
 - vi. emergency exit signage and battery replacement;

- vii. HVAC equipment dedicated to the mechanical rooms housing Tenant's computer servers and related equipment; and
 - viii. Light fixtures, bulbs, tubes and ballasts.
- (c) Landlord shall, to the best of its ability, provide all reports, maintenance records, or other documentation as may be requested from time to time.

10.3 Tenant Obligations

Notwithstanding Landlord's repair and maintenance obligations, and subject to Section 20.4 hereof, Tenant shall be responsible for (i) the cost of repairing any area of the Property damaged by Tenant or by Tenant's agents, employees, invitees or visitors, (ii) for maintaining, repairing and replacing Tenant's Building Top Signage and its panels on the Pylon Sign, 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 selected by Landlord and approved by Tenant, which consent shall not be unreasonably withheld, conditioned or delayed;
- (b) be at least equal in quality, value and utility to the original work or installation; and
- (c) be in accordance with all applicable laws.

10.4 Tenant's Right to Repair

- (a) If Landlord fails to undertake and complete the work within the Premises that this Lease requires of Landlord under Section 10 above, following 10 days' prior written notice from Tenant, or such longer period if Landlord promptly begins and is diligently prosecuting such work completes the work requiring more than 10 days to complete, or following shorter, reasonable advance oral or written notice if emergency repairs are needed within the Premises to avoid imminent loss of life, property or injury to person(s) or the complete disruption of Tenant's business, then Tenant, may perform such work within the Premises; provided, however, if Landlord notifies Tenant in writing that such work is not Landlord's responsibility under this Lease, then Tenant shall have no right to perform such work under this Section 10.4(a).

If Tenant desires Landlord to reimburse Tenant for its out-of-pocket costs incurred in performing such work required of Landlord, Tenant shall provide Landlord with an invoice, including a reasonably particularized breakdown and explanation, of such costs. If Landlord does not object to Tenant in writing within five (5) business days after receiving Tenant's invoice and explanation, Landlord shall pay such invoiced costs promptly or Tenant may deduct such costs from any Base Rent next due. If, however, Landlord does timely object to such invoice, setting forth with reasonable particularity

the reasons Landlord contends that the Lease does not require such work of Landlord, then Tenant shall not be entitled to such deduction from Base Rent but may claim a Landlord default under the Lease.

- (b) Notwithstanding any provisions of this Lease to the contrary, Tenant, acting through the County's Chief Executive Office, may request that the Landlord perform, supply and administer any repairs, maintenance, building services and/or alterations that are the responsibility of the Tenant, not to exceed \$5,000 and reimburse Landlord for such costs, 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 any 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 buildings of similar size and age 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. Landlord shall provide the Building and Premises with electricity and Tenant shall reimburse Landlord for the cost of all electricity furnished to the Building and Premises within thirty (30) days of written request from Landlord accompanied by supporting documentation.

(c) Intentionally Deleted

(d) Water

Landlord shall make available in the Premises warm and cold water for normal lavatory and kitchen purposes and potable water for drinking purposes, all of which shall meet applicable government standards.

(e) Janitorial

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

(f) Access

Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building. If required, Landlord shall provide access cards or fobs to all Tenant employees for Building entry, elevators, and/or floor access, at Landlord's sole cost and expense.

(g) Pest Control

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

11.2 Utilities

Landlord agrees to pay when due, all charges for the use of the sewer, effluent treatment (when and if imposed by any governmental authority), all water, sprinkler standby charges, electricity, gas, heating and common area power and lighting, trash removal service, fire/life safety systems, charges associated with the HVAC, and other utility rents and charges accruing or payable in connection with the Premises and the Common Areas during the Term of this Lease or any renewal, extension, or holdover thereof, whether the same are pro-rated or measured by separate meters. In the event Landlord fails or refuses to pay any or all of such charges when due, Tenant may give Landlord ten (10) calendar days prior written notice and thereafter pay directly such charges and (i) for all utility payments other than electricity, Tenant may deduct the payments from the next installments of rent due as a charge against the Landlord, and (ii) with respect to any payment of electricity, Tenant shall not owe Landlord the amount paid to the electric company. Tenant shall reimburse Landlord the cost of Tenant's electric usage on a monthly basis, upon receiving an invoice, and supporting documentation from the Landlord.

12. TAXES

Landlord shall pay, prior to delinquency, all real property taxes, assessments and special assessments which may be levied or assessed against the Property, Premises or the Building (collectively, the "Property Taxes") during the Term of this Lease or any renewal or holdover period thereof.

Tenant shall reimburse Landlord as additional rent, all Property Taxes exceeding \$250,000.00 per annum (Expense Stop). All Property Taxes due hereunder from Tenant to Landlord shall be paid within 60 days following Tenant's receipt of Landlord's claim therefor, provided that Landlord presents to Tenant proof of payment together with the claim for reimbursement.

In the event Landlord fails or refuses to pay any or all Property Taxes when due, Tenant may, at its sole discretion, give Landlord thirty (30) calendar days prior written notice and, provided that Landlord does not pay such Property Taxes and does not object in writing to Tenant's payment thereof, then Tenant may thereafter pay such taxes and assessments and deduct the payments from the next installments of rent due as a charge against the Landlord.

13. LANDLORD ACCESS

Tenant shall permit Landlord and its agents to enter the Premises during Tenant's Hours of Operations upon prior written notice only or as otherwise requested by Tenant or agreed between Landlord and Tenant for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or the Premises, Base Rent shall be prorated based upon the percentage of the Premises or the Building rendered unusable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency and notify Tenant immediately thereafter.

14. TENANT DEFAULT

14.1 Default

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

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

14.2 Remedies Upon Default by Tenant

Upon the occurrence of a Default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity (all of which remedies shall be distinct, separate and cumulative), the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

- (a) Terminate this Lease, in which event Tenant shall within 90 days following the issuance of a judgment against Tenant for unlawful detainer, surrender the Premises to Landlord (provided that if the Lease has previously been assigned by the County of Los Angeles to a third party, then Tenant shall instead be required to immediately surrender the Premises to Landlord), and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim for damages therefor; and Landlord may recover from Tenant the following:
 - (i) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus
 - (ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
 - (iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
 - (iv) The term "rent" as used in this Section 14.2(a) shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 14.2(a)(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the current interest rate. As used in Section 14.2(a)(iii), above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).
 - (v) In the event that the Lease has previously been assigned by the County of Los Angeles to a third party, then in addition to the foregoing, Landlord may also recover the following from such assignee (but not from the Tenant originally named in this Lease): Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, brokerage commissions and advertising expenses

incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

- (b) Landlord shall have the remedy described in California Civil Code Section 1951.4 (landlord may continue lease in effect after tenant's breach and abandonment and recover rent as it becomes due, if tenant has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.
- (c) Landlord shall at all times have the rights and remedies (which shall be cumulative with each other and cumulative and in addition to those rights and remedies available under Sections 14.2(a) and 14.2(b), above, or any law or other provision of this Lease), without prior demand or notice except as required by applicable law, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease, or restrain or enjoin a violation or breach of any provision hereof.

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 pursue the remedy of specific performance; or

- (b) 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; or
- (c) to terminate this Lease, provided that (i) such Landlord Default materially and adversely interferes with the normal conduct of business in the Premises and Tenant is unable to operate from the entire Premises, and (ii) such Landlord Default is not capable of being cured by Tenant, provided that such termination shall be nullified if Landlord cures such default within thirty (30) days (ten (10) days in the case of monetary obligations owed by Landlord to Tenant) after receipt of Tenant's termination notice and provides written evidence reasonably acceptable to Tenant that such default has been cured and (iii) Tenant gives notice of Landlord Default to any mortgagee of whom Landlord shall have previously given Tenant notice (including its address), and such mortgagee shall not have cured Landlord Default within thirty (30) days after such notice is given (or, if such default cannot reasonably be cured within thirty (30) days, such mortgagee fails to promptly commence and diligently prosecute said cure to completion); or
- (d) to pursue any declaratory, injunctive or other equitable relief.

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 (except to the extent expressly set forth in this Lease as Tenant's obligation).

15.3 Emergency

Notwithstanding the foregoing cure period, Tenant may cure any Landlord Default without notice 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 thereafter Tenant shall then be entitled to prompt reimbursement by Landlord of Tenant's reasonable out-of-pocket costs incurred in performing such work required of Landlord. Tenant shall provide Landlord with an invoice, including a reasonably particularized breakdown and explanation, of such costs. If Landlord does not object to Tenant in writing within ten (10) business days after receiving Tenant's invoice and explanation, Landlord shall pay such invoiced costs promptly. If, however, Landlord does timely object to such invoice, setting forth with reasonable particularity the reasons Landlord contends that the Lease does not require such work of Landlord, then Tenant may continue to claim a Landlord default under the Lease per Section 15.1.

16. ASSIGNMENT AND SUBLETTING

16.1 Assignment and Subletting

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

16.2 Sale

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

Upon any sale or transfer of the Property by Landlord, Landlord shall provide 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
 - v. an acknowledgement from the new owner that it will take Tenant thirty (30) days to complete paperwork to transfer its accounts payable records from paying Rent to the Landlord to paying Rent to the new owner
- (c) A W-9 form for new owner.

Tenant shall not be obligated to pay any rental amounts to any party other than the

Landlord named herein until such time as all the requirements of this Section 16.2 are satisfied.

17. ALTERATIONS AND ADDITIONS

17.1 Landlord Consent

Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. If Landlord fails to respond in writing within thirty (30) days after Tenant's request, then Landlord shall be deemed to have approved the requested Alterations. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria:

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

17.2 End of Term

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

18. CONDEMNATION

18.1 Controlling Terms

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

18.2 Total Taking

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

18.3 Partial Taking

If more than ten percent (10%), but not all, of the rentable/ gross square feet of the Premises is taken by Condemnation, or if access to the Premises is substantially impaired by Condemnation, in each case for a period in excess of 180 days, Tenant shall have the option to terminate this Lease effective as of the Date of Taking. Notwithstanding anything to the contrary contained in this Section 18, in the event of a temporary taking of all or any portion of the Premises for a period of 180 days or less, then Tenant may not terminate this Lease but the Base Rent and Operating Expense Rent shall be equitably abated for the period of such taking. Landlord shall be entitled to receive the entire "Award," as that term is defined in Section 18.5 below, made in connection with any such temporary taking. If Tenant elects to exercise its right to terminate the Lease hereunder then it shall give 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 date of termination that Tenant has designated. If neither party elects to terminate this Lease pursuant to its rights under this Section 18 then all provisions of this Lease shall remain in effect, except that Base Rent and Operating Expense Rent shall be equitably abated.

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 in accordance with this Section 18.5. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises. Landlord shall be entitled to receive the entire award or payment in connection with any Condemnation, except that Tenant shall have the right to make a separate claim in the Condemnation proceeding for the following provided the same do not reduce the amount of the Award payable to Landlord and such claim is payable separately to Tenant: (1) the taking of the unamortized or undepreciated value of any leasehold improvements of any tenant improvements paid for by the Tenant that were not reimbursed by the Landlord; (2) reasonable removal and relocation costs for any leasehold improvements that Tenant has the right to remove and elects to remove (if Condemnor approves of the removal); (3)

loss of goodwill; (4) relocation costs under California Government Code §7262, the claim for which Tenant may pursue by separate action independent of this Lease; and (5) any other amount in addition to the foregoing. Tenant shall have the right to negotiate directly with Condemnor for the recovery of the portion of the Award that Tenant is entitled to under this paragraph provided the recovery does not reduce the amount of the Award payable to Landlord.

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 the active negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests or visitors, or from Landlord's breach or default under this Lease. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties to the extent 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 the use and occupancy of the Premises, Building or Common Areas by Tenant, or its officers, contractors, licensees, agents, employees, guests or visitors, or from Tenant's breach or default under this Lease. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties to the extent caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees. Nothing in this Lease shall be construed to waive, limit, or supersede any of Tenant's rights or immunities under the California Labor Code, including but not limited to a waiver pursuant to Labor Code section 3864.

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

20.1 Intentionally Deleted

20.2 General Insurance Provisions – Landlord Requirements

Without limiting either party's indemnification of the other and during the Term of this Lease, and until all of its obligations pursuant to this Lease have been met, Landlord and Tenant 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 and Tenant pursuant to this Lease. Neither Landlord nor Tenant in any way warrants that the Required Insurance is sufficient to protect the other party for liabilities which may arise from or relate to this Lease.

(a) Evidence of Coverage and Notice to Tenant

- i. Certificate(s) of insurance coverage ("Certificate") reasonably satisfactory to Tenant and a copy of an Additional Insured endorsement confirming that Tenant and its Agents (defined below) have been given additional insured status under the Landlord's General Liability policy to the extent required pursuant to Section 20.2(b), shall be delivered to Tenant at the address shown below and provided prior to the start day of this Lease.
- ii. Renewal Certificates shall be provided to Tenant not less than ten (10) days prior to Landlord's policy expiration dates.
- iii. Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Landlord identified in this Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, the amounts of any policy deductibles or self-insured retentions exceeding Twenty-Five Thousand Dollars (\$25,000.00) and list any Tenant required endorsement forms.
- iv. 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.
- v. 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 and Tenant also shall each use good faith efforts to notify the other of any third party claim or suit filed against Landlord or Tenant, as applicable, 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 named as additional insureds under Landlord's General Liability policy exclusively and only 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, except for the negligence and liability as a result of Tenant and its Agents. The full policy limits and scope of protection also shall apply to the Tenant as an additional insured, even if they exceed the Tenant's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

(c) Cancellation of or Material Changes in Insurance

Landlord shall provide the Tenant with, or Landlord's insurance policies shall contain a provision that the Tenant shall receive, written notice of cancellation or any material reduction in required limits in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to the Tenant at least ten (10) days in advance of cancellation or material reduction for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change.

(d) Failure to Maintain Insurance

In the event Landlord fails to maintain the Required Insurance and such failure continues for a period of ten (10) business days after receipt of written notice of such failure, which such notice shall be in large, bold font, then such failure shall constitute a material default under this Lease.

(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) Primary Insurance

Tenant's insurance policies, with respect to any claims related to this Lease, shall be primary with respect to its personal property and Tenant's and its Agents' negligence relating to liability coverage. Landlord's insurance policies, with respect to any claims related to this Lease, shall be primary with respect to its property and improvements and Landlord's negligence relating to liability coverage.

(g) Waiver of Subrogation

To the fullest extent permitted by law, the Landlord and Tenant hereby waive its and its insurer(s) rights of recovery against the other under all required insurance policies for any property loss arising from or related to this Lease to the extent such property loss is covered by the property insurance policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

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

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

(i) Claims Made Coverage

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

(j) Application of Excess Liability Coverage

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

(k) Separation of Insureds

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

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 covering the Premises, the Building and the Common Areas, 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:	\$ 5 million
Products/Completed Operations Aggregate:	\$ 1 million
Personal and Advertising Injury:	\$ 1 million
Each Occurrence:	\$ 5 million

- ii. Commercial property insurance covering all furniture and furnishings in the Premises, and all modular furniture installed in the Premises.

Tenant named herein above, 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 and provided that any self-insurance shall be deemed to contain a full waiver of subrogation). Certificate evidencing coverage or letter evidencing self-funding will be provided to Landlord after execution of this Lease at Landlord's request. If the original Tenant hereunder elects to so self-insure, then with respect to any claims which may result from incidents occurring during the Term such self-insurance obligation shall survive the expiration or earlier termination of the Lease to the same extent as the insurance required would survive.

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 covering the Common Areas, providing scope of coverage equivalent to ISO policy form CG 00 01, naming Tenant and Tenant's Agents as an additional insured to the extent required in Section 20.2(b), 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. cover damage to Landlord's property, including improvements and betterments installed and owned by Landlord 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), from perils covered by a special form all risk or a special causes of loss form (Accord 24 or its equivalent), and include ordinance or law coverage, and.
- ii. be written for full replacement cost of the Property, with a deductible of no greater than \$250,000 or five percent (5%), whichever is less, of the Property value. Insurance proceeds shall be payable to Landlord, and
- iii. include the Modular Furniture installed in the Property to the extent owned by Landlord.

21. PARKING

21.1 Tenant's Rights

Tenant shall have the right to the number of exclusive reserved parking spaces and unreserved parking spaces set forth in Section 1.1, without charge, for the Term of this Lease. No tandem parking shall be required or allowed, and Tenant shall be entitled to full in/out privileges at all times. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all unreserved parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building. Landlord, at its sole expense, shall provide Tenant with at least one (1) parking access card or key fob for each reserved or unreserved parking space set forth in Section 1.1, if applicable.

Landlord, at its sole cost and expense, shall be responsible for any work, including restriping required by applicable governmental authorities to meet ADA requirements which may reduce total parking spaces available. Landlord shall be responsible for installing fencing along the perimeter of the parking lot along with two electric gates and man gate(s), electric charging stations at a minimum of 3% of the total parking spaces in accordance with the Landlord Work Letter. Additionally, Tenant shall, in the area identified on Exhibit A, be permitted to install storage containers in the Building's onsite parking area including the parking of vehicles/trucks overnight, the installation of temporary canopies and the periodic landing of a helicopter as needed. Landing of a helicopter on the Premises and Common Area shall be subject to any required governmental approvals and shall only be in the location identified on Exhibit A. Any damage caused by said helicopter shall be the sole responsibility of the Tenant.

Notwithstanding the above, so long as Landlord or its affiliates own the Property across the street at 13300 Crossroads Pkwy N, City of Industry (the Adjacent Property), Tenant and its employees/invitees shall have the right to park in the area as identified in Exhibit J during elections only and only during the hours of 6pm – 7am Monday through Friday and 24 hours per day on Saturday and Sunday, subject to availability, at no additional cost to Tenant (Supplemental Parking). Tenant's right to the Supplemental Parking shall be conditioned upon (i) Tenant not being in default under this Lease; (ii) Tenant needing to use the Supplemental Parking as over-flow parking due to the parking area for the Premises being fully parked; and (iii) no tenant from the Adjacent Property advising Landlord or its affiliates that the Supplemental Parking violates such tenant's lease with Landlord or its affiliate. At any time Tenant is using the Supplemental Parking, Tenant shall maintain in full force and effect the commercial general liability insurance in the amounts and with the additional insured as set forth in Section 20.03(a) and including Landlord's affiliate owner of the Adjacent Property as an additional insured. Tenant's indemnification obligations set forth in Section 19.2 shall apply to Tenant's use of the Supplemental Parking. In the event (1) Tenant breaches the terms of this Section 21.1, and/or (2) any tenant in the Adjacent Property alleges that Landlord or its affiliate is in breach of such tenant's lease as a result of the Supplemental Parking, Tenant's right to the Supplemental Parking shall terminate

upon written notice from Landlord and Tenant shall have no further right to the Supplemental Parking.

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, subject to adjustment based on site plan and permit requirements from Building Department (which shall not be a breach by Landlord of this Section 21), more than 10% 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 shall have one of these remedies, available in the following priority, upon thirty (30) days' written notice to Landlord:

- (a) Landlord shall provide Tenant an alternative parking space in the parking lot of Landlord's property adjacent to the Building, including, without limitation, the Adjacent Property; or
- (b) If such alternative parking spaces are not available in accordance with subsection 21.2(i), Landlord shall provide Tenant other reasonably comparable parking spaces with shuttle bus service from parking spaces that are located more than one-quarter (1/4) mile away from the Premises.

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. Either party shall promptly deliver to the other a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

23. ESTOPPEL CERTIFICATES

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

24. TENANT IMPROVEMENTS

Prior to the Commencement Date, Landlord shall construct the Tenant Improvements in the manner set forth in Landlord's Work Letter, attached hereto and incorporated herein as Exhibit I.

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. Each party hereby indemnifies, defends and holds the other party harmless from any liability or loss (including reasonable attorneys' fees and costs) from any such lien it causes or allows to attach to its interest in this Lease or the Premises.

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 signed by Tenant and delivered to Landlord concurrently herewith, within 30 days after the execution of this Lease.

26.3 Notice of Default

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

27. SURRENDER OF POSSESSION

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

28. SIGNAGE

Tenant shall be permitted to install signs at the Premises that conform with any and all applicable laws and ordinances.

Subject to City approval, if applicable, Tenant shall have the exclusive right to install Building Top Signage on the exterior faces of the Building and the exclusive right to install signage on the top prominent position of the Building's multi-tenant Pylon Sign located on the south side of the Building along the 60 freeway. Tenant shall be responsible for all costs involved in the manufacturing, installation, maintenance and removal of their signage. The cost of electric and maintenance of the Pylon Sign (the "Pylon Costs") shall be prorated between the Tenant and other users of the Pylon Sign along the 60 freeway. Such Pylon Costs shall be paid by Tenant to Landlord upon receipt of an invoice for such Pylon Costs accompanied by supporting documentation. Upon expiration of this Lease,

Tenant shall promptly remove all signs installed hereunder, "cap-off" the electrical wiring thereto, repair all damage caused thereby and, with respect to the Pylon Sign, replace Tenant's sign panels with blank panels.

Landlord shall remove the existing decorative gear(s) on the Pylon Sign and replace to a standard illuminated double face sign in coordination with the Tenant in advance. In the event the Tenant elects to upgrade the standard illuminated double face pylon sign to be provided by the Landlord, the additional cost of any upgrades to the Tenant's sign shall be considered a Tenant Improvement cost. Landlord shall also provide any and all electrical and lighting to the Tenant's Pylon signage, the cost of which shall be included in the Pylon Costs.

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

30.4 Entire Agreement

This Lease (including all exhibits hereto and the Landlord's Work Letter) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect, and the covenants

and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

30.5 Severability

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

30.6 Notices

The parties shall give all notices in writing by (i) personal delivery, (ii) national-recognized, next-day courier service, or (iii) first-class registered or certified mail, postage prepaid, to the Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1.1. Without limiting the generality of the foregoing, (i) 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; and (ii) Tenant's notices to Landlord shall not be effective if they are delivered to another address that is not set forth in Section 1.1(a) hereof. Any notice given under this Lease shall be deemed effective upon the date of delivery (whether accepted or refused), which, for certified mail and courier service, shall be established by U.S. Post Office return receipt or the courier's proof of delivery, respectively.

30.7 Governing Law and Venue

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

30.8 Waivers

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

30.9 Time of Essence

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

30.10 Consent

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

30.11 Community Business Enterprises

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

30.12 Memorandum of Lease

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

30.13 Counterparts; Electronic Signatures

This Lease and any other 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 and had been signed using a handwritten signature. Landlord and Tenant (i) agree that an electronic signature, whether digital or encrypted, of a party to this 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.

30.14 Landlord Exculpation

Tenant agrees to look solely to Landlord's, its partners, subpartners, and their respective officers, agents, servants, employees, and independent contractors (the "Landlord Parties") interest in the Property and the rents, profits and insurance, condemnation and other proceeds from the Premises for the satisfaction of any judgment (or any other obligation of Landlord to Tenant) and no other property or assets of the Landlord Parties shall be subject to levy, execution,

or other judicial procedures for satisfaction of such judgment or other obligations. Tenant shall not seek recourse against the Landlord Parties or any of their personal assets for satisfaction of any liability with respect to this Lease. Neither Landlord, nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. The limitations of liability contained in this Section 30.14 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring. Notwithstanding anything contained in this Lease to the contrary, in no event shall Landlord or the Landlord Parties ever be liable pursuant to this Lease for incidental damages, lost profits or consequential, speculative or punitive damages.

30.15 Force Majeure

The occurrence of an event of 'Force Majeure' (as defined below) shall excuse the performance by that party for a period equal to the prevention, delay or stoppage, provided the affected party gives the other party written notice within ten (10) business days of the event causing the prevention, delay or stoppage. For purposes of this Lease, the term "Force Majeure" means any of the following events which are beyond the control of either Party: act of God, unavailability of equipment or materials (but only if such equipment and materials were ordered in a timely fashion), enemy or terrorist act, act of war, riot or civil commotion, strike, lockout or other labor disturbance, fire, earthquake, explosion, governmental delays (including nonstandard delays in issuance of any permit or other necessary governmental approval or the scheduling of any inspections or tests), nonstandard delays by third party utility providers, or any other matter of any kind or character beyond the reasonable control of the party delayed or failing to perform under this Lease despite such party using commercially reasonable efforts and due diligence to fulfill the obligation. Force Majeure shall not include inability to obtain financing or other lack of funds. Notwithstanding the foregoing or any language to the contrary contained herein, an event of Force Majeure shall not excuse obligations imposed with regard to the payment of Base Rent and other sums to be paid by the Tenant pursuant to this Lease. Notwithstanding anything to the contrary contained in this Lease, a Force Majeure event shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

30.16 Waiver of Redemption by Tenant

Tenant hereby waives, for Tenant and for all those claiming under Tenant, any and all rights now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

30.17 Independent Covenants

This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the rent or other amounts owing hereunder against Landlord, except as expressly set forth in this Lease.

31. AUTHORITY

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

32. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

32.1 Consideration of GAIN Program Participants

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

32.2 Solicitation of Consideration

It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent

who has had any involvement in the procurement, negotiation, consummation, administration or management of a lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

Landlord hereby represents and warrants that it has not provided, and will not provide, any financial benefits to any County official, employee or agent who has had any involvement in the procurement, negotiation, consummation, administration or management of this Lease.

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, 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, Tenant shall be obligated to assure that the rights and comfort of all employees shall be respected. Reasonable effort shall be made by Tenant to provide smokers a place to smoke in areas open to the sky or otherwise located outside County facilities and, except as provided under Los Angeles County, California - Code of Ordinances Chapter 2.126 ("LAMC 2.126"), all portions of County-owned facilities and all portions of facilities leased by or from the County, which areas are not open to the sky, shall be designated by Tenant as "no smoking" areas. Smoking, including the use of electronic smoking devices, shall be prohibited in the following areas of County facilities: (1) Within 50 feet of any operable entry or exit door or operable window of any County building and within 25 feet of any access ramp or handicap path; (2) Within any County parking lot, parking structure, or parking garage, whether enclosed or open to the sky; or (3) Within any driving range and eating area, including outdoor eating areas, of any County golf course. International no-smoking signs and other appropriate signs which designate no-

smoking areas shall be clearly, sufficiently and conspicuously posted in every room, building or other place so covered by LAMC 2.126. The manner of such posting, including the wording, size, color and place of posting, whether on the walls, doors, tables, counters, stands or elsewhere, shall be Tenant's responsibility and at the discretion of the building proprietor so long as clarity, sufficiency and conspicuousness are apparent in communicating the intent. (Los Angeles County, California - Code of Ordinances Chapter 2.126.)

33. IRREVOCABLE OFFER

In consideration for the time and expense that Tenant will invest in this Lease, including but not limited to preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County, as necessary, in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.1.

34. COVID-19

Landlord shall comply with all applicable local, departmental, State, and federal laws, regulations and requires for COVID-19.

35. RIGHT TO PURCHASE THE PROPERTY

In the event Landlord elects (in Landlord's sole and absolute discretion) to sell the Building to an unrelated and unaffiliated third party in a single asset sale, Landlord shall offer the Building to Tenant for purchase by a written notice to Tenant (Purchase Notice). Tenant shall have thirty (30) days (Notice Period) to accept or reject Landlord's proposed purchase price and terms of sale or provide a Counter-Offer, as defined below. In the event Tenant does not either accept, reject or provide a Counter-Offer prior to expiration of the Notice Period, Tenant's right to purchase shall be null and void and Landlord shall have the right to sell the Building to any one Landlord chooses on any terms Landlord elects. If Landlord's proposed purchase price or terms of sale are not acceptable to Tenant, Tenant may propose a different purchase price and terms of sale that it is willing to accept (Counter-Offer) and Landlord shall be under no obligation to accept Tenant's Counter-Offer. Landlord can either accept or reject the Counter-Offer within ten (10) days of receipt of such Counter-Offer (Counter Period); provided, however, failure to respond within the Counter Period shall be deemed a rejection of the Counter-Offer. In the event Landlord rejects the Counter-Offer or the Counter-Offer is deemed rejected, Landlord shall have the right to sell the Building to any one Landlord chooses on any terms Landlord elects. Should Landlord and Tenant agree on a purchase price and terms of a sale, Landlord and Tenant shall negotiate a Purchase and Sale Agreement (PSA) within ten (10) days of such agreement (PSA Period). In the event Landlord and Tenant cannot agree on a final PSA within the PSA Period, Tenant's right to purchase hereunder shall be null and void and Landlord shall have the right to sell the Building to any one Landlord chooses on any terms Landlord elects. If a PSA is agreed to within the PSA Period, Landlord shall sign and submit the PSA to Tenant which shall constitute an irrevocable offer (Irrevocable Offer) whereby Tenant shall then have thirty (30) days from the date of the Irrevocable Offer for Tenant to obtain approval by the Los Angeles County Board of Supervisors (Irrevocable Offer Period) and counter sign the PSA. In the event Tenant does not get Los Angeles County Board of Supervisors' approval and/or does not counter

sign and return the fully executed PSA within the Irrevocable Offer Period, Tenant's right to purchase shall be null and void and Landlord shall have the right to sell the Building to any one Landlord chooses on any terms Landlord elects.

Notwithstanding anything to the contrary herein, Tenant's right to purchase the Property shall not apply to and shall not include: (i) if the Building is being transferred by Landlord into a "REIT"; (ii) if the Building is included within a "package sale" of multiple buildings or properties; (iii) any sale or transfer that is not for 100% of the fee simple ownership in the Building; and (iv) any sale or transfer that is with a party affiliated or related to Landlord. In the event that the Building is transferred by Landlord into a "REIT", or if the Building is sold by Landlord within a "package sale" of multiple buildings or properties, then Tenant's right to purchase the Property shall thereafter be null and void. Tenant's right to purchase the Property shall be personal to the original Tenant, and the original Tenant must not be in default under this Lease and must be in occupancy of 100% of the entire Premises in order to retain such right. Tenant's right to purchase the Property shall automatically terminate upon any default by Tenant under the Lease beyond the expiration of the applicable cure period set forth in the Lease.

36. OPTION TO EXTEND

- (a) 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 two (2) options to renew this Lease for an additional period of five (5) years each (respectively, the "First Extension Term" and the "Second Extension Term", and collectively, the "Extension Term(s)").
- (b) Exercise of Option. Tenant must exercise its options to extend this Lease by:
 - (i) giving Landlord written notice of its intention to do so (its "Notice of Intent") no later than nine (9) months prior to the end of the initial Term, or the First Extension Term, as applicable, and
 - (ii) 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 ninety (90) days after the expiration of the Term of this Lease as then in effect (i.e. by the 90th day of the holdover period) then the applicable option and any succeeding option shall automatically be null and void, and of no further force or effect. On the other hand, if the Board of Supervisors approves Tenant's exercise of any option granted pursuant to this Section 36, such option will then be deemed effectively exercised. Tenant's options to renew this Lease are personal to (and may only be exercised by) the Tenant originally named in this Lease (and not any assignee, subtenant, or other transferee), and may only be exercised if Tenant is not then subleasing any part of the Premises.
- (c) 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 the 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, including, but not limited to, the comparable rental rate, escalation, abatement, tenant improvements and any other tenant inducements then being offered to a ready and willing tenant in comparable buildings within a 10-mile radius to the Building, with no floor or base.

- (d) Agreement on Base Rent. Landlord and Tenant shall have ninety (90) days after Landlord receives the Notice of Intent in which to agree on the Base Rent during the applicable Extension Term. Base Rent during the Extension Term(s) shall be the Adjusted Market Rental Value of the Premises calculated as of the date Tenant gives its Notice of Intent with respect to its first and second options to extend, respectively. There shall be no minimum or maximum rental rate.
- (e) Market Rental Value. The term "Market Rental Value" shall be the rental rate including escalations, that a ready and willing tenant would pay, as of the applicable Option Rental Adjustment Date, and a ready and willing landlord of property comparable Premises would accept, as monthly rent if such property were exposed for lease on the open market for a reasonable period of time and taking into account all of the purposes for which such property may be used 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 by Tenant in the Building.
- (f) 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 or Landlord 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.
- (g) 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.

37. COVENANTS, CONDITIONS AND RESTRICTIONS

Landlord has prepared for recordation against the Property and other adjacent land an Amended and Restated Declaration of Covenants, Conditions and Restrictions (the "Declaration"), a copy of which is attached to Exhibit K hereto, which Landlord will be recording on the Property. Tenant acknowledges and agrees that (i) it has reviewed and approved the Declaration and consents to recordation of the Declaration after the date of this Lease, and (ii) this Lease and Tenant's rights and interests hereunder shall be subject and subordinate to the Declaration. If requested by Landlord, Tenant agrees to execute a recordable instrument (prepared by Landlord at its sole cost and expense) in order to evidence such subordination.

[Signatures on following page]

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


LANDLORD:

RR&C CROSSROADS NO. 1, LLC,
a Delaware limited liability company

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



BY:


Edward P. Roski, Jr., Trustee of the
Roski Community Property Trust dated
November 1, 1987, as amended

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

BY: _____

ITS: _____

BY: _____

ITS: _____

[Signatures continue on following page]

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

LANDLORD:

RR&C CROSSROADS NO. 1, LLC,
a Delaware limited liability company

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

BY: _____
Edward P. Roski, Jr., Trustee of the
Roski Community Property Trust dated
November 1, 1987, as amended

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

BY: _____
Thomas H. Purcell
Chairman & CEO
ITS: _____
BY: _____
Edward J. DiOrio
CEO & Secretary
ITS: _____

[Signatures continue on following page]

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
Interim County Counsel

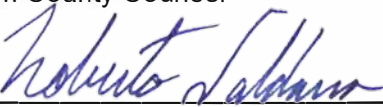
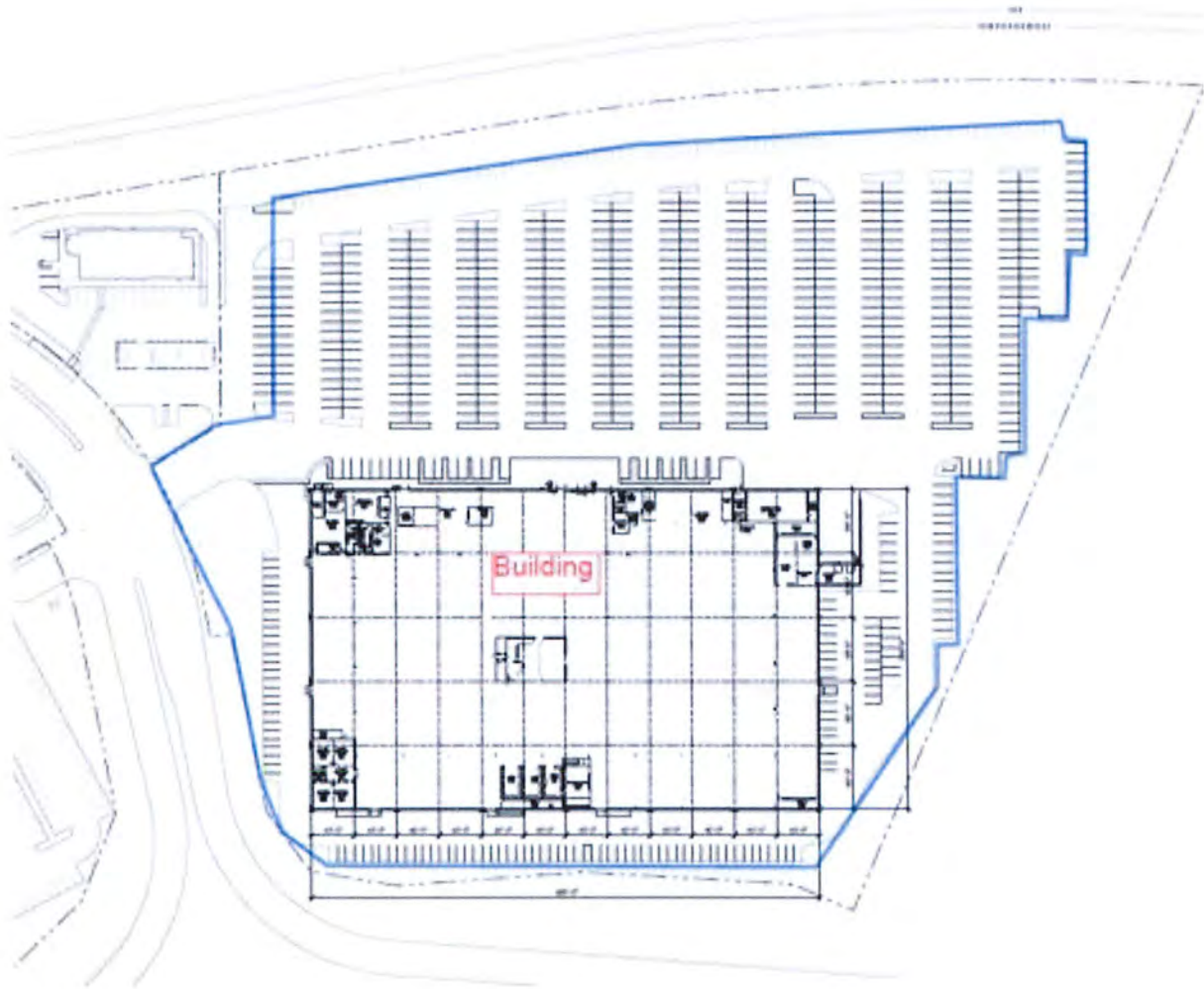
By:  _____
Senior Deputy

EXHIBIT A

FLOOR PLAN OF PREMISES



HOA.103721687.1

Lease 13401 Crossroads v6\MH\02491-003
November 11, 2022

Exhibit A
FLOOR PLAN OF PREMISES

13401 Crossroads Parkway N., City of Industry, CA
[COUNTY OF LOS ANGELES]

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 RR&C CROSSROADS NO. 1, LLC, a Delaware limited liability company ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 13401 Crossroads Parkway North, City of Industry ("Premises"),

Landlord and Tenant hereby acknowledge as follow:

- 1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____ ("Possession Date");
- 2) Tenant has accepted possession of the Premises and now occupies the same;
- 3) The Lease commenced on _____ ("Commencement Date");
- 4) The Premises contain 144,000 rentable square feet of space; and

For clarification and the purpose of calculating future rental rate adjustments:

- 1) Base Rent per month is _____.
- 2) The Base Index month is _____.
- 3) The Base Index is _____.
- 4) The first New Index month is _____.

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

Tenant:

COUNTY OF LOS ANGELES,
a body corporate and politic

RR&C CROSSROADS NO. 1, LLC,
a Delaware limited liability company

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

By: _____
John T. Cooke
Assistant Chief Executive Officer

BY: _____
Edward P. Roski, Jr., Trustee of
the Roski Community Property
Trust dated November 1, 1987,
as amended

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

BY: _____

ITS: _____

BY: _____

ITS: _____

HOA.103721687.1

Exhibit B

COMMENCEMENT DATE OF MEMORANDUM
AND CONFIRMATION OF LEASE TERMS

Lease 13401 Crossroads v6\MH\02491-003
November 11, 2022

13401 Crossroads Parkway N., City of Industry, CA
[COUNTY OF LOS ANGELES]

EXHIBIT C

HEATING, VENTILATION AND AIR CONDITIONING

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

EXHIBIT D

CLEANING AND MAINTENANCE SCHEDULE

A. DAILY (Monday through Friday)

1. Carpets vacuumed.
2. Composition floors dust-mopped.
3. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
4. Waste baskets, other trash receptacles emptied.
5. Chairs and waste baskets returned to proper position.
6. Fingerprints removed from glass doors and partitions.
7. Drinking fountains cleaned, sanitized and polished.
8. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
9. Bulb and tube replacements, as required.
10. Emergency exit signage and egress battery replacement (if applicable)
11. Graffiti expunged as needed within two working days after notice by Tenant
12. Floors washed as needed.
13. Standard kitchen/lunchroom/restroom supplies replenished, including, but, not limited to, paper supplies and soap.
14. Exclusive day porter service from 7:30 a.m. to 4 p.m. during non-election seasons and 7:30 a.m. to 7 p.m. during elections, subject to Tenant providing Landlord with at least 15 days prior written notice of such elections.

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 areas.
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.
22. Carpet professionally spot cleaned as required to remove stains.
23. HVAC chiller water checked for bacteria, water conditioned as necessary.

D. QUARTERLY

24. Drop-ceiling light fixtures cleaned and dusted, but not less than semi-annually.
25. Wood furniture polished.
26. Draperies or mini-blinds cleaned as required, but not less frequently than quarterly.
27. HVAC units serviced for preventative maintenance purposes, all filters changed.

E. SEMI-ANNUALLY

28. Windows washed as required inside and outside but not less frequently than twice annually.
29. All painted wall and door surfaces washed and stains removed.
30. All walls treated with vinyl covering washed and stains removed.

F. ANNUALLY

31. 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.
32. 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.
33. Touch-up paint all interior painted surfaces in a color and finish to match existing.

G. AS NEEDED

34. 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.
35. 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.

36. Interior and exterior pest control inspections and remediation frequency is to be determined by a licensed exterminator.
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.

H. GENERAL

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

EXHIBIT E

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

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

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

)
)
)
)
)
)
)

Space above for Recorder's Use

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

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

This Subordination, Non-disturbance and Attornment Agreement ("Agreement") is entered into as of the ____ day of _____, 20__ by and among COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant"), RR&C CROSSROADS NO. 1, LLC, a Delaware limited liability company, ("Borrower") and [Insert name of Lender], ("Lender").

Factual Background

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

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

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

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

Agreement

Therefore, the parties agree as follows:

HOA.103721687.1

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

Lease 13401 Crossroads v6\MH\02491-003
November 11, 2022

13401 Crossroads Parkway N., City of Industry, CA
[COUNTY OF LOS ANGELES]

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

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

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

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

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

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

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

(c) be bound by any prepayment by Tenant of more than one (1) month's installment of rent, unless the Lease expressly requires such prepayment; or

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

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

HOA.103721687.1

Exhibit E
SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT

Lease 13401 Crossroads v6\MH\02491-003
November 11, 2022

13401 Crossroads Parkway N., City of Industry, CA
[COUNTY OF LOS ANGELES]

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

To Lender: _____

To Borrower: _____

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

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

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

By: _____
Name: _____
Title: _____

BORROWER: *[Insert name of Landlord]*

By: _____
Name: _____
Title: _____

LENDER: *[Insert name of Lender]*,

By: _____
Name: _____
Title: _____

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

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

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

personally appeared _____,
Name of Signer(s)

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

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

WITNESS my hand and official seal.

Signature (Seal)

EXHIBIT F

TENANT ESTOPPEL CERTIFICATE

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

Attn: _____

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

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

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

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

 (b) The current Rent is set forth above.

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

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

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

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

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

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

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

(e) No rental payments have been made more than one (1) month in advance.

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

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

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____
Name: _____
Title: _____

EXHIBIT G

COMMUNITY BUSINESS ENTERPRISE FORM

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

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

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

II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

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

2. Total Number of Ownership/Partners, Etc.: _____			III. MINORITY/WOMEN-OWNED FIRM CERTIFICATION		
3. Provide the percentage of ownership in each	All Employee	Women	Is your firm currently certified as a minority owned business firm by the:		
Black/African American			State of California? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Hispanic/Latin American			City of Los Angeles? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Asian American			Federal Government? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Portuguese American			Section D. OPTION TO PROVIDE REQUESTED INFORMATION		
American Indian/Alaskan Native			<input type="checkbox"/> We do not wish to provide the information required in this form.		
All Others			Firm Name: _____		


	Signature/Title: _____
	Date: _____

EXHIBIT H

MEMORANDUM OF LEASE

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

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

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

MEMORANDUM OF LEASE

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

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

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

[Signatures on following pages]

Dated: _____, 20__.

LANDLORD:

RR&C CROSSROADS NO. 1, LLC,
a Delaware limited liability company

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

BY: _____
Edward P. Roski, Jr., Trustee of
the Roski Community Property
Trust dated November 1, 1987,
as amended

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

BY: _____

ITS: _____

BY: _____

ITS: _____

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

[Signatures continued on following page]

APPROVED AS TO FORM:

DAWYN R. HARRISON
Acting County Counsel

By: _____
Senior Deputy

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

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

On _____, before me,

_____ Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")
personally appeared _____,

Name of Signer(s)

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

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

WITNESS my hand and official seal.

Signature (Seal)

EXHIBIT I

LANDLORD'S WORK LETTER

LANDLORD'S WORK LETTER

For

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

**COUNTY OF LOS ANGELES, as Tenant
RR&C CROSSROADS NO.1 LLC, as Landlord**

**13401 CROSSROADS PARKWAY NORTH
CITY OF INDUSTRY, CALIFORNIA**

LANDLORD'S WORK LETTER

This Work Letter supplements the Lease Agreement (the "Lease") dated _____, 2022 (the "Effective Date"), executed concurrently herewith, by and between RR&C CROSSROADS NO. 1 LLC, a Delaware Limited Liability Company, as Landlord, and COUNTY OF LOS ANGELES, a body corporate and politic, as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

The parties hereby agree as follows:

1. **Basic Work Letter Information.** The following terms as used herein shall have the meanings provided in this Section unless otherwise specifically modified by provisions of this Work Letter.

- | | |
|---|--|
| (a) <u>Total TI Costs</u> | \$28,224,000.00 (i.e., \$186.00 per rentable square foot of the Premises) |
| (i) <u>Landlord's TI Allowance</u> | \$5,760,000.00 (i.e., \$40.00 per rentable square foot of the Premises) |
| (ii) <u>Tenant's TI Contribution</u> | \$21,024,000.00 (i.e., \$146.00 per rentable square foot of the Premises) |
| (b) <u>Tenant's TI Contribution Amortization Rate and Change Authorization Amortization Rate:</u> | Fixed seven and seventy-five hundredths percent (7.75%) per annum |
| (c) <u>Landlord's Future Refurbishment Allowance:</u> | \$1,440,000.00 (i.e., \$10.00 per rentable square foot of the Premises) |
| (d) <u>Tenant's Work Letter Representative</u> | An assigned staff person of the Chief Executive Office-Real Estate Division |
| (e) <u>Landlord's Work Letter Representative</u> | An assigned staff person of the Landlord |
| (f) <u>Landlord's Address for Work Letter Notices</u> | RR&C Crossroads No. 1 LLC
c/o Majestic Realty Co.
13191 Crossroads Parkway North
6th Floor
City of Industry, California 91746
Attention: Property Manager |
| (g) <u>Tenant's Address for Work Letter Notices</u> | County of Los Angeles
Chief Executive Office - Real Estate Division
320 West Temple Street, 7th Floor |

HOA.103721907.1

Exhibit I

LANDLORD'S WORK LETTER

Lease 13401 Crossroads v6\MH\02491-003
November 11, 2022

13401 Crossroads Parkway N., City of Industry, CA
[COUNTY OF LOS ANGELES]

Los Angeles, CA 90012
Attention: Director of Real Estate

(h) Addenda

Addendum A: Base Building
Improvements
Addendum B: Tenant Improvements
Addendum C: Form of Preliminary and
Final TI Cost Summary

2. **Construction of the Building.**

2.1 **Base Building Improvements.** Landlord has constructed or shall construct the base building improvements described on Addendum A hereto (the "Base Building Improvements") as a part of the Building. If the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, such changes or additions shall not be considered Tenant Improvements (as defined below) unless such changes or additions are specifically described in Addendum B hereto.

2.2 **Additional Costs Not Total TI Costs.**

(a) If the Building as initially constructed does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the Americans with Disabilities Act of 1990 (ADA), and/or earthquake safety codes, and Landlord incurs increased design or construction costs that it would not have incurred if the Building had been in compliance with such codes, then such costs shall not be included in the calculation of Total TI Costs (as defined below), and Tenant shall have no financial responsibility for such costs.

(b) Any work that Landlord must undertake to cause the Premises to comply with the access requirements of the ADA or to make existing building systems, including but not limited to electrical service and HVAC equipment, fully operational shall be at Landlord's sole cost and expense. Total TI Costs shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease, including all expenses associated with curing any "Sick Building Syndromes", (ii) fire sprinkler system installation or upgrade, (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere, (iv) utility costs incurred during construction, (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease, nor (v) supervision or overhead costs of Landlord.

2.3 **Base Building Plans.** Landlord has delivered to Tenant complete and accurate "as built" plans and specifications for the Building in an AutoCAD 2015 (or later version) and Adobe PDF electronic format via a web-based download link. If Tenant incurs additional costs because such plans and specifications are incomplete or inaccurate, then any delay caused thereby shall not be a Tenant Delay (as defined below), but shall be deemed to be a delay caused by Landlord, and Landlord shall pay for any increased costs caused by such delay.

3. **Selection of Architect and Engineer.** Landlord shall not proceed with any bid solicitation for architectural or engineering services until final Space Plan (as defined below) is furnished to the Landlord. Once Landlord receives the final Space Plan, Landlord shall, subject to the last

sentence of this Section 3, promptly solicit at least three (3) proposals from qualified licensed architects and engineers familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings (as defined below). Landlord shall, subject to the last sentence of this Section 3, select an architect and engineer, subject to Tenant's acceptance, which shall not be unreasonably withheld, and which acceptance (or rejection for reasonable reasons) shall be granted within three (3) business days after Landlord has submitted the name of the selected architect and engineer to Tenant, together with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until Tenant accepts an architect (the "Architect") and engineer (the "Engineer"), and Tenant's written acceptance has been delivered to and received by Landlord. Notwithstanding the foregoing, Tenant's Mechanical, Electrical and Plumbing engineer shall work with Landlord's HVAC contractor, Blake Air Conditioning and Service Co., Inc. to coordinate Tenant's Space Plan with Landlord's rooftop HVAC system.

4. **Selection of Contractor.** The Final Plans (as defined below) and a proposed construction contract accepted by Tenant shall be submitted to a sufficient number of qualified contractors, selected by Landlord, so that a minimum of three (3) bids are received. Each contractor shall be requested to submit a sealed fixed price contract bid price (on an American Institute of Architects (AIA) form) to construct the Tenant Improvements depicted on the Final Plans. Within five (5) business days following Landlord's receipt of the three (3) bids, Landlord and Tenant shall jointly open and review the bids. Landlord and Tenant, after adjustments for inconsistent assumptions, shall select the most qualified bidder offering the lowest price and who commits to Landlord's schedule for the construction of the Tenant Improvements, and such contractor ("Contractor") shall enter into a construction contract ("Construction Contract") with Landlord consistent with the terms of the bid to construct the Tenant Improvements.

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

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

5.2 **Preparation and Review of Working Drawings.** Within ten (10) days after the selection of the Architect (the "Selection of Architect Date"), Landlord shall instruct the Architect

to commence preparation of working drawings (the "Working Drawings"), which shall (a) be consistent with the Space Plan and the Preliminary TI Cost Summary (as defined below), (b) be compatible with the design, construction and equipment of the Building, (c) comply with all applicable laws, (d) be capable of physical measurement and construction, (e) contain all information required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and (f) include all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant the Working Drawings, or such portion thereof as has been submitted, for Tenant's review and acceptance. Landlord shall be solely responsible for ensuring that the Working Drawings fully comply with all applicable building codes and are free from errors or omissions on the part of the Architect. Tenant shall in no event disapprove of the Working Drawings, or the applicable portion thereof, to the extent such disapproval would (i) cause such Working Drawings to not be compatible with the design, construction and equipment of the Building or in compliance with applicable laws, including, without limitation, building codes, (ii) create errors or omissions in such Working Drawings, or (iii) cause such Working Drawings to not be a logical extension of and/or consistent with the Space Plan, or the Working Drawings or Engineering Drawings previously approved by Tenant hereunder. Tenant shall approve the Working Drawings, or the applicable portion thereof, in its reasonable discretion (subject to the foregoing limitations), in writing within ten (10) business days following Landlord's submittal thereof to Tenant. Landlord shall use Building standard methods, materials and finishes in the construction of the Tenant Improvements unless expressly set forth to the contrary in the Space Plan and Tenant's Outline Specifications. In the event that Tenant timely and properly disapproves the Working Drawings, or the applicable portion thereof, then the parties shall promptly meet and diligently work in good faith to resolve Tenant's objections. The revised Working Drawings, or the applicable portion thereof, shall be resubmitted by Landlord to Tenant for Tenant's approval in accordance with the foregoing limitations, and Tenant shall approve such Working Drawings, or the applicable portion thereof, in its reasonable discretion, in writing within ten (10) business days following Landlord's resubmittal thereof to Tenant. The process set forth in the immediately preceding two sentences shall be repeated until the Working Drawings, or the applicable portion thereof, are approved by Tenant.

5.3 Preparation and Review of Engineering Drawings. Landlord shall cause the Architect to coordinate with the Engineer and to integrate all engineering drawings prepared by the Engineer, including but not limited to complete mechanical, electrical, and plumbing plans ("Engineering Drawings"), into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review and acceptance, provided that Tenant shall in no event disapprove of the Engineering Drawings, or the applicable portion thereof, to the extent such disapproval would (i) cause such Engineering Drawings to not be compatible with the design, construction and equipment of the Building or in compliance with applicable laws, including, without limitation, building codes, (ii) create errors or omissions in such Engineering Drawings, or (iii) cause such Engineering Drawings to not be a logical extension of and/or consistent with the Space Plan, and Low Voltage Plans or the Working Drawings or Engineering Drawings previously approved by Tenant hereunder. Tenant shall approve the Engineering Drawings, or the applicable portion thereof, in its reasonable discretion (subject to the foregoing limitations), in writing within ten (10) business days following Landlord's submittal thereof to Tenant. In the event that Tenant timely and properly disapproves the Engineering

Drawings, or the applicable portion thereof, then the parties shall promptly meet and diligently work in good faith to resolve Tenant's objections. The revised Engineering Drawings, or the applicable portion thereof, shall be resubmitted by Landlord to Tenant for Tenant's approval in accordance with the foregoing limitations, and Tenant shall approve such Engineering Drawings, or the applicable portion thereof, in its reasonable discretion, in writing within ten (10) business days following Landlord's resubmittal thereof to Tenant. The process set forth in the immediately preceding two sentences shall be repeated until the Engineering Drawings, or the applicable portion thereof, are approved by Tenant.

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has accepted the Engineering Drawings, Landlord shall cause the Architect to integrate the accepted Working Drawings with the accepted Engineering Drawings (collectively "Final Plans") and deliver the Final Plans to Tenant for Tenant's review in an AutoCAD 2015 (or later version) and Adobe PDF electronic format via a web-based download link. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements), power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements. Landlord's review of the Space Plan, Working Drawings, Engineering Drawings, and Final Plans shall be at Landlord's sole cost and expense.

5.5 Tenant's Plan Review and Acceptance. Tenant's acceptance of the Working Drawings, Engineering Drawings and/or the Final Plans shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements, which shall be Landlord's sole responsibility.

5.6 Schedule. Within twenty-one (21) calendar days of the Selection of Architect Date, Landlord shall submit to Tenant a detailed construction schedule for Tenant's information setting forth the projected dates for completion of certain project milestones, including but not limited to completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of the Construction Contract, construction commencement date, and the date of Substantial Completion. As the construction continues, Landlord shall amend the construction schedule from time to time to reflect any changes to the projected dates, and Landlord shall promptly submit the revised construction schedules to Tenant. Except as expressly set forth in the Lease or this Work Letter, Landlord shall have no liability or responsibility to Tenant for any failure to complete project benchmarks by the projected dates set forth in any construction schedule provided by Landlord.

5.7 Submittals. The Landlord shall submit to Tenant any Shop Drawings, Product Data Sheets / Samples or similar submittals required by the Final Plans in coordination with the construction schedule and with reasonable promptness, so as not to cause any delay in the construction of the Tenant Improvements. The purpose of Shop Drawings, Product Data,

Samples and similar submittals is to demonstrate the way by which the Contractor proposes to construct a design concept expressed in the Final Plans. "Shop Drawings" include drawings, diagrams, schedules and other data specially prepared by the Contractor or a subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Tenant Improvements. "Product Data Sheets / Samples" include illustrations, summary performance charts, instructions, brochures, diagrams, manufacturer specifications and other information furnished by the Landlord to illustrate materials or equipment for some portion of the Tenant Improvements. "Samples" are physical examples that illustrate materials, equipment or workmanship for some portion of the Tenant Improvements. The Contractor shall construct no portion of the Tenant Improvements for which the Final Plans require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been reviewed and accepted by the Architect.

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

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

6.2 **Landlord's TI Allowance and Tenant's TI Contribution.**

(a) (a) Tenant shall be entitled to a one-time Landlord's TI Allowance in the amount set forth in Section 1(a)(i) above for the costs relating to the design and construction of the Tenant Improvements (but excluding the Modular Furniture Costs (as defined in Section 9.1 below)). Subject to the Landlord/Tenant Additional Responsibility Provision, as defined and set forth in Section 6.2(b) below, in no event shall Landlord be obligated to pay a total amount for the design, construction, purchase and installation of the Tenant Improvements which exceeds the Landlord's TI Allowance and the Tenant's TI Contribution. Any unused portion of the Landlord TI Allowance following completion of the Tenant Improvements shall be credited toward the Base Rent.

(b) All improvements required by the Final Plans, as further described in Addendum B hereto, and any and all modular furniture described in the Modular Specifications (as defined below) shall be referred to herein, collectively, as "Tenant Improvements" or "TI."

Costs of Tenant Improvements shall include costs for furniture, soft costs, and any other costs approved in writing by Tenant and Landlord's reasonable approval (collectively "Total TI Costs"), all of which must not exceed, in the aggregate, the sum of Landlord's TI Allowance, Tenant's TI Contribution, and the cost of any Change Authorizations (as defined below) that are approved in writing by both parties. Subject to Section 8 below, the parties agree that the "Tenant's TI Contribution" set forth in Section 1(a)(ii) above shall be used to pay for the Modular Furniture Costs and all other Tenant Improvement Costs in excess of Landlord's TI Allowance. Notwithstanding any contrary provision of this Work Letter (but subject to the Landlord/Tenant Additional Responsibility Provision), in no event shall Tenant Improvements be permitted to the extent they will cause the Tenant Improvement Costs to exceed the sum of the Landlord's TI Allowance and the Tenant's TI Contribution, unless a Change Order has been approved therefor by Tenant in accordance with Section 8 below. Landlord shall be solely responsible for any Tenant Improvement Costs in excess of the total amount of the Final Construction Budget approved by Tenant, except for costs arising from Change Orders requested by Tenant (which shall be a Tenant cost and shall be payable from any remaining available portion of the Tenant's TI Contribution, provided that notwithstanding any contrary provision of this Work Letter, any amount owing by Tenant to Landlord therefor in excess of the remaining available portion of the Tenant's TI Contribution shall be payable to Landlord, as additional rent, within thirty (30) days of billing) (the "Landlord/Tenant Additional Responsibility Provision"). It is anticipated that the Tenant Improvement Costs will exceed the Landlord TI Allowance, and Landlord shall pay the overage, but only to the extent of the Tenant's TI Contribution paid by Landlord for Tenant Improvement Costs, and such amount of the Tenant's TI Contribution shall be repaid to Landlord by Tenant as provided in Section 6.4 below.

6.3 Landlord's Future Refurbishment Allowance. Following the one hundred twenty-sixth (126th) month of the Term of the Lease, or such earlier date after commencement of the tenth (10th) anniversary of the Commencement Date that Tenant waives its termination right set forth in Section 4.4 of the Lease (the "Refurbishment Date"), Landlord shall provide a refurbishment allowance in the amount specified in Section 1 of the Work Letter ("Refurbishment Allowance"). Within twelve (12) months of the Refurbishment Date, Tenant shall provide Landlord with a detailed scope of work and/or a space plan detailing the requested work (Refurbishment Work). In the event Tenant fails to provide the Refurbishment Work within such twelve (12) month period, Tenant shall have no right to the Refurbishment Allowance. Landlord shall be responsible for completing the Refurbishment Work in coordination with the Tenant's assigned PM. The Refurbishment Work must not exceed the sum of the Refurbishment Allowance, including the cost of any Change Orders (as defined below) approved in writing in advance by both parties (Refurbishment Costs). If the Refurbishment Costs exceed the Refurbishment Allowance, then Tenant shall be required to redesign the Refurbishment Work in order that the Refurbishment Costs will not exceed the Refurbishment Allowance. The preparation of the plans and specifications for the Refurbishment Work shall follow the same methodology as set forth in Section 5 of this Lease. Except as otherwise provided herein, the Refurbishment Work shall be paid by Landlord and deducted from the Refurbishment Allowance.

Since Tenant will be occupying the Premises pursuant to this Lease while Landlord is performing the Refurbishment Work, Tenant agrees that it shall not interfere with Landlord's completion of the Refurbishment Work. Tenant hereby acknowledges that, notwithstanding Tenant's occupancy of the Premises during the performance of the Refurbishment Work, Landlord shall be coordinate the completion of the Refurbishment Work in advance with Tenant's PM and

all Refurbishment Work must be done during afterhours, unless waived by Tenant's PM in writing, and Tenant shall provide a clear working area for the Refurbishment Work (including, but not limited to, the moving of furniture, fixtures and Tenant's property away from the area Landlord is conducting the Refurbishment Work). Tenant hereby agrees that the performance of the Refurbishment Work shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to, if any, abatement of rent. Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from the Refurbishment Work, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of whole or any part of the Premises, for loss of or damage to Tenant's personal property, merchandise, fixtures or improvements, or for any inconvenience or annoyance resulting from the Refurbishment Work or for Landlord's actions in connection with the Refurbishment Work, unless due to the negligence or willful misconduct of Landlord or Landlord's employees, agents or contractors.

6.4 Method of Payment. Tenant shall be obligated to pay Landlord that portion of Tenant's TI Contribution used to pay for any Total TI Costs in excess of Landlord's TI Allowance. That portion of the Tenant's TI Contribution used to pay for the Tenant Improvement Costs may, at Tenant's election, be paid to Landlord (i) in a lump sum (with interest thereon at the Tenant's TI Contribution Amortization Rate and Change Authorization Amortization Rate (as defined in Section 1(b) above) commencing as of the date when the Tenant Improvements are Substantially Complete, or (ii) in equal amortized monthly payments over the first five (5) years of the initial Term of the Lease, or shorter time period within the first five (5) years of the initial Term of the Lease at its discretion, with interest on the unpaid balance commencing as of the Commencement Date at the Tenant's TI Contribution Amortization Rate and Change Authorization Amortization Rate. Tenant may at any time during the first five (5) years of the initial Term prepay Landlord in a lump sum for all or any portion of the Tenant's TI Contribution used for Tenant Improvement Costs (with interest thereon at the Tenant's TI Contribution Amortization Rate and Change Authorization Amortization Rate commencing as of the Commencement Date), in which event Tenant shall thereafter pay any remaining amount of the Tenant's TI Contribution still owing to Landlord on an amortized basis in equal monthly payments over the then remaining period during the first five (5) years of the initial Term of the Lease with interest on the unpaid balance commencing as of the Commencement Date at the Tenant's TI Contribution Amortization Rate and Change Authorization Amortization Rate. The foregoing obligation of Tenant to repay the amount of the Tenant's TI Contribution which is used to pay for Tenant Improvement Costs shall constitute additional rent under the Lease and all monthly payments owing by Tenant hereunder shall be due and payable commencing on the Commencement Date (but not prior to Landlord's delivery to Tenant of Landlord's reconciliation of the Tenant Improvement Costs, provided that if Landlord's reconciliation is delivered to Tenant after the Commencement Date then notwithstanding any contrary provision of this Section 6.4, Tenant's first monthly payment shall be due within sixty (60) days following Landlord's delivery of such reconciliation to Tenant and such first monthly payment shall also include the retroactive amounts owing by Tenant for the period commencing on the Commencement Date through the date immediately preceding the date of the first monthly payment by Tenant) and continuing on or before the first (1st) day of each successive calendar month during the first five (5) years of the initial Term of the Lease (or shorter period within the first five (5) years of the initial Term of the Lease as Tenant may elect).

7. Construction of Tenant Improvements.

HOA.103721907.1

Exhibit I

LANDLORD'S WORK LETTER

Lease 13401 Crossroads v6\MH\02491-003
November 11, 2022

13401 Crossroads Parkway N., City of Industry, CA
[COUNTY OF LOS ANGELES]

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

7.2 Bids. Unless waived by Tenant in writing, any major contractors, subcontractors and material suppliers providing labor and/or materials for the Tenant Improvements shall, subject to the last sentence of this Section 7.2, be selected only after a minimum of three (3) bids have been solicited from responsible and qualified persons. Landlord shall, subject to the last sentence of this Section 7.2, submit at least three (3) sealed fixed price bids for the construction of the Tenant Improvements to Tenant for its review prior to the award of the Construction Contract. The bids shall be jointly opened and reviewed by Landlord and Tenant within five (5) business days following Landlord's receipt of a sufficient number of bids. The bids shall include an itemized list of all materials and labor and shall include all additional costs, as applicable, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Landlord shall also obtain a minimum of three (3) bids from responsible and qualified bidders for the purchase and installation of Tenant's office furniture system, if applicable, in accordance with Section 9.1 below.

7.3 Permits. Landlord shall obtain the approval of all applicable governmental authorities and all permits required by governmental authorities having jurisdiction over such approvals and permits for the Tenant Improvements, promptly after Tenant's acceptance of the Final Plans. Landlord shall obtain plan check approval prior to soliciting bids from contractors pursuant to Section 4 hereof.

7.4 Commencement of Construction. Landlord shall commence construction of the Tenant Improvements within five (5) business days following the later to occur of (i) Tenant's approval of the Final Construction Budget, (ii) Landlord's receipt of all required permits for the Tenant Improvements, and (iii) construction contract awarded to Contractor. Once commenced, Landlord shall thereafter diligently proceed to construct and complete all Tenant Improvements in a good and workmanlike manner, subject only to any cessation that may be caused by Force Majeure Delays and Tenant Delays (as defined below).

7.5 Construction. Construction of the Tenant Improvements will be subject to the following terms and conditions:

(a) Notice of Nonresponsibility. Landlord and the Contractor shall cooperate with Tenant in posting a notice or notices of nonresponsibility by Tenant in compliance with California Civil Code Section 8444.

(b) Decorating Decisions. All design and programming, space planning and interior decorating services, such as selection of wall paint colors and/or wall coverings, furniture, fixtures, flooring and base, and any other decor selection efforts required by Tenant in accordance

with Tenant's Space Plan and Outline Specifications shall be provided by Landlord as part of the Tenant Improvement Costs to which the Landlord's TI Allowance and the Tenant's TI Contribution shall be applied. Landlord shall consult with Tenant with respect to all such decorating services and decisions.

(c) Warranties. Landlord warrants that the Tenant Improvements shall be free from any defects in workmanship and materials for a period of not less than two (2) years from the date of Substantial Completion (as defined in the Lease), as may be extended for any warranty for a period in excess of two (2) years. Landlord shall require each contractor and subcontractor to provide warranties of like duration in all construction contracts relating to the Tenant Improvements and, upon Tenant's request, Landlord shall assign to Tenant any such warranties relating to the Tenant Improvements. Patent defects in the Tenant Improvements shall be brought to Landlord's attention promptly. Latent or hidden defects in the Tenant Improvements shall be brought to Landlord's attention promptly upon Tenant's becoming aware of such defects.

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

(e) Compliance with Laws. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including but not limited to all provisions of the California Labor Code. **Without limiting the generality of the foregoing, construction of the Tenant Improvements shall comply with all applicable laws and regulations, including but not limited to the provisions of the California Labor Code relating to the payment of prevailing wages on public works projects, unless the work is otherwise exempt therefrom pursuant to the California Labor Code. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly wage rate and details pertinent thereto for each craft, classification, or type of workman or mechanic needed for the construction of the Tenant Improvements. Particulars of the current prevailing wage scale, as approved by the Board of Supervisors, which are applicable to the work, are filed with the Clerk of the Board of Supervisors and must be posted at the site. Notwithstanding the foregoing or any language to the contrary contained herein, the payment of prevailing wages according to the current prevailing wage scale and compliance with applicable prevailing**

wage statutes shall be required where there is a Tenant's TI Contribution made towards the Total TI Costs of the Tenant Improvements to be performed.

(f) Access During Construction. Tenant shall have the right to conduct site visits to observe progress of the Tenant Improvements during the course of construction. Additionally, pursuant to Section 4.3 of the Lease, Tenant shall be entitled to enter the Premises at least thirty (30) calendar days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Landlord and Tenant shall use reasonable good faith efforts to coordinate the work of their respective contractors to achieve timely completion of the Tenant Improvements and Tenant's installation work; provided, however, in the event of a conflict in completing any work, Landlord's right to complete the Tenant Improvements shall have priority over Tenant's early access rights.

7.6 Completion/Close Out. The Premises shall not be considered Substantially Complete until the Tenant Improvements have been completed in accordance with the Final Plans and Section 4.1 of the Lease, subject only to the completion of minor punch-list items that will not interfere with Tenant's use and occupancy of the Premises for Tenant's permitted and intended use under the Lease. Upon Substantial Completion of the Tenant Improvements, Landlord shall notify Tenant in writing and, within fourteen (14) calendar days of Tenant's receipt of such notice, Landlord and Tenant shall conduct a "walk-through" inspection of the Premises and prepare a punch-list of known or apparent deficiencies or incomplete work required to be corrected or completed by Landlord. Landlord, at Landlord's sole cost and expense, shall cause all punch-list items to be repaired or completed as soon as possible, but in no event later than thirty (30) days following the walk-through inspection (provided that if such work or clean-up cannot reasonably be completed within such thirty (30) day period, then Landlord shall commence such punch-list items within such thirty (30) day period and shall diligently perform and complete such punch-list items thereafter). If Landlord fails to complete any of the punch-list items within such 30-day period (as may be extended), then Tenant, after giving ten (10) days written notice to Landlord, shall have the right, but not the obligation, to cause such punch-list items to be completed, and Landlord agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of the completion of such punch-list items within thirty (30) days following Landlord's receipt of Tenant's notice (which shall include a reasonably detailed itemization of the costs incurred by Tenant).

7.7 Conformed Plans. Within sixty (60) days after Substantial Completion of the Tenant Improvements and Landlord's receipt from the Contractor of all field changes and as a TI Cost, Landlord shall submit to Tenant a set of conformed plans ("as-builts") incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such "as-built" or "record documents" shall be submitted in an AutoCAD 2015 (or later version) format, along with one complete set of plans and specifications Adobe PDF electronic format via a web-based download link.

8. Requests for Change. Tenant and Landlord may make changes, additions, deletions or substitutions, alterations in the Final Plans (each a "Request for Change Order") provided that the requesting party must submit a written request to the other party and that Requests for Change (Change Order) will not be effective unless approved in writing by both Tenant and Landlord (a "Change Authorization"), which, if approved, shall be approved within thirty (30) days of notice

from the requesting party. Only the County's Chief Executive Officer or his/her designee is authorized to execute Change Authorizations on behalf of Tenant. If Tenant requests any changes or substitutions to the Tenant Improvements after the Final Plans and the Final TI Cost Summary have been accepted ("Tenant-Requested Changes"), then any additional costs related thereto in excess of Landlord's TI Allowance shall be paid by Tenant, provided that Tenant executes a written Change Authorization prior to the performance of the applicable work. Tenant may elect to pay for Change Orders by: (a) payment in a lump sum (with interest thereon at the Additional Tenant Improvement and Change Order Amortization Rate commencing as of the date(s) that Landlord pays for the applicable Change Order) upon Substantial Completion of the Tenant Improvements, or (b) amortization of such costs over the first five (5) years of the initial Term of the Lease in accordance with the terms of Section 6.4, to the extent of any remaining available portion of the Tenant's TI Contribution, which shall be elected by Tenant upon written notice to Landlord prior to the Commencement Date. Landlord shall submit to the Chief Executive Officer or his/her designee with each requested Change Order (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Tenant requested Change Authorizations previously approved; and (iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved. Each Change Authorization must be signed and dated by Landlord and the Chief Executive Officer or his/her designee in order to be effective.

9. **Furniture System.**

9.1 Tenant shall deliver to Landlord within fourteen (14) calendar days after the date of full execution of this Work Letter, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, either Tenant, Landlord and /or Landlord's Architect shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors which approval shall be granted or denied within thirty (30) days of notice from the requesting party. The bid package shall be broken down into separate line items for material, delivery, and sales tax, and each furniture item shall be broken down by unit price, quantities, description and specification. Prior to submission for bids, Landlord shall review the bid package with Tenant, and Tenant shall have the right to accept or reject the bid package. Landlord shall order the modular furniture set forth in the Modular Specifications and install the same within the Premises, all of which shall be a Total TI Cost, payable by Landlord and/or Tenant as provided in Section 6.2 and Section 6.3 hereof. Within thirty (30) days following Landlord's delivery thereof to Tenant, provided that any disapproval by Tenant shall be limited to items included in the bid package which are inconsistent with the Modular Specifications. Landlord shall select the furniture vendor that (i) commits to Landlord's schedule for the construction of the Tenant Improvements, (ii) is able to provide all of the Modular Furniture included in the bid package, and (iii) offers the lowest price (after adjustment of the bids for inconsistent assumptions). Notwithstanding any contrary provision of this Section 9.1, if the Modular Furniture Costs will exceed the remaining available Tenant's TI Contribution, as reasonably determined by Landlord and Tenant, then upon written notice from Landlord (the "Excess Furniture Notice") Tenant shall revise the Modular Specifications as necessary to reduce the Modular Furniture Costs to the extent specified by Landlord, in which event the foregoing bidding process shall be repeated and the period of time following Landlord's delivery of the Excess Furniture Notice to Tenant through the date that the Modular Furniture is ordered shall be a Tenant Delay.

The Modular Furniture shall not become part of the realty or real property but shall remain personal property. Upon Tenant's payment in full of the amounts owing to Landlord under Section

6.4 above, the Modular Furniture shall constitute Tenant's personal property and shall be removable from the Premises by Tenant's creditors and their assigns during the Term of this Lease, provided that any damage occasioned by such removal shall be repaired by such creditors, and Landlord shall have no liability to Tenant in connection with any actions by Tenant's creditors in the Premises or with respect to any Modular Furniture removed by such creditors from the Premises. The foregoing provisions relating to Tenant's creditors' rights shall be binding upon the representatives, successors and assigns of the parties hereto, and shall inure to the benefit of the successors and assigns of the parties hereto.

Landlord shall provide the Modular Furniture set forth in the Modular Specifications as part of the Tenant Improvements and the design related, and purchase and installation costs therefor (the Modular Furniture Costs") shall be part of the Total TI Costs. Tenant shall repay to Landlord the Modular Furniture Costs (with interest as set forth in Section 6.4 above) in accordance with Section 6.4 above.

9.2 Alternatively, Tenant may elect to finance the cost of modular furniture through lease-purchase financing with a third-party lender ("Creditor"). If Tenant elects to enter into a lease-purchase financing of any furniture or telecommunications equipment (individually or collectively, "Personal Property") through a Creditor, Landlord expressly agrees as follows:

(a) The Personal Property shall not become part of the real property, but shall remain personal property removable by the Creditor and its assigns, provided that any damage to the Building or the Premises caused by such removal shall be repaired by Creditor.

(b) Landlord must receive written notice from Creditor of any plan by Creditor to remove the Personal Property from the Building, and Landlord shall have no liability to Tenant in connection with any actions by Tenant's creditors in the Premises or with respect to any Modular Furniture removed by such creditors from the Premises.

(c) This Section 9.2 shall be binding on the representatives, successors and assigns of all parties hereto and shall inure to the benefit of the successors-in-interest to all parties hereto.

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

10. **Total TI Costs Adjustment and Right to Audit.** Within ninety (90) calendar days of the issuance of a Certificate of Occupancy for the Premises or a final sign-off by the County of Los Angeles, whichever occurs first, Landlord shall provide to Tenant a statement showing (a) all Total TI Costs in reasonable detail, and (b) the amount of Total TI Costs that is in excess of Landlord's TI Allowance and payable hereunder by Tenant to Landlord. Payments by Tenant for the Tenant's TI Contribution and/or Change Orders shall be calculated and adjusted as appropriate, based upon such statement. Tenant shall have the right to audit the Total TI Costs for a period of twelve (12) calendar months after the date of Landlord's delivery of said statement to Tenant showing/detailing the Total TI costs. If the audit shows that Tenant is entitled to a reduction in payments made by Tenant to the Landlord pursuant to this Work Letter, then Tenant shall provide Landlord with a copy of the audit summary for Landlord's review, and Landlord shall have the right to object to Tenant's audit within sixty (60) calendar days after Landlord's receipt thereof (the

"Outside Audit Response Date") if Landlord reasonably believes that Tenant's audit is inaccurate or incorrect. In the event that Landlord timely objects to Tenant's audit, then the parties shall work together diligently and in good faith to promptly resolve their disagreement and finalize the statement of Total TI Costs. Until such time as Tenant's audit is approved by Landlord or the parties resolve any disagreement with respect thereto, Tenant shall continue pay Landlord based upon the amounts originally billed to Tenant for the Tenant's TI Contribution and/or Change Orders. In the event that Landlord fails to timely object to Tenant's audit, or upon the parties' resolution of any disagreement with respect thereto, if it is determined that Tenant has overpaid any amounts to Landlord, then Landlord shall, within thirty (30) calendar days following the Outside Audit Response Date or the date of the parties' resolution of their disagreement, as applicable, refund to Tenant the amount of any overpayment made by Tenant and all future payments owing by Tenant to Landlord under this Work Letter shall be adjusted as appropriate based upon the agreed upon audit results.

11. **Telephone/Computer Room and Equipment.** Landlord shall complete the telephone equipment room(s), including permanent power and HVAC, in compliance with the Space Plan, Low-Voltage Plans and specifications provided by Tenant at least thirty (30) calendar days prior to the Estimated Commencement Date pursuant to Section 4.3 of the Lease. Landlord agrees that the telephone equipment room(s) will be lockable.

12. **Delay.**

12.1 **Tenant Delays and Force Majeure Delays.** Except as set forth in this Section 12, no delay in the design or completion of construction of the Tenant Improvements shall be considered in the determination of the Estimated Commencement Date, the date upon which the Premises are deemed to be Substantially Complete, or the Commencement Date of the Lease and, except as set forth in this Work Letter or in the Lease, Tenant shall not be charged as a result of any delay in the construction of Tenant Improvements. Subject to the provisions of Section 12.2, the Estimated Commencement Date set forth in the Lease shall be extended one (1) day for each day that: (a) Tenant fails or refuses to give authorizations or approvals or performs acts as required herein or within the time periods required herein, or that the commencement or completion of construction of the Tenant Improvements is delayed as the result of Change Orders requested by Tenant or Department of Building and Safety changes (DBS Changes) which are related to Change Orders requested by Tenant, but only to the extent such delays delay the commencement or completion of construction of the Tenant Improvements (referred to herein as "Tenant Delay(s)"); or (b) Substantial Completion of the Tenant Improvements is delayed as the result of DBS Changes which are unrelated to Change Orders requested by Tenant, or by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, acts of God, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)"). In addition, the date upon which the Premises are deemed

to be Substantially Complete, and the Commencement Date, shall be accelerated one (1) day for each day of Tenant Delay.

12.2 Limitations.

(a) Notice. No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless, within forty-eight (48) hours Landlord has provided written notice of the event giving rise to such claim, in compliance with the Lease, to Tenant specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction, or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred, commencing as of the date Tenant received such notice from Landlord. For purposes of notices of Tenant Delays and/or Force Majeure Delays, the email addresses set forth in Section 17 below shall be used for any electronic confirmations of such notices delivered by facsimile, provided Landlord also concurrently advises the Tenant by telephone in accordance with Section 17 below.

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

(c) Concurrent Delays. Tenant Delays and Force Majeure Delays shall be recognized hereunder only if they are not concurrent with any other Tenant Delay or Force Majeure Delay that is effective hereunder. For example, if fourteen (14) calendar days of Tenant Delays and six (6) calendar days of Force Majeure Delays occur during the same fourteen (14) calendar day period, then the Estimated Commencement Date would be extended by only fourteen (14) calendar days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, then the Estimated Commencement Date would be extended by twenty (20) calendar days.

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

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

14. Representatives.

14.1 Tenant Representative. Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf

of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Work Letter only, is Tenant's Address for Work Letter Notice as set forth in Section 1(g) above.

14.2 Landlord Representative. Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on behalf of Landlord as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Work Letter only, is Landlord's Address for Work Letter Notice as set forth in Section 1(f) above.

15. Intentionally Deleted.

16. Construction Meetings. During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week or biweekly, unless Landlord or Tenant directs otherwise, at a time and place that is mutually convenient. An initial construction meeting shall be held within five (5) business days after the date the Contractor is selected. Landlord, Architect or Contractor shall provide minutes of each construction meeting to Tenant within a reasonable time thereafter, but not later than three (3) business days after the date of the construction meeting.

17. Delivery. Delivery of all plans and drawings referred to in this Work Letter shall be either by commercial messenger service, personal hand delivery or Landlord can set up a web-based download, unless otherwise agreed by Landlord and Tenant. Any electronic deliveries shall be delivered to Landlord at the following email addresses: dbui@majesticrealty.com and goldstein@majesticrealty.com (or to such other person as Landlord may designate from time to time), and to Tenant at the following email addresses: vhasanovic@ceo.lacounty.gov and daardema@ceo.lacounty.gov, provided that the delivering party shall also concurrently advise the receiving party by telephone of the forthcoming email at the applicable telephone number, as follows: For Landlord: David Bui at (562) 948-4388 and Louis Goldstein at (562) 576-1611. For Tenant: Vedad Hasanovic at (213) 246-9997 and Dean Aardema at (213) 893-2471.

18. Miscellaneous. This Landlord's Work Letter sets forth the entire understanding and agreement between the Parties with respect to the subject matter of this Landlord's Work Letter. This Landlord's Work Letter may be amended only in a writing signed by both Parties. Any notice to a party for a breach of this Landlord's Work Letter must be delivered in writing per the terms as set forth in Section 30.6 of the Lease. This Landlord's Work Letter will not be effective unless and until signed and delivered by both Parties. This Landlord Work Letter will be binding upon, enforceable by and inure to the benefit of the Parties and each of their successors and permitted assigns. This Landlord Work Letter is hereby incorporated into and made part of the Lease. All the terms and conditions of the Lease remain in full force and effect, except as expressly indicated otherwise in this Landlord Work Letter. This Landlord Work Letter will become effective as of the Effective Date and shall continue in effect, except to the extent it is amended or terminated in accordance with terms of the Lease.

19. Counterparts; Electronic Signatures. This Work Letter and any other documents necessary for the consummation of the transaction contemplated by this Work Letter may be executed in counterparts, including both counterparts that are executed on paper and

HOA.103721907.1

Exhibit I

LANDLORD'S WORK LETTER

Lease 13401 Crossroads v6\MH\02491-003
November 11, 2022

13401 Crossroads Parkway N., City of Industry, CA
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counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Work Letter and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Work Letter had been delivered and had been signed using a handwritten signature. Landlord and Tenant (i) agree that an electronic signature, whether digital or encrypted, of a party to this Work Letter is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intended to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Work Letter based on the foregoing forms of signature. If this Work Letter has been executed by electronic signature, all parties executing this document are expressly consenting under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and California Uniform Electronic Transactions Act ("UETA")(Cal. Civ. Code § 1633.1, et seq.), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

[Signatures on following page]

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

LANDLORD:

RR&C CROSSROADS NO. 1 LLC,
a Delaware limited liability company

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



By: [Signature]
Edward P. Roski, Jr., Trustee of the
Roski Community Property Trust
dated November 1, 1987, as amended

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

By: _____

Its: _____

By: _____

Its: _____

Date Signed: 11/11/2022

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____

Name: _____

Title: _____

Date Signed: _____

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

LANDLORD:

RR&C CROSSROADS NO. 1 LLC,
a Delaware limited liability company

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

By: _____
Edward P. Roski, Jr., Trustee of the
Roski Community Property Trust
dated November 1, 1987, as amended

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

By: Thomas H. Purcell
Chairman & CEO

Its: _____
By: Edward J. McOris
CFO & Secretary

Date Signed: 11/11/2022

TENANT:

COUNTY OF LOS ANGELES,
a body corporate and politic

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

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Lease 13401 Crossroads v6\MH02491-003
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Exhibit I
LANDLORD'S WORK LETTER

13401 Crossroads Parkway N., City of Industry, CA
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ADDENDUM A To Landlord's Work Letter

BASE BUILDING IMPROVEMENTS

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

(a) the Building shell and exterior, including perimeter window systems and mullions in good condition, infill any openings along exterior walls, including but not limited to, those areas which were formally used for shopping cart pass through and access to the trash compactor in accordance with the Tenants final plans (Final Plans). If building has not been constructed or is still under construction, no tenant improvements work shall commence until building has been signed off by Building and Safety having jurisdiction and Certificate of Occupancy has been received;

(b) repair, replace, prep, and paint the entire exterior of the Building, the exterior bollards, the generator enclosure, any exterior stairs, stair rails, exterior doors, pursuant to a color pallet which is specified by Tenant and reasonably approved by Landlord;

(c) include mechanical, electrical, sprinkler, plumbing, Fire life safety, heating, air conditioning, ventilation and structural systems within the Building core, stubbed out to the face of the core wall at locations determined, including but not limited to, replacement of all HVAC units serving the Building and any required additional curbs for new configured HVAC units in accordance with the Final Plans and specifications;

(d) toilet rooms per code, including necessary plumbing fixtures, ceramic tile floors, accessories including, touchless controls for toilets, sink faucets, paper towel dispensers, and doors), ceilings and lighting, with running hot and cold water;

(e) public stairways;

(f) parking facilities, including repair, replacement/slurry as needed, and restriping of the parking lot pursuant to a parking plan developed by the architect of record, to be reasonably approved by Tenant. Exterior lighting per Tenant's lighting specifications;

(g) install electric charging stations as required by code but no less than 3% of the total parking count in a location designated by Tenant and reasonably approved by Landlord. Installation of the charging stations may be installed in coordination with the Tenant's Internal Services Department and Southern California Edison's Ready Charge program;

(h) exterior plazas and landscaping;

(i) loading dock and/or area with new bumpers and functioning levelers;

(j) drinking water bottle filling fountains with cold water throughout the core;

(k) electrical/telephone closet with not less than seven (7) watts per square foot of rentable area of normal power in the floor electrical closet;

(l) conduit access sufficient for Tenant's electrical wiring (no additional improvement to increase conduit access will be furnished by Landlord unless there is not sufficient riser space as required for a 1.5" diameter signal cable from the Building main telecommunication vault to the telephone closets, in which case Landlord, at no cost to Tenant and without deduction from Landlord's TI Allowance, shall cause such riser space to be made available to Tenant, and provided further that Tenant shall be responsible for the cost for removing the riser floor seal at each floor and the patching of each seal after installation of Tenant's cable);

(m) two (2) 208/120 and one (1) 480/277 Volt (VAC) panels connected to the Building power system;

(n) mechanical equipment room with ducted mechanical exhaust system;

(o) concrete floors with troweled finish and holes repaired ready for tenants floor finish, level to specified tolerances and designed to support a minimum live load of fifty (50) pounds per square foot and a partition load of twenty (20) pounds per square foot. Landlord shall notify Tenant of any methane mitigation barriers below the Building (Building does not contain any methane mitigation barriers);

(p) standard window coverings with the exception of any doors;

(q) primary HVAC duct for cooling and primary HVAC duct for heating from HVAC units into the building core;

(r) primary fire sprinkler distribution, including secondary piping, and sprinkler heads as required for the unoccupied Premises including any pumping equipment to ensure the fire sprinkler system is sufficient to meet Tenant's requirements;

(s) primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution;

(t) access at panels in the service core for distribution of Building requirements electrical power (initially 120/208 V for power and 277V for fluorescent lighting) up to the limits permitted under applicable law at the time the Building receives the initial temporary certificate of occupancy for the Building;

(u) Demolition and removal of any existing improvements or equipment situated within the Premises including but not limited to removal of all false decorative installations within the interior and exterior of the Building, including all metal work and their respective columns, removal of the exterior shopping cart coral; removal and repair of the existing racking; unless the Final Plans show that such improvements and/or equipment will remain in the Premises;

(v) install an 8' ornamental iron fence around the entire perimeter of the property (the "Fencing"), including three (3) electric rolling gates for vehicles/trucks and man gates with key card access. Tenant shall have the right to upgrade the Fencing to aluminum (the "Upgraded Fencing") upon written request to Landlord and any additional cost to Landlord for the Upgraded Fencing shall be part of the Tenant's TI Contribution. Landlord shall be responsible for any

trenching and subsequent repairs for installation of underground conduit for Tenant's cabling from the Building to the respective electronic card reading locations and power to a guard shack;

(w) replace existing roofing and coordinate with Tenant on any solar panel or solar tube installation project; provided, however, the cost of any structural work required for any solar panel or solar tube installation project shall be part of the Tenant's TI Contribution;

(x) replace the existing Building's Generator with a new 800kW Generator (Generator). Landlord shall be responsible for the maintenance of the Generator including, repairs, and replacement as needed for the term of the Lease, including any term extensions;

(y) ensure all exterior doors including roll-up doors and its hardware are in "good-working" order and condition and in compliance with current code; and

(z) Install an exterior trash enclosure pursuant to the Final Plans and per code.

ADDENDUM B To Landlord's Work Letter

TENANT IMPROVEMENTS

Tenant improvements shall include:

1. Tenant ceilings and lighting;
2. Floor finish in the Premises (except any floor preparation or repairs and elevator lobbies, public corridors on multi-tenant floors and toilet rooms);
3. Interior finishes of any kind within the Premises (public corridors and core area toilet rooms);
4. Interior partitions, doors, and hardware within the Premises;
5. Terminal boxes and reheat coils or other HVAC or air distribution devices off the primary HVAC ducts for heating and cooling to or within the Premises;
6. Tenant's furniture, fixtures, and equipment, including telephones, computers and cabling therefor;
7. Distribution of electrical services, plumbing services, and sprinklers to the Premises, and domestic hot water heater and associated hot water piping;
8. Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms, and extinguishers;
9. Additional and/or above standard electrical capacity; and
10. Fiber optic access.
11. Installation of solar panels or solar tubes, if needed by Tenant, and if needed by Tenant, Landlord shall work with Landlord's roofing company so as to not void any roof warranty.
12. Aluminum fencing, if requested by Tenant (less cost of 8' ornamental iron fence) per Section (v) of Addendum A;
13. Structural changes to the roof, if any, to accommodate Tenant's solar panel or solar tube installation project per Section (w) of Addendum A.

ADDENDUM C To Landlord's Work Letter

PRELIMINARY AND FINAL TI COST SUMMARY

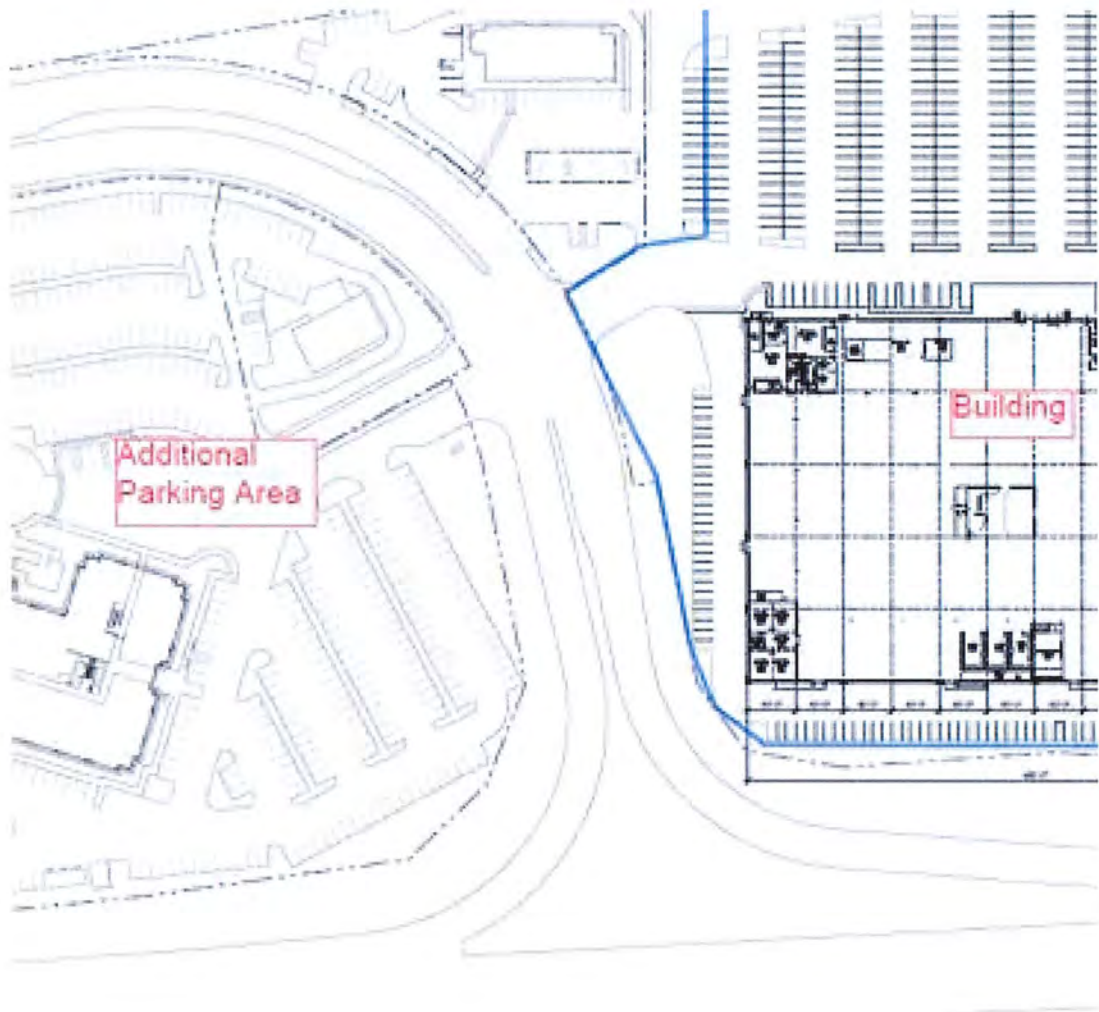
____ Preliminary TI Cost Summary
____ Final TI Cost Summary

Lease No. _____
Address _____

Cost Category	
Architecture and Engineering Contract	\$
Plan Check Fees & Permits	\$
General Contractor	\$
(Profit)	\$
(Overhead)	\$
Furniture	\$
Other (Specify)	\$
Total TI Costs	\$

EXHIBIT J

SUPPLEMENTAL PARKING AREA



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Exhibit J SUPPLEMENTAL PARKING AREA

Lease 13401 Crossroads v6\MH\02491-003
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13401 Crossroads Parkway N., City of Industry, CA
[COUNTY OF LOS ANGELES]

EXHIBIT K

COVENANTS, CONDITIONS AND RESTRICTIONS

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

MAJESTIC REALTY CO.
13191 CROSSROADS PARKWAY NORTH
6TH FLOOR
CITY OF INDUSTRY, CA 91746
ATTN: MARGUERITE C. HILL, ESQ.

(Space Above for Recorder)

AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "**Declaration**") is made as of _____, 2022 (the "**Effective Date**"), by RR&C DEVELOPMENT COMPANY, a California general partnership ("**RR&C**") and RR&C CROSSROADS NO. 1 LLC, a Delaware limited liability company ("**RR&C No. 1**") (collectively, "**Declarants**").

RECITALS:

A. RR&C is the fee owner of certain real property located in the City of Industry, County of Los Angeles, State of California, as shown on the site plan (the "**Site Plan**") attached hereto as Exhibit A, and as more particularly described in Exhibit B attached hereto and incorporated herein by this reference (the "**RR&C Tract**"). RR&C No. 1 is the fee owner of certain real property located in the City of Industry, County of Los Angeles, State of California, as shown on the Site Plan attached hereto as Exhibit A, and as more particularly described in Exhibit C attached hereto and incorporated herein by this reference (the "**RR&C No. 1 Tract**"). The RR&C Tract and the RR&C No. 1 Tract (collectively, the "**Shopping Center**") are contiguous and adjacent to each other, as shown on the Site Plan.

B. Declarants recorded with respect to the Shopping Center that certain Declaration of Covenants, Conditions and Restrictions (the "**Original Declaration**") dated December 12, 2006, and recorded in the Official Records of Los Angeles County, California on December 22, 2006 as Document Number 20062850460. Declarants desire to amend and restate the Original Declaration to restate the covenants, conditions and restrictions applicable to the RR&C Tract and the RR&C No. 1 Tract. Upon the recordation of this Declaration in the Official Records of Los Angeles County, California, the Original Declaration shall be deemed amended and restated as provided in this Declaration and the Original Declaration shall be null and void and of no further force and effect.

HOA.103721907.1

Exhibit K

COVENANTS, CONDITIONS AND RESTRICTIONS

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C. RR&C No. 1 and RR&C desire to establish an access and parking easement and use restrictions over a portion of the RR&C No. 1 Tract and to set forth their respective rights and obligations with respect to said easement in accordance with the terms of this Declaration.

D. Declarants desires to create this Declaration to amend and restate the applicable non-exclusive access easement rights and use restrictions as set forth in this Declaration; and therefore, Declarants hereby declare that RR&C No. 1 Tract shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and approved subject to the access easement and use rights on the terms and conditions set forth herein.

E. During the period of its ownership of the RR&C Tract, RR&C entered into certain leases which provided certain use restrictions. By this Declaration, Declarants desire to confirm the effect of such use restrictions on the RR&C No. 1 Tract on the terms and conditions set forth herein.

F. The access easement rights and use restrictions set forth in this Declaration shall run with and burden the RR&C No. 1 Tract and shall be binding upon all persons having or acquiring any right, title or interest in the RR&C No. 1 Tract or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of the RR&C Tract, or any interest therein and shall inure to the benefit of and be binding upon, and may be enforced by Declarant and each Person (as defined below) who acquires a fee interest in the RR&C Tract or any portion thereof and their respective heirs, executors, administrators, successors and assigns.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals, and pursuant to the terms and conditions contained herein, Declarants declare as follows:

ARTICLE 1 DEFINITIONS

1.1 Occupant. "Occupant" shall mean each party and any Person from time to time entitled to the use and occupancy of any portion of the Shopping Center under an ownership right or any lease, sublease, license, concession or other similar agreement.

1.2 Owner. "Owner" shall mean any Person that holds a fee simple interest in any portion of the Shopping Center. The original Owners shall be the Declarants and, after compliance with the notice requirements set forth below, its respective successors and assigns who become owners of any portion of the Shopping Center. Each Owner shall be liable for the performance of all covenants, obligations and undertakings set forth herein with respect to the portion of the Shopping Center owned by such Owner that accrue during the period of such ownership.

1.3 Parcel. "Parcel" shall mean a legally subdivided lot comprising all or any portion of the Shopping Center.

1.4 Permittees. "Permittee" shall mean all Occupants and any Owner granted any license, permission, easement or other rights in or to the Shopping Center, and the officers, directors, partners, members, employees, agents, contractors, customers, vendors, suppliers, visitors, invitees,

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Exhibit K

COVENANTS, CONDITIONS AND RESTRICTIONS

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licensees, subtenants and concessionaires of such parties insofar as their activities relate to the intended use of the Shopping Center.

1.5 Person. "Person" shall mean any individual, partnership, firm, association, corporation, trust, limited liability company or any other form of business or government entity.

ARTICLE 2 EASEMENTS

2.1 Ingress and Egress. RR&C No. 1 hereby reserves for the benefit of RR&C and/or any RR&C Occupant, for its use and for the use of its Permittees, in common with others entitled to use the same, the non-exclusive perpetual easement for (i) the passage of vehicles over and across the parking and driveway areas identified as the "**Easement Area**" on Exhibit A, attached hereto and public streets adjacent thereto, as the same may from time to time be constructed and maintained for such use; (ii) the passage and accommodation of pedestrians over and across the parking, driveways, and sidewalk areas of the Shopping Center and public streets and walkways adjacent thereto, as the same may from time to time be constructed and maintained for such use; and (iii) the parking of vehicles in the parking spaces identified as the "**Parking Spaces**" within the Easement Area on Exhibit A attached hereto. Such easement rights shall be subject to the following conditions and reservations as well as other provisions contained in this Declaration:

(b) **Temporary Closure.** RR&C No. 1, for itself and each Owner and/or Occupant, reserves the right to close off portions of the Easement Area for such reasonable period of time as may be legally necessary, in the opinion of RR&C No. 1's counsel, to prevent the acquisition of prescriptive rights by any Person, provided such closure shall not deprive an Owner or Occupant or their Permittees of access to its property and such Owner shall give notice of such closing to, and coordinate such closing with, Declarant and the Owners of any adjacent Property who would be affected by such closure.

(c) **Exclusion of Non-Permittee.** Declarant, for itself and each Owner and/or Occupant, reserves the right at any time and from time to time to exclude, eject or restrain any Person who is not a Permittee from using any portion of the Shopping Center.

ARTICLE 3 RESTRICTIONS ON USE

3.1 Restrictions on Use. So long as that certain Lease Agreement executed by RR&C and JACK IN THE Box, a Delaware limited liability company ("**JIB**"), dated January 11, 2005, as amended (the "**Lease**"), shall not have expired and shall not have been terminated prior to that date due to a default, agreement by the parties thereto or otherwise pursuant to the terms of the Lease, and provided (I) JIB is not in default of any term or condition of this Lease beyond the applicable cure period; (II) JIB is continuously operating the entire Demised Premises for the uses specified in Paragraph 6, excepting temporary closures expressly permitted hereunder; and (III) JIB is the original signatory to the Lease and has not made an assignment of the Lease or sublet any portion of the Demised Premises except for any Permitted Assignment, pursuant to the terms of the Lease, RR&C No. 1 covenants and agrees not to permit the tenancy, operation, or use of any (i) drive-

HOA.103721907.1

Exhibit K

COVENANTS, CONDITIONS AND RESTRICTIONS

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through, fast-food restaurant business serving hamburgers; (ii) convenience store; or, (iii) retail gas station on the RR&C No. 1 Tract.

ARTICLE 4 GENERAL PROVISIONS

4.1 Notices.

(a) **Method of Giving Notice.** All notices, demands and requests (collectively "Notice") required or permitted to be given under this Declaration must be in writing and shall be deemed to have been given as of the date such Notice is (i) delivered to the Person intended, whether by delivery service or overnight carrier such as Federal Express, (ii) delivered to the then-current address of the Person intended, whether by delivery service or overnight carrier such as Federal Express, or (iii) rejected at the then-current address of the Person intended, provided such Notice was sent prepaid. The initial address shall be:

Declarant: RR&C DEVELOPMENT COMPANY
C/O MAJESTIC REALTY CO.
13191 Crossroads Parkway North
Sixth Floor
City of Industry, California 91746
Attention: Legal Counsel
Phone: (562) 692-9581
Facsimile: (562) 463-9561

RR&C CROSSROADS NO. 1 LLC
C/O MAJESTIC REALTY CO.
13191 Crossroads Parkway North
Sixth Floor
City of Industry, California 91746
Attention: Legal Counsel
Phone: (562) 692-9581
Facsimile: (562) 463-9561

Upon at least ten (10) days' prior written Notice, each Person shall have the right to change its address to any other address within the United States of America. All Notices under this Declaration shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed, on the delivery date or attempted delivery date shown on the return receipt.

4.2 Notice to Mortgagees and Right to Cure. Any mortgagee or beneficiary of any Owner ("**Encumbrancer**") shall be entitled to receive notice of any default by the Owner upon whose Parcel it holds an interest, provided that such Encumbrancer shall have delivered a request for notice to each Owner. Any such notice shall be given in the same manner as provided for in this Declaration.

4.3 Binding Effect. The terms of this Declaration and all easements granted hereunder shall constitute covenants running with the land and shall inure to the benefit of and be binding upon
HOA.103721907.1

Exhibit K

COVENANTS, CONDITIONS AND RESTRICTIONS

Lease 13401 Crossroads v6IMHV02491-003
November 11, 2022

13401 Crossroads Parkway N., City of Industry, CA
[COUNTY OF LOS ANGELES]

the signatories hereto and their respective successors and assigns who become Owners hereunder. This Agreement is not intended to supersede, modify, amend or otherwise change the provisions of any prior instrument affecting the land burdened hereby, other than that, upon the recordation of this Declaration, the Original Declaration shall be deemed amended and restated as provided in this Declaration and the Original Declaration shall be null and void and of no further force and effect. All the provisions of this Declaration shall be enforceable as equitable servitudes and constitute covenants running with the land pursuant to applicable law, including, but not limited to, Section 1468 of the California Civil Code. In the event of any conflict between the terms and provisions of this Declaration and any leases or other occupancy agreement affecting the Shopping Center, this Declaration shall control. It is expressly acknowledged that each covenant to do or refrain from doing some act on each Parcel hereunder (a) is for the benefit of each other Parcel and is a burden upon each other Parcel, (b) runs with each Parcel, and (c) shall be binding upon each successive Owner during its ownership of each Parcel, or any portion thereof, and each Person having any interest therein derived in any manner through any owner of any Parcel, or any portion thereof, and shall benefit each Owner and its Parcel and each other Person becoming an Owner (or member of an Owner), and its interest in its Parcel.

4.4 Singular and Plural. Whenever required by the context of this Declaration, use of the singular shall include the plural, and vice versa, and the masculine shall include the feminine and neuter genders.

4.5 Not a Public Dedication/Intended Beneficiaries. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Shopping Center or of any Parcel or portion thereof to the general public or for any public use or purpose whatsoever. Except as herein specifically provided, no rights, privileges or immunities of any Owner shall inure to the benefit of any third-party Person, nor shall any third-party Person be deemed to be a beneficiary of any provision contained herein.

4.6 Severability. Invalidity of any provision contained in this Declaration, or of the application thereof to any Person by judgment or court order, shall in no way affect any other provision hereof or the application thereof to any other Person and the same shall remain in full force and effect.

4.7 Amendments. This Agreement may be amended by, and only by, a written agreement signed by Declarant. Any such amendment shall be effective only when recorded in the county and state where the Shopping Center is located.

4.8 Captions and Capitalized Terms. The captions preceding the text of each Article and Section are included only for convenience of reference. Captions shall be disregarded in the construction and interpretation of this Declaration. Capitalized terms are also selected only for convenience of reference and do not necessarily have any connection to the meaning that might otherwise be attached to such term in a context outside of this Declaration.

4.9 Effect of Breach Upon Purchasers and Mortgagees. The breach of this Declaration shall not entitle any Owner or Person to cancel, rescind or otherwise terminate this Declaration, or any conditions, covenants, easements or restrictions hereunder. No breach of this

Declaration shall defeat, render invalid, diminish or impair the lien of any mortgage or deed of trust made in good faith and for value, but all the covenants and restrictions, easements and conditions and other provisions, terms and conditions contained in this Declaration shall be binding upon and effective against any Person (including any mortgagee or beneficiary under a deed of trust) who acquires title to any Parcel or any portion thereof by foreclosure, trustee's sale, deed in lieu of foreclosure or otherwise.

4.10 No Waiver. The failure of Declarant or any Owner to insist upon strict performance of any term, covenant or condition hereof shall not be deemed a waiver of any rights or remedies that Declarant or any Owner may have hereunder, at law or in equity, and shall not be deemed a waiver of any subsequent breach or default of any term, covenant or condition.

4.11 Governing Laws. This Agreement is entered into, shall be performed entirely within, shall be governed by, and shall be construed in accordance with, the laws of the State of California for contracts made and to be performed therein.

4.12 Exhibits. All exhibits and schedules attached to this Declaration shall be incorporated herein by this reference and made a material part hereof.

ARTICLE 5 RECORDATION AND TERM

5.1 Recordation. This Agreement shall become effective and binding upon the Occupants, Owners and their respective successors in interest upon recordation of this Declaration in the Official Records of Los Angeles County, California.

5.2 Term of Agreement. This Agreement shall be effective as of the date of recordation as provided above and shall continue in full force and effect in perpetuity.

[Signatures on following page]

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the day and year first above written.

DECLARANT:

RR&C DEVELOPMENT COMPANY,
a California general partnership

By: Roski Family Partnership, L.P.,
a California limited partnership

By: Roski & Roski, LLC,
a Delaware limited liability company,
its general partner

By: _____
EDWARD P. ROSKI, JR., Trustee of
the Roski Community Property Trust
dated November 1, 1987, as amended,
Manager

By: _____
EDWARD P. ROSKI, JR., Trustee of the Roski
Community Property Trust dated November 1, 1987,
as amended

By: CURCI INVESTMENTS, LLC,
a California limited liability company

By: _____

Its: _____

By: _____

Its: _____

[Signatures continued on following page]

DECLARANT (CONTINUED):

RR&C CROSSROADS NO. 1, LLC,
a Delaware limited liability company

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

By: _____
Edward P. Roski, Jr., Trustee of the Roski
Community Property Trust dated November 1,
1987, as amended

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

By: _____

Its: _____

By: _____

Its: _____

EXHIBIT A

SITE PLAN

[ATTACHED]

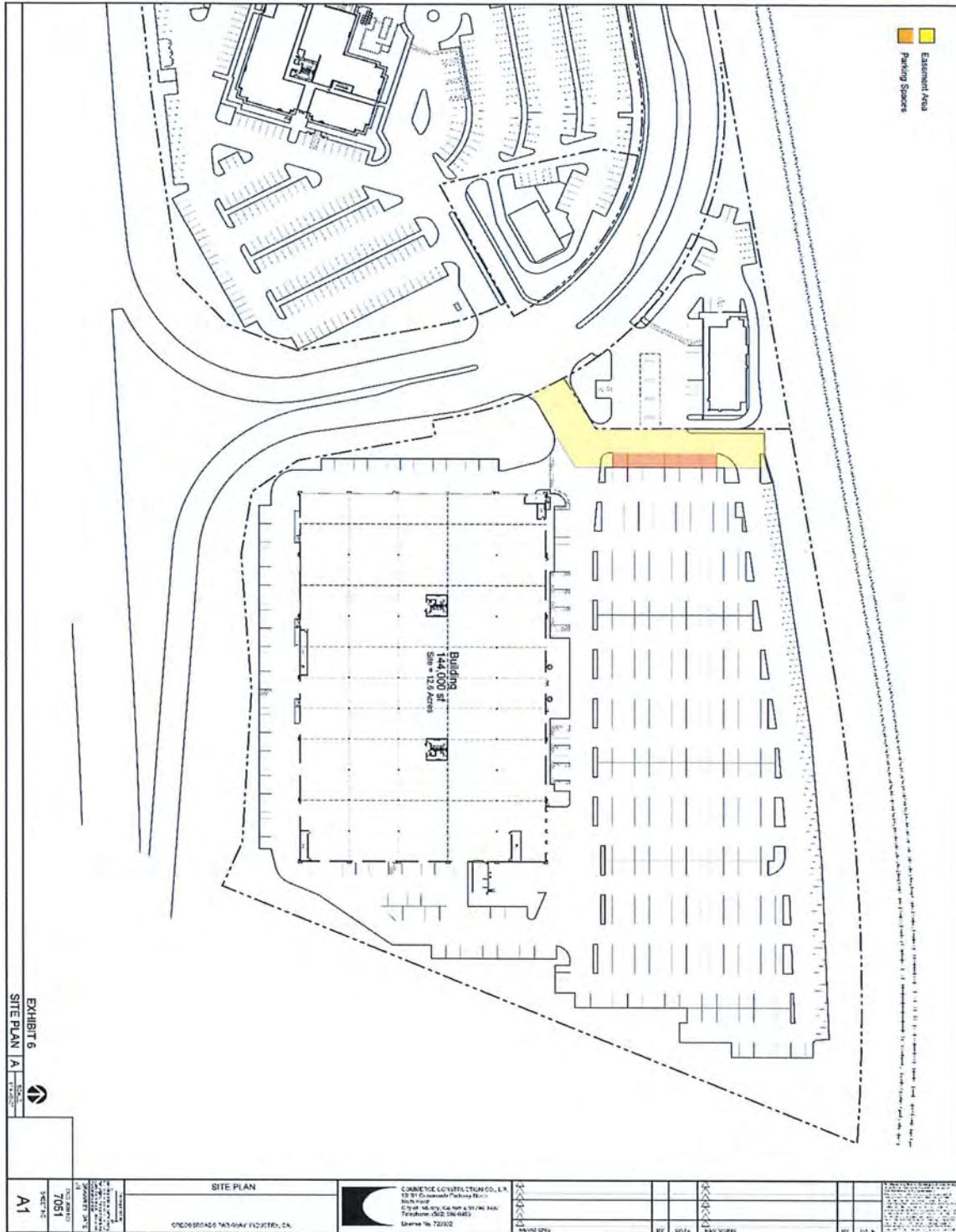
HOA.103721907.1

Exhibit K

COVENANTS, CONDITIONS AND RESTRICTIONS

Lease 13401 Crossroads v6\MH\02491-003
November 11, 2022

13401 Crossroads Parkway N., City of Industry, CA
[COUNTY OF LOS ANGELES]



HOA.103721907.1

Exhibit K COVENANTS, CONDITIONS AND RESTRICTIONS

Lease 13401 Crossroads v6\MH102491-003
November 11, 2022

13401 Crossroads Parkway N., City of Industry, CA
[COUNTY OF LOS ANGELES]

EXHIBIT B

LEGAL DESCRIPTION OF PROJECT

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

PARCEL 2 IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP NO. 323 FILED IN BOOK 315 PAGES 18 AND 19 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPT THE "PRECIOUS METALS AND ORES THEREOF", AS EXCEPTED FROM THE PARTITION BETWEEN JOHN ROWLAND, SR. AND WILLIAM WORKMAN IN THE PARTITION DEED RECORDED IN BOOK 10 PAGE 39 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPT FROM THAT PORTION OF SAID LAND DESCRIBED IN THE DEED HEREINAFTER REFERRED TO ALL OIL, GAS, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS, IN AND UNDER SAID LAND OR THAT MAY BE PRODUCED THEREFROM, BUT WITH NO RIGHTS OF ENTRY UPON OR THROUGH THE SURFACE OF OR THAT PORTION OF THE SUBSURFACE LYING 500 FEET VERTICALLY IN DEPTH BELOW THE SURFACE THEREOF, AS RESERVED BY EMILIO VANONI, A MARRIED MAN, AS HIS SEPARATE PROPERTY, PETER W. VANONI, A SINGLE MAN, ROSE VANONI MAZZETTI, A MARRIED WOMAN BY DEED RECORDED MAY 29, 1964, AS INSTRUMENT NO. 1697, IN BOOK D2490, PAGE 95, OFFICIAL RECORDS.

ALSO EXCEPT FROM THAT PORTION OF SAID LAND DESCRIBED IN THE DEED HEREINAFTER REFERRED TO, ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES IN, ON AND UNDER SAID LAND, WITHOUT THE RIGHT OF ENTRY UPON THE SURFACE THEREOF FOR THE PURPOSE OF EXPLORING, EXTRACTING AND PRODUCING SAME, RESERVING HOWEVER, THE RIGHT TO ENTER THE SUBSURFACE BELOW A DEPTH OF 500 FEET FOR THE PURPOSE OF EXPLORING, EXTRACTING AND PRODUCING SAME, AS RESERVED BY CHARLES A. SCUDDER, ET AL., RECORDED DECEMBER 28, 1961 AS INSTRUMENT NO. 362, OFFICIAL RECORDS.

EXHIBIT C

LEGAL DESCRIPTION OF RR&C No. 1 TRACT

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

PARCEL 1 IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP NO.323 FILED IN BOOK 315, PAGES 18 AND 19, INCLUSIVE OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPT THE "PRECIOUS METALS AND ORES THEREOF", AS EXCEPTED FROM THE PARTITION BETWEEN JOHN ROWLAND, SR. AND WILLIAM WORKMAN IN THE PARTITION DEED RECORDED IN BOOK 10 PAGE 39 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPT FROM THAT PORTION OF SAID LAND DESCRIBED IN THE DEED HEREINAFTER REFERRED TO ALL OIL, GAS, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS, IN AND UNDER SAID LAND OR THAT MAY BE PRODUCED THEREFROM, BUT WITH NO RIGHTS OF ENTRY UPON OR THROUGH THE SURFACE OF OR THAT PORTION OF THE SUBSURFACE LYING 500 FEET VERTICALLY IN DEPTH BELOW THE SURFACE THEREOF, AS RESERVED BY EMILIO VANONI, A MARRIED MAN, AS HIS SEPARATE PROPERTY, PETER W. VANONI, A SINGLE MAN, ROSE VANONI MAZZETTI, A MARRIED WOMAN BY DEED RECORDED MAY 29, 1964, AS INSTRUMENT NO. 1697, IN BOOK D2490, PAGE 95, OFFICIAL RECORDS.

ALSO EXCEPT FROM THAT PORTION OF SAID LAND DESCRIBED IN THE DEED HEREINAFTER REFERRED TO, ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES IN, ON AND UNDER SAID LAND, WITHOUT THE RIGHT OF ENTRY UPON THE SURFACE THEREOF FOR THE PURPOSE OF EXPLORING, EXTRACTING AND PRODUCING SAME, RESERVING HOWEVER, THE RIGHT TO ENTER THE SUBSURFACE BELOW A DEPTH OF 500 FEET FOR THE PURPOSE OF EXPLORING, EXTRACTING AND PRODUCING SAME, AS RESERVED BY CHARLES A. SCUDDER, ET AL., RECORDED DECEMBER 28, 1961 AS INSTRUMENT NO. 362, OFFICIAL RECORDS.

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	11/30/2022	
BOARD MEETING DATE	12/20/2022	
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input type="checkbox"/> 1 st <input checked="" type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th	
DEPARTMENT(S)	Children and Family Services	
SUBJECT	Ten-year lease renewal for 92,189 square feet office space and 414 on-site parking spaces at 5100-5110 W. Goldleaf Circle, Los Angeles	
PROGRAM	Regional Office for Service area 6	
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	Landlord will change lease terms if we do not obtain Board approval on December 20, 2022	
COST & FUNDING	Total cost: \$44,286,000 over 10 years	Funding source: The rental costs will be funded 45% by State and federal funds and 55% by DCFS existing resources with no impact on net County cost.
	TERMS (if applicable): The proposed lease will have an annual lease cost of \$2,718,600 after deducting five months of rent abatement, and inclusive of the annual parking rent. The landlord will be responsible for payment of operating expenses, repair, maintenance and utilities. The Landlord will contribute \$3,687,500 towards Tenant Improvement upgrades for new carpet, paint and miscellaneous items. The County will borrow up to \$921,890 Additional TIs, which may be repaid lump sum or amortized at 6% over 5 years.	
	Explanation: DCFS has sufficient funding in its FY 2022-23 operating budget to cover the proposed lease costs for the first year. Beginning in FY 2023-24, ongoing funding for costs associated with the proposed lease will be part of the budget for DCFS until lease termination.	
PURPOSE OF REQUEST	Approval of the recommended actions will authorize and provide continued office space needs for DCFS.	
BACKGROUND (include internal/external issues that may exist including any related motions)	The County of Los Angeles has leased the subject location since February 2000. The facility adequately meets the office space needs of DCFS. The County has been on holdover since January 31, 2022, subject to landlord's consent with no holdover fee. DCFS relocated their Compton West Regional Operations in November 2021 to this facility, consolidating their programs.	
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 Navarro, Lease Section Chief, 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

December 20, 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:

**TEN-YEAR LEASE
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
5100-5110 WEST GOLDLEAF CIRCLE, LOS ANGELES
(SECOND DISTRICT) (3 VOTES)**

SUBJECT

Approval of a proposed ten-year lease renewal provide the Department of Children and Family Services (DCFS) continued use of 92,189 square feet of office space and 414 on-site parking spaces for the DCFS Service Provider Area (SPA) 6 Regional office.

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 TR Wateridge, LLC (Landlord), for approximately 92,189 square feet of office space and 414 on-site parking spaces located at 5100-5110 W. Goldleaf Circle, Los Angeles CA 90056 to be occupied by DCFS. This is for a proposed lease term of ten years. The estimated maximum first year base rental cost is \$3,484,744, but after deducting five months of free rent, the first year base rent will be \$2,032,767. The estimated total lease cost is \$44,286,000, including 414 on-site parking spaces and tenant improvement costs, over the ten-year term. The rental costs will be funded by State and federal funds at 45 percent, and 55 percent will be funded by DCFS' existing resources and there will be no impact on net County cost.
3. Authorize the Chief Executive Officer, or her designee, to reimburse the

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

Landlord up to \$921,890 (\$10 per square foot) for the County's tenant improvement (TI) contribution if paid in lump sum, or \$1,070,000 if amortized over five years at 6 percent interest per annum.

4. 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, exercising the early termination rights.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since February 2000, the DCFS has leased office space and parking at the Wateridge office facility located at 5100-5110 West Goldleaf Circle, in the unincorporated Ladera Heights area of Los Angeles County, for the SPA 6 regional office (Wateridge North Regional Office). The current lease expired on January 31, 2022, and the County has been on a month-to-month holdover basis, where either party may terminate the lease with 30 days prior written notice. There is no holdover penalty on the current lease. DCFS initially occupied 52,370 square feet, and over the course of several years DCFS expanded the leased premises to its current 91,272 square feet. In renewing this space, DCFS is giving up 3,139 square feet, however the Landlord remeasured the remaining space using BOMA 2010 standards, which resulted in a total of 92,189 square feet. The proposed lease will continue to house multiple DCFS units to meet the growing needs of its departmental programs.

DCFS provides services to families in crisis. The primary goal of DCFS is to maintain the family unit, however, when this is not possible, the secondary goal is to reunify the family as quickly as possible. To this end, DCFS operates 21 regional offices to provide support to children and their families. The Wateridge North Regional Office provides comprehensive, full-service, direct child protection systems of prevention and preservation, dedicated to the safety of children in the County's care, reduce timeline to permanency for children, and reduce reliance on out-of-home care. These outcomes are achieved largely through the work of Emergency Response, Family Maintenance/Reunification, and Permanent Placement Children's Social Workers, in collaboration with support staff, and staff from other County departments who are co-located in the Wateridge North Regional Office. The Adoption Units provide direct service and are responsible for assessing the child's adoptability, case management/supervision, and providing the services involved in finalizing the child's adoption.

Revenue Enhancement Eligibility Workers provide support to social workers assisting in finding placement for children that must be placed in out-of-home care, and determine the financial eligibility of the children receiving services by DCFS. In addition, smaller programs that are designed to enhance direct services to the children and families served by the County are within the space request. Examples include Family Group and Team Decision Making, Department of Mental Health/DCFS collaboration for improving mental health and permanency outcomes for foster children, Adoption Safe Families Act staff, Department of Public Social Services' Linkages, and contracted Education Liaisons.

The original staff count consisted of 400 employees, which increased by 248, for a total current count of 648 staff as a result of an office closure and relocation from the Compton West Regional Operations (a.k.a. Wateridge South SPA 6) program formerly located at 11539 Hawthorne Blvd, Hawthorne to the Wateridge North Regional Office. The Compton West Regional facility was vacated and consolidated with the Wateridge North Regional Office, after the former lease expired and terminated effective November 30, 2021.

The proposed lease will provide DCFS with sufficient and conveniently located administrative space accessible to public transportation routes; and in close proximity to the 90, 405 and 10 freeways. It is also located within 3 miles of the Culver City Station - Metro E Line (Expo)..

The existing DCFS Wateridge North Regional Office continues to be adequate, is centrally located in SPA 6, and will enable DCFS to avoid relocation costs, potentially higher rental rates, and any disruption to daily business operations or emergencies, as a result of a potential relocation.

Currently 26 percent of the DCFS staff that reports to the current location also telework. This location, which consolidated two regions, will be fully utilized to enhance service delivery to the community by having a regional office centrally located in the community. The office will provide the public with easy access to quality information and responsive services to ensure that services delivery systems are efficient, effective and goal oriented, and will continue to provide proper accommodations for office space in a conveniently located facility, with adequate space for employees, collaborators, and clients.

DCFS is in the process of implementing hoteling stations throughout its facilities County-wide. There are currently 20 workstations already utilized as hoteling stations at this DCFS facility.

Implementation of Strategic Plan Goals

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

The proposed lease is consistent with the Strategic Asset Management Plan Goal 2 – Strengthen Connection between Service Priorities and Asset Decisions and Key Objective 4 – Guide Strategic Decision-Making.

The proposed lease supports the above goals and objective by allowing DCFS to continue to provide their Countywide service programs from one consolidated office facility, with adequate space for employees, collaborators, and clients, located within SPA 6 and surrounding communities in need of its services.

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

FISCAL IMPACT/FINANCING

The estimated maximum first year rental cost of \$4,170,577, including parking and tenant improvement amortization costs, is adjusted to \$2,718,600 after deducting a one-time credit of \$1,451,977 for five months of free rent. The aggregate cost associated with the proposed lease over the entire term is \$44,286,000 including parking and tenant improvement amortization costs as shown on Enclosure B-1. The rental costs will be funded by State and federal funds at 45 percent and 55 percent will be funded by DCFS existing resources with no impact on net County cost.

Sufficient funding to cover the proposed rent for the first year of the proposed lease term is included in the Fiscal Year (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 will be part of the budget for DCFS.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

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

- Upon commencement of the proposed lease renewal, the annual rental rate will increase from \$29.26 per square foot, per year to \$37.80 per square foot, per year (not including parking rent). Base rent is subject to fixed annual increases of 3 percent.

- The Landlord shall provide non-reimbursable base TI allowance of \$3,687,560 or \$40.00 per square foot. Any unused portion of said base allowance may be applied as a rent credit, towards the next rent due. In addition, the Landlord shall provide DCFS the right to amortize an additional allowance of up to \$921,890 or \$10.00 per square foot at 6 percent per annum for five years. DCFS shall have the right to repay all or a portion of the additional TI allowance via lump sum at any time. TIs will be utilized for upgrades to carpet, paint and miscellaneous repair items.
- The Landlord is responsible for all operating and maintenance cost of the building including all utilities and janitorial costs. The County has no responsibility for any operating and maintenance costs, other than after-hours HVAC at the rate of \$65 per hour for the first year, with increases not to exceed six percent per year.
- The current lease will have annual parking rent of \$471,960 added to the annual base rent. The annual rate per parking space will be \$1,140 per space or \$95 per space per month for 414 on-site parking spaces.
- A comparison of the existing lease to the proposed lease is shown in Enclosure B-2.
- A ten-year initial term with two options to extend the lease for an additional five years each with 365 days' notice, at fair market rent. If all options are exercised, the total term of the proposed lease would be twenty years.
- The County has a one-time right to terminate the proposed lease on the last day of the 84th month of the lease term, with nine months' notice subject to payment of a termination fee in the amount of \$1.5 million (approximately four and a half months of rent).
- Holdover at the proposed lease expiration is permitted on the same lease terms and conditions except the monthly base rent during the holdover period will be at the base rent at the time of the lease expiration. Such occupancy shall be a tenancy which is terminable only upon 90 days written notice from the Landlord or 60 days written notice from the County.
- The proposed lease renewal will be effective upon approval by the Board and full execution of the proposed lease renewal.

The Chief Executive Office (CEO) conducted a market search of available office 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 rental range for a comparable lease in the area is between \$43.80 and \$76.80 per square foot, per year. The base annual rental rate of \$37.80 per square foot, per year, for the proposed lease renewal not including parking rent, represents a rate that is below the market range for the area. Further, relocation to a new building would require costly new tenant improvements and disrupt services. We recommend the proposed facility as the most suitable to meet the County's space requirements.

Coworking office space was not considered to be a good fit for social service programs with moderate to heavy public intake, nor could we locate coworking space of this scale that could adequately meet the square footage needs and parking requirements for DCFS.

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

The Department of Public Works has inspected this facility and found it suitable for the County's occupancy. The property is located in the unincorporated County area of Ladera Heights, so no City notification letter was required 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, which involves the leasing of existing office space with minor tenant improvements within an existing building, with no expansion of the existing building, is within a class of projects that have been determined not to have a significant effect on the environment and meets the criteria set forth in section 15301 of the State CEQA Guidelines (Guidelines), and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, based on the proposed project records, it will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to

scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

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

IMPACT ON CURRENT SERVICES (OR PROJECTS)

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

CONCLUSION

It is requested that the Executive Office of the Board return one certified copy of the Minute Order and an adopted stamped copy of this 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:MAN:FC:gb

Enclosures

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

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES
5100 -5110 WEST GOLDLEAF CIRCLE, LOS ANGELES**

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? ² DCFS has 648 staff in 92,189 sq.ft. or 142 sq.ft. of space per person			X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ² 414 parking spaces provided (ratio of 4.5 parking spaces- per 1000 sq. ft. on-site) for staff and client visitors.		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? 55% Net County Cost., and 45% funded by Federal and State funds		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			X	
3.	<u>Portfolio Management</u>				
A	Did department utilize CEO Space Request Evaluation (SRE)?		X		
B	Was the space need justified?		X		
C	If a renewal lease, was co-location with other County departments considered?				X
D	Why was this program not co-located with other County departments?				X
	1. ____ The program clientele requires a "stand alone" facility.				
	2. <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		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? – REMOVE Footnotes and this note once form is prepared]					

ENCLOSURE B-1

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

5100 - 5110 W. Goldleaf Circle, Culver City
Department of Children and Family Services

[illegible]

COMPARISON OF THE PROPOSED LEASE TO EXISTING LEASE

	Existing Lease: 5100-5110 W Goldleaf Circle	Proposed Lease 5100-5110 W Goldleaf Circle	Change
Area (Square Feet) ⁽¹⁾	91,272sq.ft.	92,189 sq.ft.	+ 917 sq.ft.
Term (years)	7-years	10-years plus two 5-year options to renew	3-years with two 5-year options to renew.
Annual Base Rent ⁽²⁾	\$2,739,672 (\$29.26 per sq. ft. annually)	\$3,484,744 (\$37.80 per sq. ft. annually) Not including parking	+\$745,072 annually
Annual Parking Costs ⁽³⁾	N/A included in base rent (507 spaces)	\$471,960 annual (\$95 per space per month for 414 spaces)	+\$471,960
County's TI Cost	\$1,528,575 (Amendment 4 expansion premises only \$75 per sq.ft.)	\$921,890 (\$10 per sq.ft.)	-\$606,685
Janitorial/Utility/Maintenance Costs ⁽⁴⁾	Included in the rent	Included in the rent	None
Total Annual Lease Costs payable to Landlord	\$2,739,672	\$3,956,704	+\$1,217,032
Options to Renew	None	Two 5-year options to renew, with 12 months prior notice.	+Two options to renew
Option to Terminate ⁽⁵⁾	County right anytime after 60 months, with 150 days' notice (Amendment 4)	One time right on the last day of the 84 th month, with 9 months' notice and penalty	Right to terminate at predetermined date.
Rental rate adjustment	Annual CPI adjustments capped at 3% percent with no minimum.	Fixed annual 3% increases.	Fixed 3% annual increase vs. 3% CPI cap per annum.

⁽¹⁾ The landlord remeasured the premises using the BOMA 2010 standards, DCFS' former rentable square footage was 91,272, and upon lease renewal, will be giving up suite 160 in the 5120 W.Goldleaf Circle building containing 3,139 sq. ft, renewing only 88, 133 sq.ft. According to landlord's new space accounting the new premises are 92,189 sq.ft.

⁽²⁾ The proposed lease will have 5 months of rent abatement in the first year only (in the amount of \$1,451,977) the annual rent without abatement reflected in the table above will be \$3,484,744.

⁽³⁾ Parking rent: The current lease includes 507 parking spaces in the base rent, with the right to purchase an additional 607 parking passes. The proposed lease separated out the parking rent from the lease and will include 414 parking spaces.

⁽⁴⁾ Under the current and proposed lease, the Landlord pays all utilities (electric, water, gas), There are after-hours HVAC charges subject to change per the standard building rates.

⁽⁵⁾ The County has a right to terminate, subject to a termination fee of \$1,500,000 (approximately 4 months' rent)

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SPACE SEARCH – 5 MILE RADIUS
5100-5110 W. GOLDLEAF CIRCLE, LOS ANGELES**

Property ID	Name	Address	Ownership Type	Gross SqFt	Net Sq Ft	Vacant
6330	Inglewood Courthouse	1 E Regent St. Inglewood 90301	CA - Superior Courts	140,674	89,483	None
A448	DMH - Culver City Mental Health Services	11303 W Washington Blvd Culver City 90066	Leased	15,980	15,181	None
C242	DMH - Adult Systems of Care	3741 Stocker St. Los Angeles 90008	Leased	4,558	4,330	None
A437	DCFS - Wateridge (SPA 6)	5100 W Goldleaf Cir Building C Los Angeles 90056	Leased	52,370	46,086	None
A378	DPSS - Airport/Westside Gain Region I Office	5200 W Century Blvd Westchester 90045	Leased	50,147	47,640	None
A415	Ag Comm/Wts & Meas - LAX Inspection Office	5600 W Century Blvd Westchester 90045	Leased	1,079	1,079	None
A071	PH - West District Office	6101 W Centinela Ave Culver City 90230	Leased	8,912	8,466	None
A430	Assessor - West District Office	6120 Bristol Pkwy Fox Hills Business Park Culver City 90230	Leased	30,507	27,456	None
B006	Fire - Prevention Bureau - West Metro Office	6167 Bristol Pkwy Culver City 90230	Leased	3,426	3,255	None
A242	DPSS - Medical Inglewood Office/Public Health	9800 S La Cienega Blvd Inglewood 90301	Leased	59,069	56,116	None
6304	Probation - Crenshaw Area Office	3606 W Exposition Blvd Los Angeles 90016	Owned	19,112	14,020	None
T589	Culver City Courthouse - Modular Annex	4130 Overland Ave Culver City 90230	Owned	1,902	1,818	None
3776	Culver City Courthouse	4130 Overland Ave Culver City 90230	Owned	21,568	11,155	None
346	Lennox Constituent Service Center	4343 Lennox Blvd Lennox 90304	Owned	8,261	5,917	None

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Ten-year Lease for the Department of Children and Family Services – 5100-5110 W. Goldleaf Circle, Los Angeles, Second Supervisorial District.

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

B. Determination of the Service Area – The proposed lease will provide a ten-year lease for multiple DCFS programs within Service Area 6.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: Continuing need for existing operation in the greater Service Area 6 region for DCFS programs.
- Need for proximity to existing County facilities: Close to several other County departments including Departments of Public Social Services and Mental Health, Sheriff's and Fire Department.
- 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., easily accessible to the 90 and 405 freeways and adequately served by local bus and rail transit services in Culver City area.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no alternative existing County buildings available to meet the Department's needs.
- Compatibility with local land use plans: The facility is located in the unincorporated Ladera Heights area of Los Angeles County. The City of Los Angeles notification was not required and the proposed County use was not altered, it remains consistent with its use and zoning for office space at this location.
- Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed lease over the entire ten-year term including parking and tenant improvements costs is \$44,286,000

D. Analyze results and identify location alternatives

The Chief Executive Office conducted a market search of available office 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 rental range for a comparable lease in the area is between \$43.80 and \$76.80 per square foot, per year. The base annual rental rate of \$37.80 per square foot, per year, for the proposed lease represents a rate that is below 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 will provide adequate and efficient office space for 648 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 DCFS' requirements.

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE**

LEASE AGREEMENT

COUNTY OF LOS ANGELES - Tenant

TR WATERIDGE LLC- Landlord

5100 -5110 WEST GOLDLEAF CIRCLE

SUITES 50, 100, 145 and 200

LOS ANGELES, CALIFORNIA

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EXHIBITS

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

ADDENDUM NO. 1 – Additional Terms to Lease Agreement

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") is entered into as of the _____ day of _____, 2022 between TR WATERIDGE LLC, a Delaware limited liability company ("Landlord"), and COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION

1.1 Terms

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

(a) Landlord's Address for Notices:	TR Wateridge LLC c/o LPC Realty Advisors I, LP 120 N. LaSalle Street, Suite 2900 Chicago, IL 60602 Attention: Jenifer Ratcliffe With a copy to: Nixon Peabody LLP 70 W. Madison St., Suite 5200 Chicago, IL 60602 Attention: James T. Mayer
(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 92,189 rentable square feet, designated as Suites 50, 100, 145 and 200, in the Building (defined below), as shown on <u>Exhibit A</u> attached hereto.

(d) Building:	The Building located at 5100-5110 W. Goldleaf Circle, Los Angeles, California, which is currently assessed by the County Assessor as APN 4201-003-057 (collectively, the "Property");
(e) Term:	Ten (10) years, commencing upon 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 tenth 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 (as defined in Section 4.1) has been validly exercised.
(f) Commencement Date:	Upon mutual execution of this Lease by Landlord and Tenant, pursuant to Section 4.1 (b)
(g) Irrevocable Offer Expiration Date: (see Section 33)	March 1, 2023
(h) Base Rent:	\$290,395.35 per month for the first 12 months, which is based upon a rental rate of \$3.15 per rentable square foot per month, on a full-service gross basis, as provided in Section 5.2 subject to adjustment each 12 months as provided in Section 5.2 (Parking rent is separate and in addition to base rent).
(i) Early Termination (see Section 4.4)	Provided that nine (9) months' prior written notice was given by Tenant, Tenant can terminate the lease effective as of midnight on the last day of the eighty-fourth (84 th) month of the lease term.
(j) Rentable Square Feet in the Premises:	92,189 rentable square feet
(k) Initial Departmental Use:	Department of Children & Family Services, subject to Section 6.

(l) Parking Spaces:	414 non-exclusive unreserved spaces (4.5/1000 parking ratio). Subject to a parking fee of \$95.00 per space per month.
(m) Tenant's Hours of Operation:	6 a.m. to 8 p.m. Monday through Friday, and 9 a.m. to 2 p.m. on Saturdays
(n) Asbestos Report:	A report dated January 4, 2022, prepared by LA Testing, a licensed California Asbestos contractor.
(o) Seismic Report	A report dated April 22, 2022, prepared by the Department of Public Works.
(p) Disabled Access Survey	A report dated March 10, 2022 prepared by Marx Okubo Associates, Inc.

1.2 Defined Terms Relating to Landlord's Work Letter

(a) Base Tenant Improvement Allowance:	\$40/SF (\$3,687,560)
(b) Additional Tenant Improvement Allowance:	\$10/SF (\$921,890)
(c) Additional Tenant Improvement Allowance Amortization Rate and Change Authorization Amortization Rate:	Fixed six percent (6%) per annum amortized for 5 years.
(d) Estimated Monthly Payments Attributable to Total TI Costs in Excess of Landlord's TI Allowance	\$17,822.72 per month.
(e) Tenant's Work Letter Representative:	<u>Assigned staff person</u>
(f) Landlord's Work Letter Representative:	Mario Munoz or Michelle Bravo
(g) Landlord's Address for Work Letter Notices:	5120 Goldleaf Circle, Suite 110 Los Angeles, CA 90056
(h) Tenant's Address for Work Letter 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 - Tenant Improvements Exhibit J – Preliminary and Final Tenant Improvement Cost Statement</p>
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2. PREMISES

2.1 Lease of Premises

Tenant and Landlord acknowledge that the Tenant is in possession of the Premises pursuant to County Lease No. 72222. Landlord does hereby agree to continue to lease to Tenant, and Tenant does hereby agree to continue to 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. In addition to the Premises, Tenant currently leases Suite 160 in the 5120 building ("Giveback Space") under County Lease No. 72222. As of the Commencement Date, Tenant shall vacate the Giveback Space prior to the Commencement Date.

2.2 Measurement of Premises

Tenant shall have the right at any time during the Term of this Lease to field-measure and verify the exact footage of the Premises and/or the Building. All measurements shall be taken in accordance with the methods of measuring rentable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI/BOMA Z65.1-2010, as promulgated by the Building Owners and Management Association ("BOMA") International, except that no penthouse mechanical room space shall be included in the measurement. Should this measurement be less than the square footage stated above, then Tenant shall have the right to adjust such square footage and reduce the Base Rent in Section 1.1 accomplished by the mutual execution of an amendment to this Lease. Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no increase made to the Base Rent if the measured square footage exceeds the amount represented by Landlord.

3. COMMON AREAS

Tenant may use the following areas ("Common Areas") in common with Landlord and any other tenants of the Building: the entrances, lobbies, corridors and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the

Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Area established by Landlord.

4. COMMENCEMENT AND EXPIRATION DATES

4.1 Term

a. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date.

b. The term of this Lease shall be for a period of 10 (ten) 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 120 months thereafter.

c. Options to Renew. Tenant shall have two (2) options to renew for a period of five (5) years (the "Options") under the same terms and conditions, except that the rental rate shall be adjusted by negotiation to the fair rental rate for similar quality office buildings in the Culver City office market. To exercise each Option, Tenant shall notify Landlord in writing (by letter from Tenant's Chief Executive Office) not less than 12 months prior to the end of the current lease term. The actual exercise of the Option shall be only by the Board of Supervisors of the County of Los Angeles.

4.2 Intentionally Omitted

4.3 Intentionally Omitted

4.4 Early Termination

Tenant shall have a one-time right to terminate this Lease effective on 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.

Early Termination Penalty: Tenant will be required to pay an early termination penalty prior to the Early Termination Date; the amount of the termination penalty will be \$1,500,000.00 and NO/100 Dollars, payable upon the effective date of such termination.

4.5 Lease Expiration Notice

No later than twelve (12) months, nor earlier than eighteen (18) months, prior to the expiration of the Lease Term, Landlord shall provide a written notice to Tenant notifying Tenant of the Termination Date.

5. **RENT**

5.1 **Base Rent**

Tenant shall pay Landlord the Base Rent stated in Section 1.1 during the Term hereof within fifteen (15) days after (a) the Commencement Date, and (b) the first day of each calendar month thereafter, provided that at least fifteen (15) business days prior to the Commencement Date, Landlord must provide the Auditor of the County of Los Angeles with the following information: (i) name and address of Landlord or other party to whom Base Rent should be paid, (ii) Landlord's federal tax ID number; (iii) name of contact person and contact information (including phone number) for Landlord; (iv) a completed IRS form W-9, and (v) evidence of insurance in compliance with Section 20.2. If Landlord fails to timely provide the information required pursuant to this Section 5.1, or to provide updates for any changed information, then Tenant shall not be required to pay Base Rent to Landlord until fifteen (15) business days after Landlord provides such information. Base Rent for any partial calendar month during the Term shall be prorated in proportion to the number of days during the Term within such calendar month.

5.2 **Base Rent Adjustments**

From and after the first (1st) anniversary of the Commencement Date, on the first day of the first full calendar month thereafter (the "Adjustment Date") and on every anniversary of the Adjustment Date thereafter, Base Rent shall be increased by three percent (3%) of the Base Rent payable in the immediately preceding month. Thus, the monthly installment of the Base Rent shall be as follows:

Year	Monthly Base Rent	Annual Base Rent
1	\$290,395.35 (\$3.15 per RSF)	\$3,484,744.20 (\$37.80 per RSF)
2	\$299,107.21 (\$3.24 per RSF)	\$3,589,286.53 (\$38.93 per RSF)
3	\$308,080.43 (\$3.34 per RSF)	\$3,696,965.12 (\$40.10 per RSF)
4	\$317,322.84 (\$3.44 per RSF)	\$3,807,874.08 (\$41.31 per RSF)
5	\$326,842.52 (\$3.55 PER RSF)	\$3,922,110.30 (\$42.54 per RSF)
6	\$336,647.80 (\$3.65 per RSF)	\$4,039,773.61 (\$43.82 per RSF)
7	\$346,747.23 (\$3.76 per RSF)	\$4,160,966.81 (\$45.14 per RSF)
8	\$357,149.65 (\$3.87 per RSF)	\$4,285,795.82 (\$46.49 per RSF)
9	\$367,864.14 (\$3.99 per RSF)	\$4,414,369.69 (\$47.88 per RSF)
10	\$378,900.07 (\$4.11 per RSF)	\$4,546,800.78 (\$49.32 per RSF)

Rent to be abated during months 1 through 5 of the Lease Term.

6. USES

Landlord agrees that the Premises shall be used by the Tenant as administrative office space for the Department of Children and Family Services with limited visitor activities, and for other similar County administrative governmental purposes with limited visitor activities that are compatible with a first class office building complex, and provided the day-to-day operational uses by Tenant are consistent with that of other tenants of the Building (with such comparable and consistent use to be determined by Landlord in Landlord's reasonable discretion). Tenant may use the Premises for such use during normal working hours, after normal working hours, and on the weekends and holidays as Tenant may desire. Tenant shall not use or permit the Premises to be used for any other purpose whatsoever.

7. HOLDOVER

If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy which is terminable only upon ninety (90) days written notice from Landlord or sixty (60) days written notice from Tenant's Chief Executive Officer or his/her designee at the last monthly Base Rent payable under this Lease, plus any other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. COMPLIANCE WITH LAW

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

9. DAMAGE OR DESTRUCTION

9.1 Damage

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days, then Landlord shall promptly, at Landlord's expense, repair such damage, and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made unusable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within ten (10) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises leasable again using standard working methods. The failure to do so shall be a material default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant.

9.2 Tenant Termination Right

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

9.3 Damage In Last Year

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

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

9.4 Default By Landlord

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

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

10. REPAIRS AND MAINTENANCE

10.1 Landlord Representations

- (a) Landlord represents to Tenant that, as of the date hereof and on the Commencement Date, to the best of its knowledge:
 - i. The Premises, the Building, and all Common Areas (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the

Building and similar building service systems) comply with all current laws, codes, and ordinances, including but not limited to the Americans With Disabilities Act, and are in good working order and condition;

- ii. The Building and the Premises comply with all covenants, conditions, restrictions and insurance underwriter's requirements;
- iii. The Premises, the Building and the Common Areas are free of the presence of Hazardous Materials (as hereinafter defined); and
- iv. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation.

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

- (c) CASp Inspection:

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

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

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

and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

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

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

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

10.2 Landlord Obligations

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

- (b) Landlord shall use commercially reasonable efforts to provide all reports, maintenance records, or other documentation as may be requested from time to time.

10.3 Tenant Obligations

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

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

10.4 Tenant's Right to Repair

- (a) If Tenant provides written notice (or oral notice in the event of an emergency, such as damage or destruction to or of any portion of the Building structure and/or the Building systems, and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and if Landlord fails to provide such action within a reasonable period of time given the circumstances after the giving of such notice, but in any event not later than five (5) days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten (10) days after written notice, then Tenant shall be entitled to deduct from Base Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 15.
- (b) Notwithstanding any provisions of this Lease to the contrary, Tenant, acting through the Chief Executive Office, may request that Landlord perform, supply and administer repairs, maintenance, building services and/or alterations that are the responsibility of the Tenant, which Landlord shall

perform at Tenant's sole cost, which shall not exceed \$5,000, as part of a separate purchase order issued by the County on Tenant's behalf. Any improvements by Landlord shall be subject to compliance with County Internal Services Department Purchasing Policy and Procedure No. A-0300, effective November 22, 2016, delivered to Landlord and incorporated by reference herein. 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.

Landlord shall provide, upon Tenant's request, after-hours HVAC at the rate of \$65 per hour for the first year of the Lease and said rate shall not increase by not more than six percent (6%) per year, calculated on a cumulative and compounded basis. (After-hours HVAC fees will not apply to the server rooms/mechanical rooms).

Tenant hereby acknowledges that the Premises are separately metered (or submetered) for electricity.

(b) Electricity

Landlord shall furnish to the Premises the amount of electric current provided for in the Landlord's Work Letter (if applicable) but in any event not less than seven (7) watts of electric current (connected load) per square foot of rentable square feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or sub-panels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises.

(c) Elevators

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

(d) Water

Landlord shall make available in the Premises warm and cold water for normal lavatory and kitchen purposes and potable water for drinking purposes, all of which shall meet applicable government standards.

(e) Janitorial

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

(f) Access

Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building. If required, Landlord shall provide access cards or fobs to all Tenant employees for Building entry, elevators, and/or floor access, at Landlord's sole cost and expense.

(g) Pest Control

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

11.2 Utilities

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

12. TAXES

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

In the event Landlord fails or refuses to pay any or all taxes or assessments when due, Tenant may, at its sole discretion, give Landlord thirty (30) calendar days prior written

notice and thereafter pay such taxes and assessments and deduct the payments from the next installments of rent due as a charge against the Landlord.

13. LANDLORD ACCESS

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

14. TENANT DEFAULT

14.1 Default

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

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

14.2 Termination

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

14.3 No Effect on Indemnity

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

15. LANDLORD DEFAULT

15.1 Remedies

In addition to the provisions for Landlord's default provided by Sections 9.4, 10.4, 19, 21.2 and 32.3, Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within ten (10) days after

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

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

15.2 Waiver

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

15.3 Emergency

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

16. ASSIGNMENT AND SUBLETTING

16.1 Assignment and Subletting

Tenant may assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises after first obtaining Landlord's prior consent, which will not be unreasonably withheld; provided, however, no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease.

16.2 Sale

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

Upon any sale or transfer of the Property by Landlord, Landlord shall provide thirty (30) days prior written notice of said sale 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, then Landlord shall be deemed to have approved the requested Alterations. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria:

- (a) complies with all laws;

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

17.2 End of Term

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

18. CONDEMNATION

18.1 Controlling Terms

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

18.2 Total Taking

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

18.3 Partial Taking

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

18.4 Restoration

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

18.5 Award

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

18.6 Waiver of Statute

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

19. INDEMNIFICATION

19.1 Landlord's Indemnity

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

19.2 Tenant's Indemnity

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

20. INSURANCE

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

20.1 Waiver

Both the Tenant and Landlord each agree to release the other and waive their rights of recovery against the other for damage to their respective property.

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

- i. Certificate(s) of insurance coverage ("Certificate") satisfactory to Tenant, and a copy of an Additional Insured endorsement confirming that Tenant and its Agents (defined below) has been given insured status under the Landlord's General Liability policy, shall be delivered to Tenant at the address shown below and provided prior to the start day of this Lease.
- ii. Renewal Certificates shall be provided to Tenant not less than 10 days prior to Landlord's policy expiration dates. The Tenant reserved the right to obtain complete, certified copies of any required Landlord insurance policies at any time.
- iii. Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Landlord identified in this Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding twenty-five thousand (\$25,000.00) dollars, and list any Tenant-required endorsement forms.
- iv. 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.

- v. Certificates and copies of any required endorsements, and/or notices of cancellation shall be delivered to:

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

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

(b) Additional Insured Status and Scope of Coverage

The Tenant, which is the County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively, "Tenant and its Agents"), shall be provided additional insured status under Landlord's General Liability policy with respect to liability arising from or connected with the Landlord's acts, errors, and omissions arising from and/or relating to the Landlord's operations on and/or its ownership of the premises. Tenant's additional insured status shall apply with respect to liability and defense of suits arising out of the Landlord's acts or omissions, whether such liability is attributable to the Landlord or to the Tenant. The full policy limits and scope of protection also shall apply to the Tenant as an additional insured, even if they exceed the Tenant's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

(c) Cancellation of or Changes in Insurance

Landlord shall provide the Tenant with, or Landlord's insurance policies shall contain a provision that the Tenant shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to the Tenant at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Lease, in the sole discretion of the Tenant, upon which the Tenant may suspend or terminate this Lease.

(d) Failure to Maintain Insurance

Landlord's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Lease, upon which County immediately may withhold payments due to Landlord, and/or suspend or terminate this Lease. County, at its sole discretion, may obtain damages from Landlord resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Landlord, deduct the premium cost from sums due to Landlord or pursue Landlord reimbursement.

(e) Insurer Financial Ratings

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

(f) Landlord's Insurance Shall Be Primary

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

(g) Waiver of Subrogation

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

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

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

(i) Claims Made Coverage

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

(j) Application of Excess Liability Coverage

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

(k) Separation of Insureds

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

(l) Tenant Review and Approval of Insurance Requirements

The Tenant reserves the right to review and adjust the Required Insurance provisions, conditioned upon Tenant's determination of changes in risk exposures.

20.3 Insurance Coverage Types And Limits

(a) Tenant Requirements: During the Term of this Lease, Tenant shall maintain a program of insurance coverage as described below:

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

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

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

20.4 Landlord Requirements

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

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

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

(b) Commercial Property Insurance. Such insurance shall:

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

21. PARKING

21.1 Tenant's Rights

Tenant shall have the right to the number of exclusive reserved parking spaces and non-exclusive unreserved parking spaces set forth in Section 1.1 at a monthly cost of \$95 per space per month, for the Term of this Lease. No tandem parking shall be required or allowed, and Tenant shall be entitled to full in/out privileges at all times. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all unreserved parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building. Landlord, at its sole expense, shall provide Tenant with at least one (1) parking access card or key fob for each reserved or unreserved parking space set forth in Section 1.1, if applicable.

21.2 Remedies

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

- (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective thirty (30) days thereafter, or
- (b) deduct from the Base Rent thereafter accruing hereunder an amount each month equal to the Base Rent times the percentage of parking spaces not so provided times the number 1.5, but such deduction from Base Rent shall be not less than ten percent (10%) nor more than one hundred percent (100%) of the Base Rent.

22. ENVIRONMENTAL MATTERS

22.1 Hazardous Materials

Tenant shall not cause nor permit, nor allow any of Tenant's employees agents, customers, visitors, invitees, licensee, contractor, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability,

corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

22.2 Landlord Indemnity

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

23. ESTOPPEL CERTIFICATES

Tenant shall, within 30 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

24.1 Condition of Premises.

Tenant acknowledges that it is already in possession of the Premises pursuant to Lease No. 72222, 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 dully 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 for the proposed interior 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 Improvement"), 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") in an amount up to, but not exceeding \$4,609,490, comprised of \$3,687,560 or \$40 per rentable square foot, the "Base Tenant Improvement Allowance", and up to \$921,890 or \$10 per rentable square foot amortized at 6% per annum over five (5) years and payable as additional rent, the "Additional Tenant Improvement Allowance." The Tenant Improvement Costs include, without limitation, (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.

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 Tenant Improvement Allowance).

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:

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 Work Hours:

The Landlord agrees to perform the Tenant Improvements before 6:30 a.m. or after 6:30 p.m. on Monday through Friday and/or at any time on the weekends. Tenant hereby agrees to use its best efforts to cooperate with Landlord in connection with the construction of the Tenant Improvements. In connection with the performance of Landlord's work, Landlord agrees to move, to the extent necessary, Tenant's furniture and such other items (including computers, copiers and other personal property) as Landlord may require be moved in order to perform the Tenant Improvements. Notwithstanding the foregoing, Landlord shall use commercially reasonable efforts to complete the Tenant Improvements in a manner so as to minimize unreasonable interference with Tenant's business at the Premises. 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.

24.5 Bids:

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 Base 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 and payable by Tenant.

25. LIENS

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

26. SUBORDINATION AND MORTGAGES

26.1 Subordination and Non-Disturbance

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

26.2 Existing Deeds of Trust

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

26.3 Notice of Default

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

27. SURRENDER OF POSSESSION

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

28. SIGNAGE

Tenant shall be allowed building standard signage on the directory located in the ground floor lobby of the Building and elevator lobbies of the floors of the Premises and suite signage, all of which shall be at Landlord's expense. Tenant shall have the right to install, at Landlord's sole cost and expense, up to two (2) lines per 1,000 rentable square feet of the Premises on the Building's directory board in the main lobby of the Building. Tenant shall be permitted to install signs at the Premises that conform with any and all applicable laws and ordinances.

29. QUIET ENJOYMENT

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

30. GENERAL

30.1 Headings

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

30.2 Successors and Assigns

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

30.3 Brokers

Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than Lincoln Property Company, the Landlord's Broker, and CRESA Los Angeles ("CRESA"), the Tenant's Broker, as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. Landlord will pay CRESA the brokerage commission in connection with this Lease per a separate agreement.

30.4 Entire Agreement

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

30.5 Severability

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

30.6 Notices

The parties shall give all notices in writing by (i) personal delivery, (ii) national-recognized, next-day courier service, or (iii) first-class registered or certified mail, postage prepaid, to the Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1.1. Without limiting the generality of the foregoing, Landlord's notices to Tenant shall not be effective if they are delivered to the Premises or to another address that is not set forth in Section 1.1(b) hereof. Any notice given under this Lease shall be deemed effective upon the date of delivery (whether accepted or refused), which, for certified mail and courier service, shall be established by U.S. Post Office return receipt or the courier's proof of delivery, respectively.

30.7 Governing Law and Venue

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

30.8 Waivers

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

30.9 Time of Essence

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

30.10 Consent

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

30.11 Community Business Enterprises

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

30.12 Memorandum of Lease

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

30.13 Counterparts; Electronic Signatures

This Lease and any other 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. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease, and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by Tenant. Tenant shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Office of the

County (the "Chief Executive Office") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an early termination notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

32. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

32.1 Consideration of GAIN Program Participants

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

32.2 Solicitation of Consideration

It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent who has had any involvement in the procurement, negotiation, consummation, administration or management of a lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

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

32.3 Landlord Assignment

- (a) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

- (b) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease, or any portion thereof, as security for the Landlord's obligation to repay any monetary obligation, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.
- (c) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the Tenant. Notwithstanding the foregoing, the Tenant hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (commercial mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.
- (d) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the Tenant may impose damages in an amount equal to the greater of \$500,000 or 10% of the aggregate principal portion of all rental payments payable by the Tenant during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the Tenant may exercise or pursue any other right or remedy it may have under this Lease or applicable law.
- (e) Landlord shall give Tenant written notice and a copy of each and every assignment, transfer, hypothecation or encumbrance of Landlord's interest in this Lease and any instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least thirty (30) days prior to the effective date thereof.
- (f) Landlord shall not furnish any information concerning Tenant or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the Tenant) to any person or entity, except with Tenant's prior written consent. Landlord shall indemnify, defend and hold Tenant and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section 32.3.
- (g) The provisions of this Section 32.3 shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever

in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns, whether so expressed or not.

32.4 Smoking in County Facilities. The Surgeon General of the United States has concluded that passive smoke exposure is the third leading cause of preventable death in the United States. The United States Environmental Protection Agency has found second-hand smoke to be a known carcinogen. It is recognized that the County has a responsibility to establish, maintain and promote a healthful and safe working environment and to reduce health and safety risks of its employees and the public at large. Tobacco smoke is a hazard to the health of County employees and the general public and represents an annoyance which should be regulated and banned in all county facilities to the end that air quality in all such facilities be improved for the preservation and improvement of the health of all County employees and the public. Therefore, to the greatest extent possible, the rights and comfort of all employees shall be respected. Reasonable effort shall be made to provide smokers a place to smoke in areas open to the sky or otherwise located outside County facilities and, except as provided under Los Angeles County, California - Code of Ordinances Chapter 2.126 ("LAMC 2.126"), all portions of County-owned facilities and all portions of facilities leased by or from the County, which areas are not open to the sky, shall be designated as "no smoking" areas. Smoking, including the use of electronic smoking devices, shall be prohibited in the following areas of County facilities: (1) Within 50 feet of any operable entry or exit door or operable window of any County building and within 25 feet of any access ramp or handicap path; (2) Within any County parking lot, parking structure, or parking garage, whether enclosed or open to the sky; or (3) Within any driving range and eating area, including outdoor eating areas, of any County golf course. International no-smoking signs and other appropriate signs which designate no-smoking areas shall be clearly, sufficiently and conspicuously posted in every room, building or other place so covered by LAMC 2.126. The manner of such posting, including the wording, size, color and place of posting, whether on the walls, doors, tables, counters, stands or elsewhere, shall be at the discretion of the building proprietor so long as clarity, sufficiency and conspicuousness are apparent in communicating the intent. (Los Angeles County, California - Code of Ordinances Chapter 2.126.)

32.5 COVID-19 Vaccinations of County Contractor Personnel

- (a) At Landlord's sole cost, Landlord shall comply with Chapter 2.212 (COVID-19 Vaccinations of County Contractor Personnel) of County Code Title 2 - Administration, Division 4. All employees of Landlord and persons working on its behalf, including but not limited to, subcontractors of any tier (collectively, "Landlord Personnel"), must be fully vaccinated against the novel coronavirus 2019 ("COVID-19") prior to (1) interacting in person with County employees, interns, volunteers, and commissioners ("County workforce members"), (2) working on County owned or controlled property while performing services under this Lease, and/or (3) coming into contact with the public while performing services under this Lease (collectively, "In-Person Services").
- (b) Landlord Personnel are considered "fully vaccinated" against COVID-19

two (2) weeks or more after they have received (1) the second dose in a 2-dose COVID-19 vaccine series (e.g. Pfizer-BioNTech or Moderna), (2) a single-dose COVID-19 vaccine (e.g. Johnson and Johnson [J&J]/Janssen), or (3) the final dose of any COVID-19 vaccine authorized by the World Health Organization ("WHO").

- (c) Prior to assigning Landlord Personnel to perform In-Person Services, Landlord shall obtain proof that such Landlord Personnel have been fully vaccinated by confirming Landlord Personnel is vaccinated through any of the following documentation: (1) official COVID-19 Vaccination Record Card (issued by the Department of Health and Human Services, CDC or WHO Yellow Card), which includes the name of the person vaccinated, type of vaccine provided, and date of the last dose administered ("Vaccination Record Card"); (2) copy (including a photographic copy) of a Vaccination Record Card; (3) Documentation of vaccination from a licensed medical provider; (4) a digital record that includes a quick response ("QR") code that when scanned by a SMART HealthCard reader displays to the reader client name, date of birth, vaccine dates, and vaccine type, and the QR code confirms the vaccine record as an official record of the State of California; or (5) documentation of vaccination from Landlord who follow the CDPH vaccination records guidelines and standards. Landlord shall also provide written notice to County before the start of work under this Lease that its Landlord Personnel are in compliance with the requirements of this section. Landlord shall retain such proof of vaccination for the document retention period set forth in this Lease, and must provide such records to the County for audit purposes, when required by County.
- (d) Landlord shall evaluate any medical or sincerely held religious exemption request of its Landlord Personnel, as required by law. If Landlord has determined that Landlord Personnel is exempt pursuant to a medical or sincerely held religious reason, the Landlord must also maintain records of the Landlord Personnel's testing results. The Landlord must provide such records to the County for audit purposes, when required by County. The unvaccinated exempt Landlord Personnel must meet the following requirements prior to (1) interacting in person with County workforce members, (2) working on County owned or controlled property while performing services under this Lease, and/or (3) coming into contact with the public while performing services under this Lease:
 - (i) Test for COVID-19 with either a polymerase chain reaction (PCR) or antigen test has an Emergency Use Authorization (EUA) by the FDA or is operating per the Laboratory Developed Test requirements by the U.S. Centers for Medicare and Medicaid Services. Testing must occur at least weekly, or more frequently as required by County or other applicable law, regulation or order.
 - (ii) Wear a mask that is consistent with CDC recommendations at all times while on County controlled or owned property, and while engaging with members of the public and County workforce members.
 - (iii) Engage in proper physical distancing, as determined by the

applicable County department that the Lease is with.

- (e) In addition to complying with the requirements of this section, Landlord shall also comply with all other applicable local, departmental, State, and federal laws, regulations and requirements for COVID-19.

33. IRREVOCABLE OFFER

In consideration for the time and expense that Tenant will invest in this Lease, including but not limited to preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County, as necessary, in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.1.

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

LANDLORD:

TR WATERIDGE LCC, a Delaware limited liability company

By: LPC Realty Advisors I, LP,
a Texas limited partners, its Manager

By: LPC Realty Advisors, Inc., a
Texas corporation, its
General Partner

By: 
Jenifer A. Ratcliffe, Its: President

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: 
Senior Deputy

EXHIBIT A
FLOOR PLAN OF PREMISES

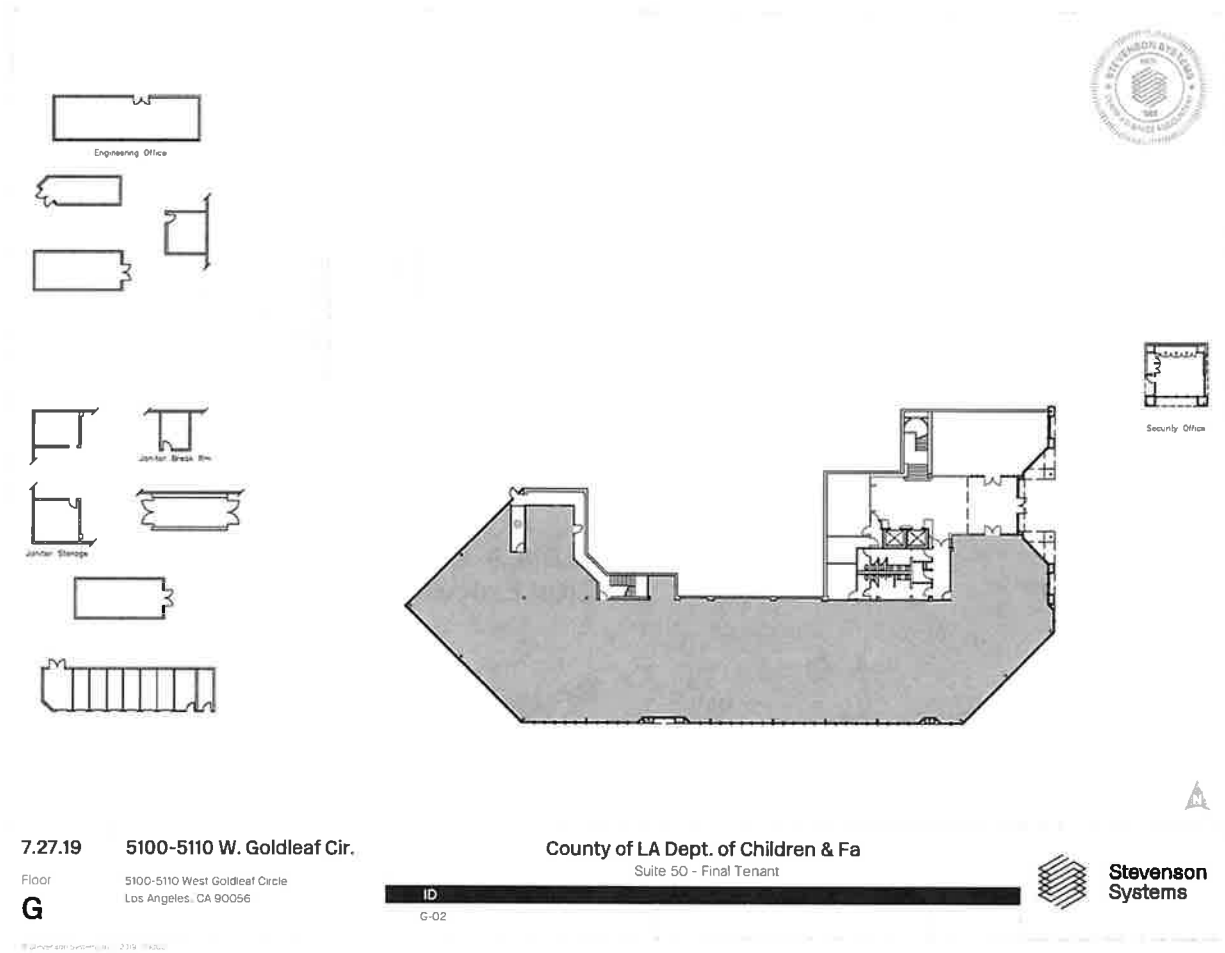
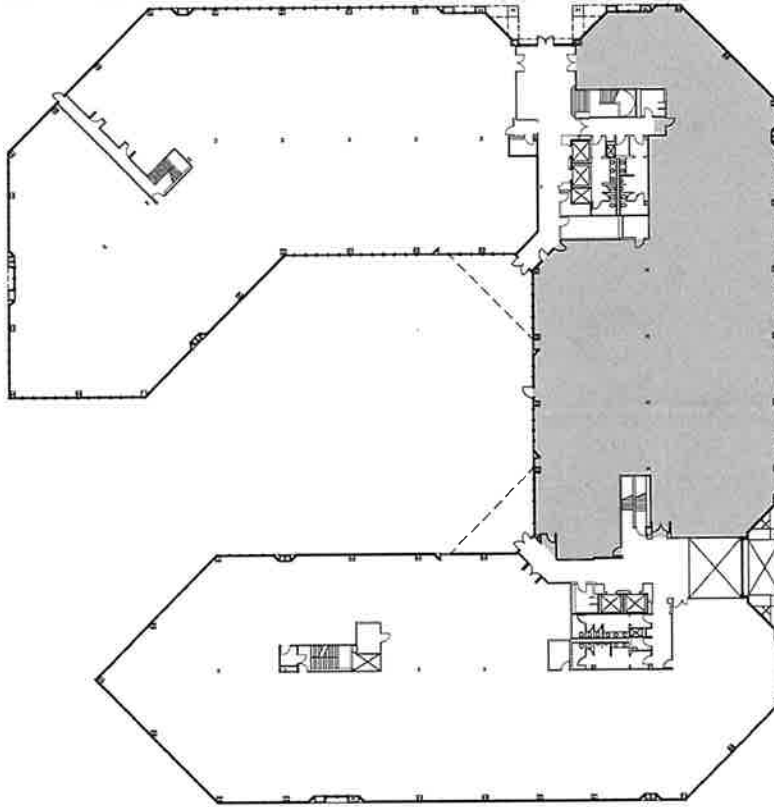


Exhibit A
FLOOR PLAN OF PREMISES



7.27.19 5100-5110 W. Goldleaf Cir.

Floor 5100-5110 West Goldleaf Circle
Los Angeles, CA 90056

1

County of LA Dept. of Children & Fa
Suite 100 - Final Tenant

ID

1-01



Stevenson
Systems

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Exhibit A
FLOOR PLAN OF PREMISES

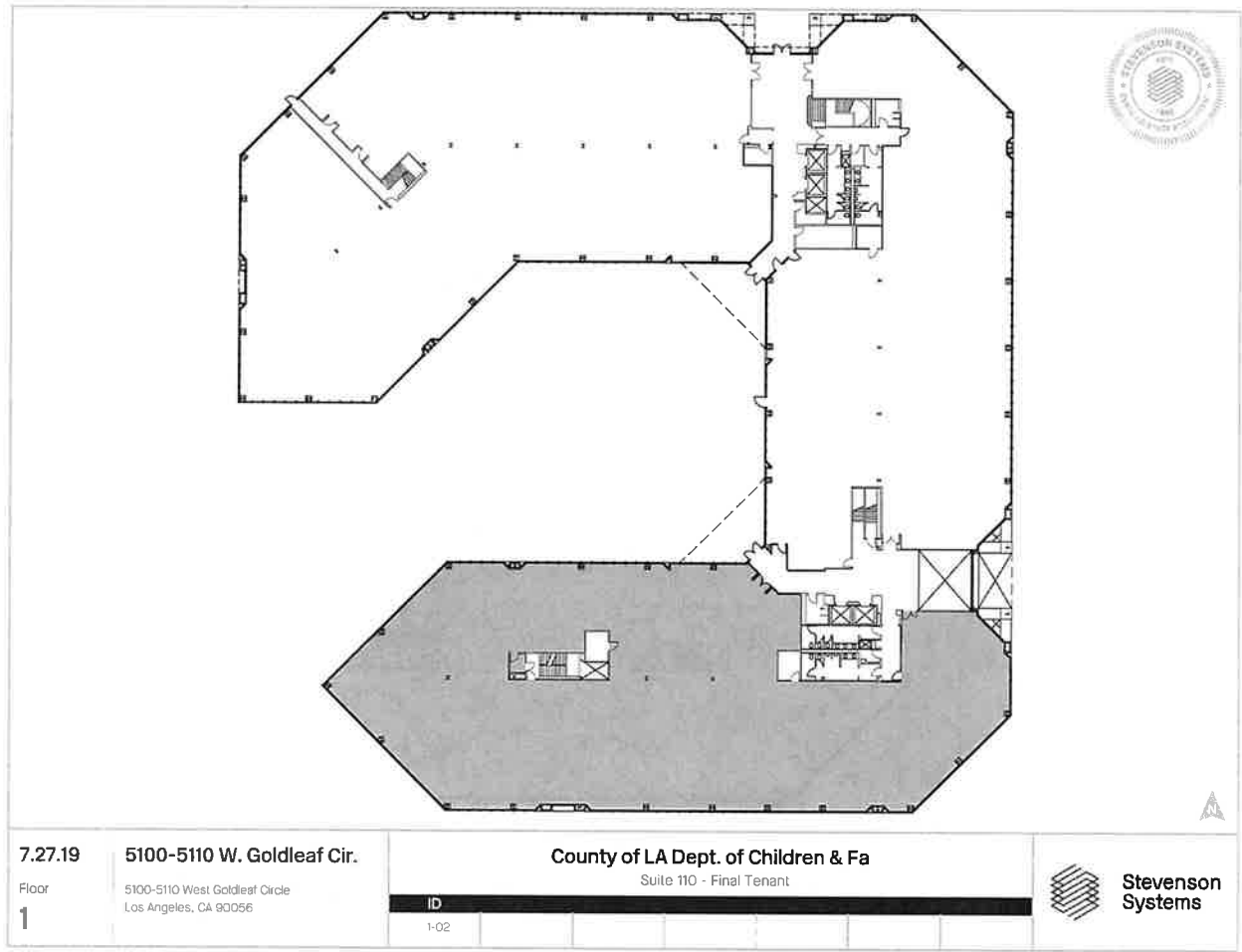


Exhibit A
FLOOR PLAN OF PREMISES

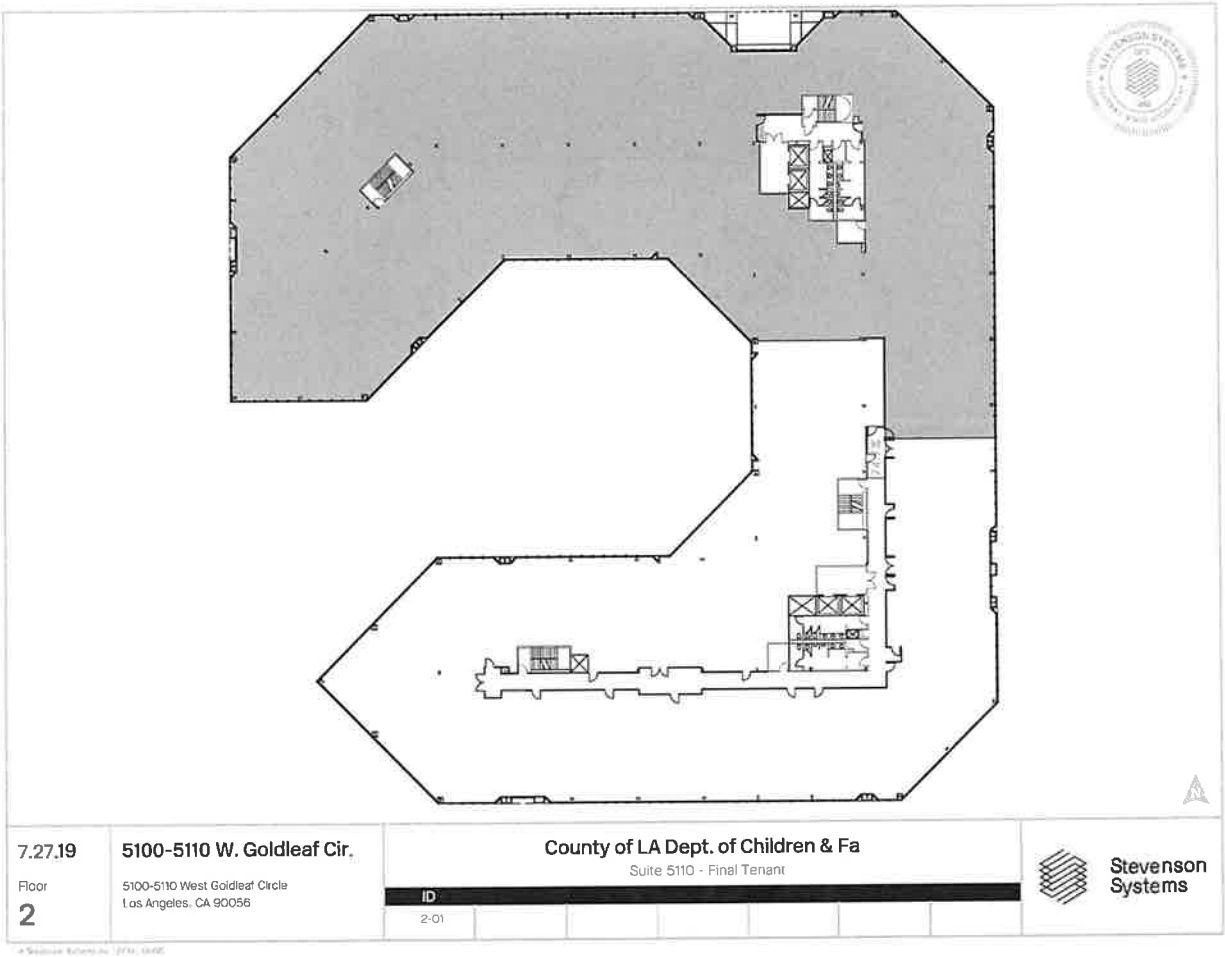


Exhibit A
FLOOR PLAN OF PREMISES

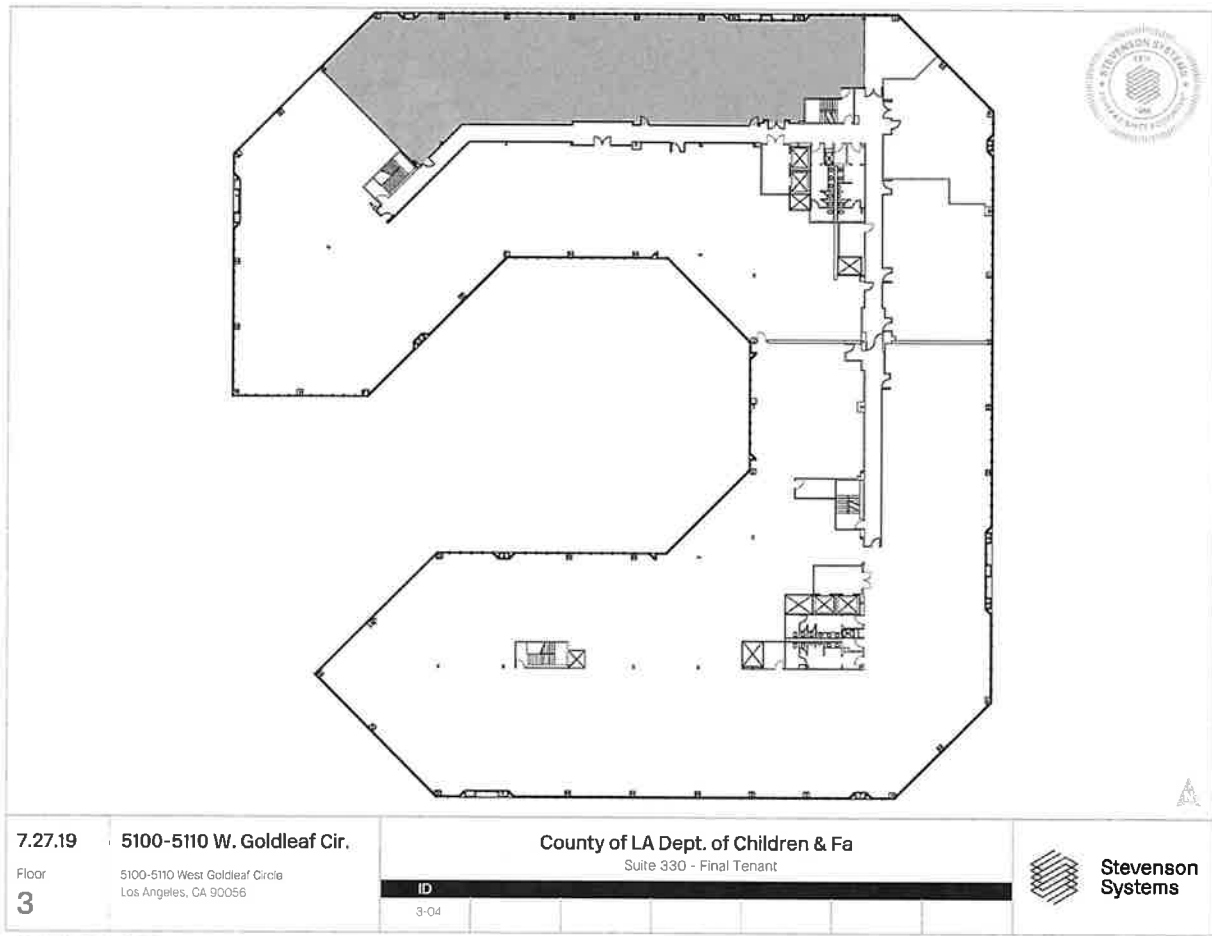


Exhibit A
FLOOR PLAN OF PREMISES

EXHIBIT B

COMMENCEMENT DATE MEMORANDUM AND CONFIRMATION OF LEASE TERMS

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

Landlord and Tenant hereby acknowledge as follow:

- 1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____ ("Possession Date");
- 2) Tenant has accepted possession of the Premises and now occupies the same;
- 3) The Lease commenced on _____ ("Commencement Date");
- 4) The Premises contain _____ rentable square feet of space; and
- 5) Landlord has paid a commission in the amount of \$_____ to Tenant 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 B
COMMENCEMENT DATE OF MEMORANDUM
AND CONFIRMATION OF LEASE TERMS

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. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.

Exhibit C
HEATING, VENTILATION
AND AIR CONDITIONING

EXHIBIT D

CLEANING AND MAINTENANCE SCHEDULE

A. DAILY (Monday through Friday)

1. Carpets vacuumed.
2. Composition floors dust-mopped.
3. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
4. Waste baskets, other trash receptacles emptied.
5. Chairs and waste baskets returned to proper position.
6. Fingerprints removed from glass doors and partitions.
7. Drinking fountains cleaned, sanitized and polished.
8. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
9. Bulb and tube replacements, as required.
10. Graffiti expunged as needed within two working days after notice by Tenant
11. Floors washed as needed.

B. WEEKLY

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

C. MONTHLY

14. Floors washed and waxed in uncarpeted office area.
15. High-reach areas, door frames and tops of partitions dusted.
16. Upholstered furniture vacuumed, plastic and leather furniture wiped
17. Picture moldings and frames dusted.
18. Wall vents and ceiling vents vacuumed.

D. QUARTERLY

19. Light fixtures cleaned and dusted, but not less frequently than quarterly.

20. Wood furniture polished.

21. Draperies or mini-blinds cleaned as required, but not less frequently than quarterly.

E. SEMI-ANNUALLY

22. Windows washed as required inside and outside but not less frequently than twice annually.

F. ANNUALLY

23. Carpets cleaned

G. AS NEEDED

24. 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.

25. 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.

EXHIBIT E

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

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

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

)
)
)
)
)
)

Space above for Recorder's Use

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

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

This Subordination, Non-disturbance and Attornment Agreement ("Agreement") is entered into as of the ____ day of _____, 20__ by and among COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant"), [*Insert name of Landlord*], ("Borrower") and [*Insert name of Lender*], ("Lender").

Factual Background

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

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

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

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

Agreement

Therefore, the parties agree as follows:

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

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

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

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

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

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

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

(c) be bound by any prepayment by Tenant of more than one (1) month's installment of rent, unless the Lease expressly requires such prepayment; or

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

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

Exhibit E
SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT

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

To Lender: _____

To Borrower: _____

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

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

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

By: _____
Name: _____
Title: _____

BORROWER: *[Insert name of Landlord]*

By: _____
Name: _____
Title: _____

LENDER: *[Insert name of Lender],*

By: _____
Name: _____
Title: _____

Exhibit E
SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT

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

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

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

personally appeared _____,
Name of Signer(s)

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

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

WITNESS my hand and official seal.

Signature (Seal)

Exhibit E
SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT

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.

Exhibit F

TENANT ESTOPPEL CERTIFICATE

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

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

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

(e) No rental payments have been made more than one (1) month in advance.

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

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

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____
Name: _____
Title: _____

EXHIBIT G

COMMUNITY BUSINESS ENTERPRISE FORM

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

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

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

II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

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

2. Total Number of Ownership/Partners, Etc.: _____			III. MINORITY/WOMEN-OWNED FIRM CERTIFICATION	
3. Provide the percentage of ownership in each	All Employee	Women	Is your firm currently certified as a minority owned business firm by the: State of California? <input type="checkbox"/> Yes <input type="checkbox"/> No City of Los Angeles? <input type="checkbox"/> Yes <input type="checkbox"/> No Federal Government? <input type="checkbox"/> Yes <input type="checkbox"/> No	
	Black/African American			
	Hispanic/Latin American			
	Asian American			
	Portuguese American			
	American Indian/Alaskan Native			
All Others			Section D. OPTION TO PROVIDE REQUESTED INFORMATION <input type="checkbox"/> We do not wish to provide the information required in this form. Firm Name: _____	


	Signature/Title: _____
	Date: _____

EXHIBIT H

MEMORANDUM OF LEASE

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

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

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

MEMORANDUM OF LEASE

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

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

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

Dated: _____, 20__.

LANDLORD:

By: _____

Its: _____

By: _____

Its: _____

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: _____
Senior Deputy

Exhibit H
MEMORANDUM OF LEASE

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

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

On _____, before me,

_____ Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")
personally appeared _____,

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

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

WITNESS my hand and official seal.

Signature (Seal)

EXHIBIT I

TENANT IMPROVEMENTS

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 will be paid by Landlord to the extent funds remain in 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 reproducibles and four sets of blueline prints to Tenant for review and approval prior to start of construction or order placement.
 - 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 (unless and to the extent Tenant pays Landlord such over-allowance amount).

1. PAINT:

- A. Paint all existing interior spaces including, but not limited to walls, hard-lid ceilings, doors (except stained wooden doors, if any), and trim. Door frames are not to be painted. Provide one primer coat and two finish coats.
- B. Provide one base color, and four accent colors:
 - Office areas: eggshell or low sheen finish.
 - Restrooms, lunchrooms and break rooms: semi-gloss.
- C. Specify Dunn Edwards, or approved equal.
- D. In the case that furniture systems are not replaced, then walls that are behind cubicles, filing cabinets or millwork shall not be painted. Lessee will remove all items from walls prior to painting including memos, tape, pictures and personal property, but Lessor will remove and reinstall bulletin boards, white boards and similar wall items.

Any additional work shall be identified by County Tenant (and be reflected on County Space Plan or on County Space Planner's Outline Specifications).

EXHIBIT J

PRELIMINARY AND FINAL TENANT IMPROVEMENT COST STATEMENT

____ Preliminary TI Cost Statement Lease No. _____
____ Final TI Cost Statement Address _____

Cost Category	
Architecture and Engineering Contract	\$
Plan Check Fees	\$
General Contractor	\$
Furniture (if any)	\$
Other	\$
Total Tenant Improvement Costs	\$

Exhibit J

PRELIMINARY AND FINAL TENANT IMPROVEMENT COST STATEMENT

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	11/30/2022		
BOARD MEETING DATE	12/20/2022		
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)	Museum of Natural History		
SUBJECT	Approval of Amendment No. 6 to Agreement No. 67675 for Funding, Operation, and Management of the Los Angeles County Museum of Natural History		
PROGRAM			
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			
COST & FUNDING	Total cost: \$1,000,000	Funding source: Transfer funding from PFU to the Museum	
	TERMS (if applicable):		
	Explanation:		
PURPOSE OF REQUEST	To amend the 1994 funding agreement between the County and the Los Angeles County Museum of Natural History Foundation to increase the base amount of the County's funding obligation by \$1.0 million beginning with Fiscal Year 2022-23.		
BACKGROUND (include internal/external issues that may exist including any related motions)	The Fiscal Year 2022-23 Final Adopted Budget includes \$1.0 million to increase the base amount of the County's funding obligation beginning with Fiscal Year 2022-23 to continue its current and expansive community and educational public programs, maintain operation at the Museum sites, begin NHM Commons programming and operating cost analysis, and steward the County's collection items while extending its reach to all County residents, national, and international visitors.		
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: Jonathan Diaz (213) 974-1177, jdiaz@ceo.lacounty.gov, Anthony Baker (213) 974-1135, abaker@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

December 20, 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:

APPROVAL OF AMENDMENT NO. 6 TO AGREEMENT NO. 67675 FOR FUNDING, OPERATION, AND MANAGEMENT OF THE LOS ANGELES COUNTY MUSEUM OF NATURAL HISTORY (3 VOTES)

SUBJECT

Recommendation to amend the 1994 funding agreement (Funding Agreement) between the County of Los Angeles (County) and the Los Angeles County Museum of Natural History Foundation (Museum Foundation) to increase the base amount of the County's funding obligation by \$1.0 million beginning with Fiscal Year 2022-23 as a result of growth in facilities and programs at the Los Angeles County Museum of Natural History (Museum).

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed action is not a project under the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and the record.
2. Approve and instruct the Chair to execute Amendment No. 6 (Amendment) to County Agreement No. 67675 with the Museum Foundation which will amend the Funding Agreement to increase the base amount of the County's funding obligation by \$1.0 million beginning in Fiscal Year 2022-23. The increase will allow the County and the Museum Foundation to continue the successful operation of the Museum.
3. Approve an appropriation adjustment to transfer \$1,000,000 from the Provisional Financing Uses budget unit to the Natural History Museum to increase the base amount of the County's funding obligation.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended action will find that it is not subject to CEQA and ensure the Museum maintains and enhances a robust program of services to the public pursuant to the County and Museum Foundation's Funding Agreement.

The Museum Foundation, in partnership with the County, provides services to County residents at the Museum in Exposition Park, La Brea Tar Pits & Museum in Hancock Park, and the William S. Hart Museum in Newhall. The Museum is recognized as one of the top natural history museums in the world and holds the largest natural and cultural history collection in the western United States. By exploring the intersection of nature and culture, the Museum aims to inspire diverse audiences – within L.A. County and beyond – to better understand and connect with the world around them.

The Museum and the La Brea Tar Pits & Museum sites reopened in stages beginning in March 2021, following California, Los Angeles County, and City of Los Angeles COVID-19 safety protocols. Both museum sites are now open seven days a week, closed the first Tuesday of the month for building and exhibition maintenance.

The County is a critical partner to the Museum through its continued support of museum operations and facilities, and its departments, which extend its reach to diverse communities through onsite and offsite programs. From July 2020 through December 2021, school and teacher programs served nearly 70,000 students through virtual workshops, live animal presentations, lessons, and mobile museums! Since reopening in April 2021, museum attendance has reached 85% of our pre-Covid levels in 2019. School and public engagement programs are robust through a combination of in-person and virtual programs. On-site school and public programs began to emerge in Spring 2022. Visitor survey results are extremely positive; guests feel safe in the museums and are excited to engage with museum exhibitions and educators.

The Museum's overall attendance continues its slow recovery with attendance remaining lower than before the COVID pandemic, due to the Delta and Omicron variants. Attendance for fiscal year 2022 was approximately 63% of fiscal year 2019 in terms of total visitors. The Museum continues to offer free admission through the LA County resident program from 3-5 pm on weekdays and for teachers, military personnel, and for those with low income.

NHM Commons, the museum's new wing which opens new doors to natural history, community co-creation, and belonging, is a transformative expansion conceived in 2018 and estimated completion in mid-2024. Envisioned as a dynamic community hub and designed by Los Angeles based architecture firm Frederick Fisher & Partners, NHM Commons will manifest in a multitude of new and refreshed spaces, bursting with vital, enriching, and accessible experiences that celebrate the intersections of science, nature, culture, heritage, and community. The new facilities will create a new level of accessibility to communal space, including a new Commons Theater, Welcome Center, and Community Plaza.

This additional \$1.0 million County contribution will allow the Museum to continue its current and expansive community and educational public programs, maintain operations at the Museum sites, begin NHM Commons programming and operating cost analysis, and steward the County's collection items while extending its reach to all County residents, national, and international visitors.

Implementation of Strategic Plan Goals

The recommended action supports countywide Strategic Plan Goal 1: Operational Effectiveness/Fiscal Sustainability, to maximize the effectiveness of processes, structure, and operations to support timely delivery of customer-oriented and efficient public services; and Strategic Plan Goal 2: Community Support and Responsiveness, to enrich lives of Los Angeles County residents by providing enhanced services, and effectively planning and responding to economic, social, and environmental challenges.

FISCAL IMPACT/FINANCING

The FY 2022-23 Recommended Budget, approved by the Board on April 19, 2022, included the County's \$24.099 million base funding obligation under the Funding Agreement, as amended by Amendments Nos. 1, 2, 3, 4, and 5. Approval of this request will increase the County's base funding obligation by an additional \$1.0 million in FY 2022-23 to \$25.099 million. The attached FY 2022-23 appropriation adjustment transfers \$1.0 million from the Provisional Financing Uses budget to the Museum.

The Museum Foundation is required to contribute towards its operations for the benefit of the Museum an amount equal to 80 percent (80%) of the County Contribution. The Museum Foundation has exceeded this requirement every year and has over contributed the 80 percent by an average of 78% over the last five years (total average contribution of 158% per year).

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On July 12, 1994, the Board and the Museum Foundation confirmed their mutual funding responsibilities for the operation and maintenance of the Museum facilities under the Funding Agreement with an initial term of 25 years. On September 26, 2006, the Board approved Amendment No. 1 that extended the term of the Funding Agreement by seventy-five years to September 26, 2081.

Additionally, on September 26, 2013, October 8, 2013, June 23, 2014, and June 22, 2015, the Board approved Amendment Nos. 2, 3, 4, and 5 respectively, to the Funding Agreement which increased the County's base funding obligation under the Funding Agreement to assure continued stable funding and operation of the Museum after the Funding Agreement was executed.

The Amendment No. 6 will further increase the County base funding obligation under the Funding Agreement and is made in recognition of the longstanding public/private partnership between the County and the Museum Foundation which has evolved over many years and will continue to do so.

County Counsel has approved this Amendment No. 6 as to form.

ENVIRONMENTAL DOCUMENTATION

The recommended action is not subject to CEQA because approval of Amendment No.6 is excluded from the definition of a project by Public Resources Code section 21065 and CEQA Guidelines section 15378(b)(4). The proposed action would create a government funding mechanism that does not involve any commitment to a specific project that may result in a potentially significant physical impact on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no negative impact on current services. Approval of Amendment No. 6 will ensure affordable, quality cultural experiences and life-long learning opportunities for the community, as well as bolster the Museum Foundation's ability to increase its base of private support through enhanced donor and investor confidence.

CONCLUSION

Upon the Board's approval, the Executive Officer, Board of Supervisors is requested to return one original signed copy of the Amendment and one adopted stamped Board letter to the Museum Foundation, Attn: Dr. Lori Bettison-Varga, President and Director, 900 Exposition Boulevard, Los Angeles, CA 90007; as well as one adopted copy of the Board letter and Amendment to the Chief Executive Office.

FAD:JMN:MM
SW:AB:JD:kn

c: Executive Office, Board of Supervisors
 County Counsel
 Museum of Natural History
 Los Angeles County Museum of Natural History Foundation

AMENDMENT NO. 6
TO
FUNDING AGREEMENT
FOR THE
LOS ANGELES COUNTY MUSEUM OF NATURAL HISTORY

This Amendment No. 6 to the Funding Agreement for the Los Angeles County Museum of Natural History is made and entered into as of December 20, 2022, by and between the COUNTY OF LOS ANGELES ("County"), a body corporate and politic and a political subdivision of the State of California, and the LOS ANGELES COUNTY MUSEUM OF NATURAL HISTORY FOUNDATION ("Foundation"), a nonprofit public benefit corporation organized under the laws of the State of California.

WITNESSETH

WHEREAS, the County and the Foundation entered into that certain Funding Agreement for the Los Angeles County Museum of Natural History ("Natural History Museum") dated July 12, 1994 (the "Funding Agreement") providing for, among other things, mutual funding obligations based on an annual amount certain, subject to a yearly adjustment; and

WHEREAS, the County and the Foundation entered into that certain Amendment No. 1 to the Funding Agreement, dated September 26, 2006 ("Amendment No. 1"), which extended the term of the Funding Agreement an additional 75 years from the date Amendment No. 1 was executed, and made other amendments to the Funding Agreement to ensure the continued stable funding and operation of the Natural History Museum and to implement potential improvements in funding and operations that were identified after the Funding Agreement was executed; and

WHEREAS, the County and the Foundation entered into that certain Amendment No. 2 to the Funding Agreement, dated June 24, 2013 ("Amendment No. 2"), which increased the base amount of the County's funding obligation under the

Funding Agreement to the sum of fifteen million nine hundred sixty-five thousand dollars (\$15,965,000) for fiscal year July 1, 2013 - June 30, 2014 ("Fiscal Year 2014"); and

WHEREAS, the County and the Foundation entered into that certain Amendment No. 3 to the Funding Agreement, dated October 8, 2013 ("Amendment No. 3"), which increased the base amount of the County's funding obligation under the Funding Agreement to the sum of sixteen million four hundred sixty-five thousand dollars (\$16,465,000) for Fiscal Year 2014; and

WHEREAS, the County and the Foundation entered into that certain Amendment No. 4 to the Funding Agreement, dated June 23, 2014 ("Amendment No. 4"), which increased the base amount of the County's funding obligation under the Funding Agreement to the sum of eighteen million one hundred forty-six thousand dollars (\$18,146,000) for fiscal year July 1, 2014, to June 30, 2015 ("Fiscal Year 2015"); and

WHEREAS, the County and the Foundation entered into that certain Amendment No. 5 to the Funding Agreement, dated June 22, 2015 ("Amendment No. 5") which increased the base amount of the County's funding obligation under the Funding Agreement by one million five hundred thousand dollars (\$1,500,000) to the sum of nineteen million seven hundred and seventy-seven thousand (\$19,773,000) for fiscal year July 1, 2015, to June 30, 2016 ("Fiscal Year 2016"); and

WHEREAS, the County and the Foundation wish to increase the base amount of the County's funding obligation under the Funding Agreement for fiscal year July 1, 2022, to June 30, 2023 ("Fiscal Year 2023") by an additional one million dollars (\$1,000,000), for a total base amount for Fiscal Year 2023 of twenty-five million ninety-nine thousand (\$25,099,000), and as a result thereof increase the Foundation's funding contribution, in order to ensure the continued stable funding and operation of the Natural History Museum;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and Foundation hereby agree as follows:

- I. Subsection (K) of Section 8 of the Funding Agreement, which subsection was added by Amendment No. 5, is deleted in its entirety and replaced with the following:

(K) Adjustment to County Contribution and Base Year Amount:

- (1) Notwithstanding Section 8(C), above, the County Contribution for the fiscal year July 1, 2022 - June 30, 2023 ("Fiscal Year 2023") shall be the sum of twenty-five million ninety-nine thousand dollars (\$25,099,000).
- (2) Beginning in Fiscal Year 2023, the Base Year Amount established in Section 8(B) of this Agreement shall be the amount of the County Contribution set forth in Section 8(K)(1) of this Agreement.
- (3) The Foundation Contribution, as defined in Section 8(D) of this Agreement, shall be calculated based on and reflect any upward adjustments and/or other increases provided by the County pursuant to this Subsection (K).

- II. Except as expressly set forth in this Amendment No. 6 to the Funding Agreement, the Funding Agreement, Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4 and Amendment 5 thereto, shall remain in full force and effect according to their terms.

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IN WITNESS WHEREOF, this Amendment No. 6 to the Funding Agreement has been executed for the parties by their duly authorized officers as of the date first written above.

LOS ANGELES COUNTY MUSEUM OF
NATURAL HISTORY FOUNDATION

By: _____
Dr. Lori Bettison-Varga

COUNTY OF LOS ANGELES

By: _____
Chair, Board of Supervisors

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

By: _____
Casey Yourn
Principal Deputy County Counsel

ATTEST: CELIA ZAVALA
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS

By: _____

October 20, 2022

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICER

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HER RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFORE**FY 2022-23****3 - VOTES****SOURCES****USES****PFU-VARIOUS**

A01-CB-2000-13749-13760

SERVICES & SUPPLIES

DECREASE APPROPRIATION**1,000,000****MUSEUM OF NATURAL HISTORY**

A01-NH-2000-28300

SERVICES & SUPPLIES

INCREASE APPROPRIATION**1,000,000****SOURCES TOTAL****\$ 1,000,000****USES TOTAL****\$ 1,000,000****JUSTIFICATION**

Reflects the transfer of \$1,000,000 from the Provisional Financing Uses budget unit to the Natural History Museum to increase the base amount of the County's funding obligation.

Anthony BakerDigitally signed by Anthony Baker
Date: 2022.11.15 16:33:55 -08'00'**AUTHORIZED SIGNATURE**

ANTHONY BAKER, MANAGER, CEO

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR---☐ ACTION☐ RECOMMENDATION

AUDITOR-CONTROLLER

BY

B.A. NO.

DATE

☐ APPROVED AS REQUESTED☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY

DATE