



**OPERATIONS CLUSTER  
AGENDA REVIEW MEETING**

**DATE:** May 31, 2023  
**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 AS PERMITTED UNDER THE BOARD OF SUPERVISORS' FEBRUARY 7, 2023 ORDER SUSPENDING THE APPLICATION OF BOARD POLICY 3.055 UNTIL JUNE 30, 2023**

**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 – Carlos Arreola/Anthony Baker**
2. **INFORMATIONAL ITEM(S):**
  - A) Board Letter:  
SIX-YEAR LEASE  
DEPARTMENT OF MENTAL HEALTH  
6800 OWENSMOUTH AVENUE SUITES 160 AND 180, CANOGA PARK  
CEO/RE - Alexandra Nguyen-Rivera, Section Chief, Leasing
  - B) Board Letter:  
NINE-YEAR LEASE AMENDMENT  
DEPARTMENT OF MENTAL HEALTH  
10605 BALBOA BOULEVARD, GRANADA HILLS  
CEO/RE - Alexandra Nguyen-Rivera, Section Chief, Leasing
3. **PRESENTATION/DISCUSSION ITEMS:**

None available.

**CONTINUED ON PAGE 2**

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

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### **FUTURE AGENDA TOPICS**

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#### **CALENDAR LOOKAHEAD:**

- A) CEO/CLASS - CLASSIFICATION/COMPENSATION ACTIONS TO IMPLEMENT THE FISCAL YEAR 2023-2024 RECOMMENDED BUDGET AND OTHER CLASSIFICATION/COMPENSATION ACTIONS
- B) A-C - AUTHORIZATION TO RENEW FRAUD HOTLINE AND INVESTIGATIVE SERVICES AGREEMENT WITH THE LOS ANGELES HOMELESS SERVICES AUTHORITY
- C) TTC - APPROVAL TO AMEND COUNTY CODE, TITLE 7 – BUSINESS LICENSES TO ADD DIVISION 3 SHORT-TERM RENTALS REGISTRATION, AND DIRECTIVE TO THE DEPARTMENT OF REGIONAL PLANNING TO AMEND TITLE 22 AND LOCAL COASTAL PROGRAMS
- D) ISD - REQUEST FOR AUTHORITY TO AWARD NINE AS-NEEDED ARCHITECTURAL AND ENGINEERING SERVICES MASTER AGREEMENTS WITH SEVEN CONTRACTORS



# BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

<b>CLUSTER AGENDA REVIEW DATE</b>	5/31/2023							
<b>BOARD MEETING DATE</b>	6/27/2023							
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input checked="" type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>							
<b>DEPARTMENT(S)</b>	Mental Health							
<b>SUBJECT</b>	A proposed new six-year lease renewal for 9,970 square feet of office space and 30 on-site parking spaces at 6800 Owensmouth Avenue, Canoga Park, CA 91303							
<b>PROGRAM</b>	DMH- San Fernando Valley Office							
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No							
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why: N/A							
<b>DEADLINES/ TIME CONSTRAINTS</b>	Lease has been on month-to-month holdover since January 29, 2023 with no fee.							
<b>COST &amp; FUNDING</b>	<table border="1"> <tr> <td>Total cost: \$1,818,000</td> <td>Funding source: Fully funded by State and federal revenues.</td> </tr> <tr> <td colspan="2">TERMS (if applicable): The proposed lease will have a first-year lease cost of \$273,976 including parking costs. The landlord will be responsible for operating expenses, repair and maintenance of the building.</td> </tr> <tr> <td colspan="2">Explanation: DMH has sufficient funding in its FY 2023-2024 Operating Budget to cover the proposed rent for the first year. Future funding for the costs associated with the proposed lease will be requested through DMH's annual budget process. There is no net County cost impact associated with the recommended actions.</td> </tr> </table>		Total cost: \$1,818,000	Funding source: Fully funded by State and federal revenues.	TERMS (if applicable): The proposed lease will have a first-year lease cost of \$273,976 including parking costs. The landlord will be responsible for operating expenses, repair and maintenance of the building.		Explanation: DMH has sufficient funding in its FY 2023-2024 Operating Budget to cover the proposed rent for the first year. Future funding for the costs associated with the proposed lease will be requested through DMH's annual budget process. There is no net County cost impact associated with the recommended actions.	
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Explanation: DMH has sufficient funding in its FY 2023-2024 Operating Budget to cover the proposed rent for the first year. Future funding for the costs associated with the proposed lease will be requested through DMH's annual budget process. There is no net County cost impact associated with the recommended actions.								
<b>PURPOSE OF REQUEST</b>	Approval of the recommended actions will authorize and provide continued use of office space for DMH.							
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	The County has leased the subject location since 2008. The facility adequately meets the office space needs of DMH.							
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:							
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:							
<b>DEPARTMENTAL CONTACTS</b>	Alexandra Nguyen-Rivera, Section Chief, Leasing CEO- Real Estate Division 213-974-4189 arivera@ceo.lacounty.gov							



**Chief  
Executive  
Office.**

**COUNTY OF LOS ANGELES**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, CA 90012  
(213) 973-1101      ceo.lacounty.gov

**CHIEF EXECUTIVE OFFICER**

Fesia A. Davenport

"To Enrich Lives Through Effective and Caring Service"

June 27, 2023

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:

**SIX-YEAR LEASE  
DEPARTMENT OF MENTAL HEALTH  
6800 OWENSMOUTH AVENUE SUITES 160 AND 180, CANOGA PARK  
(THIRD DISTRICT) (3 VOTES)**

**SUBJECT**

Approval of a proposed six-year lease to renew an existing lease to provide the Department of Mental Health (DMH) continued use of approximately 9,970 square feet of office space and 30 on-site parking spaces.

**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 Nay Holdings, LLC, a California limited liability company (Landlord) for approximately 9,970 square feet of office space and 30 on-site parking spaces located at 6800 Owensmouth Avenue, Suites 160 and 180, Canoga Park, CA (Premises) to be occupied by DMH. The estimated maximum first year base rental cost is \$273,976. The estimated total lease cost is \$1,818,000 over the six-year term. The rental costs will be fully funded by State and Federal revenues. DMH will not be requesting additional net County cost for this action.

3. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed lease, and to take actions necessary and appropriate to implement the proposed lease, including, without limitation, exercising any early termination rights.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Since August 2008, DMH has occupied the Premises. This office provides space for the administrative staff that oversee the West Valley Mental Health Center and San Fernando Mental Health Center as well as the clinical staff who go into the field to see clients that are unable to visit the two centers. Additionally, the services and programs at the Premises provide support and oversight to all directly operated programs, linkage, outreach and engagement, case management, Full-Service Partnership referrals, homeless services, housing services, and Mental Health Services to adult and children within the San Fernando Valley.

The Premises houses approximately 38 employees. The current lease expired on January 28, 2023, and is in holdover with no additional fees charged by the Landlord. The employees at the Premises utilize a telework schedule and workstations are used as hoteling spaces for field office from other local programs that require space to complete notes about their clients.

The proposed lease will enable DMH to maintain a strong presence in the San Fernando Valley, avoid relocation costs, interruption of services, and higher rental rates. The location is centrally located and is near Orange Line public bus transportation routes.

Approval of the recommended actions will find that the proposed lease is exempt from CEQA and will allow the DMH to continue to operate at this location.

### **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 also consistent with Strategic Asset Management Goal of 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 DMH to continue operating in a location within the community it serves, which provides proper accommodations for office and ancillary space in a centrally located facility that is accessible for employees and clients.

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

### **FISCAL IMPACT/FINANCING**

The estimated maximum first year rental cost is \$273,976. The aggregate cost associated with the proposed lease over the entire term is \$1,818,000 as shown on Enclosure B-1. The rental costs will be fully funded by State and Federal revenues.

Sufficient funding to cover the proposed rent for the first year of the proposed lease term is included in the Fiscal Year (FY) 2023-24 Rent Expense budget and will be billed back to DMH. DMH has sufficient funding in its FY 2023-24 Operating Budget to cover the proposed rent for the first year. Future funding for the costs associated with the proposed lease will be requested through DMH's annual budget process. There is no net County cost impact associated with the recommended actions.

### **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 decrease from \$27.89 per square foot, per year to \$27.48 per square foot. The base rental rate includes 30 on-site parking spaces and is subject to fixed annual increases of 4 percent.
- The Landlord, at its sole expense, shall paint and replace carpeting throughout Suite 160, repair or replace interior partitions; doors, door frames and hardware; signage; emergency exit signage and battery replacement; existing HVAC equipment dedicated to the mechanical rooms housing computer servers and related equipment; and light fixtures, bulbs, tubes and ballasts.
- The Landlord is responsible for the operating and maintenance cost of the building. The County is not subject to the building's operating expense increases.
- A comparison of the existing lease and the proposed lease is shown in Enclosure B-2.

- The County has the right to terminate the proposed lease early any time after the 60<sup>th</sup> month, with at least 90 days advanced written notice subject to a termination fee equal to three months of the current base rent.
- Holdover at the proposed lease expiration is permitted on the same lease terms and conditions with no holdover fee. If holdover goes over 180 days, the rent will increase by 4 percent of the then existing base rent at the time of the proposed lease expiration.
- The proposed lease will commence upon the first day of the first calendar month following approval of the proposed lease by the Board and full execution of the proposed lease by both parties.

The Chief Executive Office conducted a market survey within a three-mile area to determine the availability of comparable office space. Staff 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 \$24.60 and \$28.20 per square foot, per year. The base annual rental rate of \$27.48 per square foot, per year for the proposed lease represents a rate that is within the market range for the area. DMH prefers the existing location because it is centrally located for its needs in supporting DMH services in the San Fernando Valley for two large mental health centers, the West Valley Mental Health Center and the San Fernando Mental Health Center. Further, relocation to a new building would require costly new tenant improvements and disrupt services. We recommend the proposed Premises as the most suitable to meet the County's space requirements

Co-working office space is not programmatically practical due to the confidential mental health therapeutic practices that the therapists have with their clients.

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

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

County Counsel has reviewed the proposed lease 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 programs, which is consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012, as outlined in Enclosure D.

### **ENVIRONMENTAL DOCUMENTATION**

This proposed lease 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 for this County requirement. DMH concurs with the proposed lease and recommendations.

Respectfully submitted,

FESIA A. DAVENPORT  
Chief Executive Officer

FAD:JMN:JTC  
JLC:HD:ANR:OM:gb

Enclosures

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

**MENTAL HEALTH  
6800 OWENSMOUTH AVENUE, CANOGA PARK**

**Asset Management Principles Compliance Form<sup>1</sup>**

<b>1.</b>	<b><u>Occupancy</u></b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
	A	Does lease consolidate administrative functions? <sup>2</sup>	<b>x</b>		
	B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>	<b>x</b>		
	C	Does this lease centralize business support functions? <sup>2</sup>			<b>x</b>
	D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> Approximately 262 sq ft per person based on 38 employees due to a reception area, break room, and conference room		<b>x</b>	
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? <sup>2</sup> , <b>3/1,000 sq ft and due to telework measures, parking ratio suffices for dept's needs</b>		<b>x</b>	
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? <sup>2</sup>	<b>x</b>		
<b>2.</b>	<b><u>Capital</u></b>				
	A	Is it a substantial net County cost (NCC) program?		<b>x</b>	
	B	Is this a long-term County program?	<b>x</b>		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		<b>x</b>	
	D	If no, are there any suitable County-owned facilities available?		<b>x</b>	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			<b>x</b>
	F	Is Building Description Report attached as Enclosure C?	<b>x</b>		
	G	Was build-to-suit or capital project considered? <sup>2</sup>			<b>x</b>
<b>3.</b>	<b><u>Portfolio Management</u></b>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	<b>x</b>		
	B	Was the space need justified?	<b>x</b>		
	C	If a renewal lease, was co-location with other County departments considered?			<b>x</b>
	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. <b><u>x</u></b> 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? <sup>2</sup>	<b>x</b>		
	F	Has growth projection been considered in space request?	<b>x</b>		
	G	<sup>1</sup> Has the Dept. of Public Works completed seismic review/approval?	<b>x</b>		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98					
<sup>2</sup> If not, why not?					

**OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS**

**6800 Owensmouth Avenue, Canoga Park, CA  
Department of Mental Health**

**Basic Lease Assumptions**

<b>Leased Area (sq.ft.)</b>	9,970	
	<b>Monthly</b>	<b>Annual</b>
<b>Rent (per sq. ft.) <sup>(1)</sup></b>	\$2.29	\$27.48
<b>Rent Amount (\$)</b>	\$22,831.30	
<b>Term (Month/Years)</b>	72 months/6 years	
<b>Annual Rent Adjustment</b>	4%	

	<b>1<sup>st</sup> Year</b>	<b>2<sup>nd</sup> Year</b>	<b>3<sup>rd</sup> Year</b>	<b>4<sup>th</sup> Year</b>	<b>5<sup>th</sup> Year</b>	<b>6<sup>th</sup> Year</b>	<b>Total 6 Year Rental Costs</b>
<b>Annual Base Rent Costs <sup>(1)</sup></b>	\$273,976	\$284,935	\$296,332	\$308,185	\$320,513	\$333,333	<b>\$1,818,000</b>
<b>Total Cost Paid to Landlord</b>	\$273,976	\$284,935	\$296,332	\$308,185	\$320,513	\$333,333	<b>\$1,818,000</b>

**Footnotes**

<sup>(1)</sup> The Base Rent is subject to fixed four percent (4%) increases per annum.



**COMPARISON OF THE PROPOSED LEASE TO EXISTING LEASE**

	<b>Existing Lease:</b> <b>6800 Owensmouth Avenue, Canoga Park</b>	<b>Proposed Lease:</b> <b>6800 Owensmouth Avenue, Canoga Park</b>	<b>Change</b>
Area (Square Feet)	9,835 sq.ft.	9,970 sq.ft. <sup>(1)</sup>	+135 sq.ft.
Term (years)	7 years	6 years	-1 year
Annual Base Rent (Base rent includes 30 parking spaces)	Base Rent \$274,339.68 (\$27.89 per sq. ft. annually)	Base Rent \$273,975.60 (\$27.48 per sq. ft. annually)	-\$364.08 annually
County's TI Cost	N/A	N/A	N/A
Annual Parking Cost	N/A	N/A	N/A
Janitorial/Utility/Maintenance Costs	N/A	N/A	N/A
Rental rate adjustment	Annual CPI adjustments capped at 3 percent with no minimum.	Fixed annual increases of 4 percent.	Fixed annual increases of 4 percent.

Footnote:

<sup>(1)</sup> Area increase due to remeasurement not expansion

## DEPARTMENT OF MENTAL HEALTH

## SPACE SEARCH – 3 MILE RADIUS FROM 6800 OWENSMOUTH AVE, CANOGA PARK

LACO	Name	Address	Ownership Type	Gross SqFt	Vacant
A667	PH - West Valley District Office	21515 Vanowen St. Canoga Park 91303	Leased	6847	None
X140	Sheriff - Lost Hills Maintenance Garage	27050 W Agoura Rd Agoura Hills 91301	Owned	6157	None
30563	Fire - Topanga Radio Repeater Site	21089 1/2 Waveview Dr Topanga 90290	Permit	10280	None
5872	Canoga Park Health Center (P/Pp Site)	7107 Remmet Ave Canoga Park 91303	Owned	5308	None
F065	PW - Flood - Browns Canyon Debris Disposal Area	13000 Browns Canyon Rd Chatsworth 91311	Permit	8712	None
F064	PW - Flood - Browns Canyon Debris Basin	13000 Browns Canyon Rd Chatsworth 91311	Permit	8712	None
A608	Board of Sup/Health/Fire/DPW/Reg Planning	26600 Agoura Rd Calabasas 91302	Leased	10346	None
B192	Mental Health - S F Valley Children's Services	19231 Victory Blvd Reseda 91335	Leased	8085	None
A664	DMH - Wellness Center	6800 Owensmouth Canoga Park 91303	Leased	9835	None
Y466	Public Library - Topanga Library	122 N Topanga Canyon Blvd Topanga 90290	Owned	11048	None
A671	DMH - Wellness Center	10515 Balboa Blvd Granada Hills 91344	Leased	7991	None

## **FACILITY LOCATION POLICY ANALYSIS**

**Proposed lease Renewal:** Six-year lease for DMH - 6800 Owensmouth Avenue, Canoga Park- 3<sup>rd</sup> District.

- A. Establish Service Function Category –** Regional and local public service function.
- B. Determination of the Service Area –** The proposed lease will allow DMH to continue providing comprehensive services for the community within the San Fernando Valley.

### **C. Apply Location Selection Criteria to Service Area Data**

- Need for proximity to service area and population: DMH programs are effective when located in geographic areas as their clients and stakeholders. They have had a presence in this location since 2008
- Need for proximity to existing County facilities: DMH has a strong desire to collaborate with other County Department partners such as the Departments of Public Social Services and Children and Family Services. The subject property is located within five miles of the Departments of Children and Family Services, Public Social Services, and Community and Senior Services
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no existing County buildings available to meet the Department's service needs.
- Compatibility with local land use plans: The Department of Public Works inspected the facility and found it suitable for County occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.
- Estimated acquisition/construction and ongoing operational costs: The initial annual rent is \$273,976.

#### **D. Analyze results and identify location alternatives**

Based upon the space needs of DMH, staff surveyed the area within a 3-mile radius of the subject property to determine the availability of comparable and more economical site alternatives.

The Chief Executive Office conducted a market survey within a 3-mile area to determine the availability of comparable office space. Staff was unable to identify any sites that could accommodate this requirement more economically, nor are there any County-owned facilities available for this program. 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 \$24.60 and \$28.20 per square foot, per year. The base annual rental rate of \$27.48 per square foot, per year, for the proposed lease represents a rate that is within the market range for the area. The Department prefers the existing location because it is centrally located for its needs in supporting DMH services in the San Fernando Valley with its West Valley Mental Health Center and San Fernando Mental Health Center. Further, relocation to a new building would require costly new tenant improvements and disrupt services.

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

The proposed lease for DMH will provide adequate office space for 38 employees to provide services to individuals in the San Fernando Valley. This is 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 DMH's requirements.

**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE**

**LEASE AGREEMENT**

**COUNTY OF LOS ANGELES - Tenant**

**NAY HOLDINGS LLC – Landlord**

**6800 OWENSMOUTH AVENUE**

**SUITE 160 & 180**

**CANOGA PARK, 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



COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2023 between Nay Holdings LLC ("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:	Nay Holdings, LLC Mr. Fred Nosrati 1510 11 <sup>th</sup> Street, #201 Santa Monica, CA 90401 Email: <a href="mailto:frednosrati@amindevelopment.com">frednosrati@amindevelopment.com</a>
(b) Tenant's Address for Notices:	County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate  With a copy to:  County of Los Angeles Office of the County Counsel 648 Kenneth Hahn Hall of Administration 500 West Temple Street, Suite 648 Los Angeles, CA 90012-2713 Attention: Property Division
(c) Premises:	Approximately 9,970 rentable square feet, designated as Suites 160 & 180, in the Building (defined below), as shown on <u>Exhibit A</u> attached hereto.

(d) Building:	The Building located at 6800 Owensmouth Avenue, Canoga Park, California, which is currently assessed by the County Assessor as APN 2138-006-044 (collectively, the "Property");
(e) Term:	Six years, commencing as defined in Section 4.1 (the "Commencement Date"), and terminating at midnight on the day before the sixth 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:	April 1, 2023
(g) Irrevocable Offer Expiration Date: (see Section 33)	April 1, 2023
(h) Base Rent:	\$2.29 per rentable square foot per month  (i.e., \$22,831.30 per month or \$273,975.60 per year)
(i) Early Termination (see Section 4.4)	Ninety (90) days' notice on or after the 60 <sup>th</sup> month following the Commencement Date.  <u>Tenant will pay early termination fee equal to three (3) months of the current base rent.</u>
(j) Rentable Square Feet in the Premises:	9,970 rentable square feet
(k) Initial Departmental Use:	Department of Mental Health subject to Section 6.
(l) Parking Spaces:	30 exclusive on-site building reserved spaces; and unreserved spaces upon request.
(m) Building Hours of Operation:	8 a.m. to 6 p.m. Monday through Friday, and 8 a.m. to 1 p.m. on Saturdays

(n) Asbestos Report:	A report dated <u>June 17, 2018</u> prepared by Harris and Lee Environmental Sciences, LLC, a licensed California Asbestos contractor.
(o) Seismic Report	A report dated <u>January 2, 2008</u> prepared by County of Los Angeles Department of Public Works.
(p) Disabled Access Survey	A report dated <u>October 19, 2022</u> prepared by Turkel Architecture Group.

1.2 <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 Enterprises Form Exhibit H - Memorandum of Lease
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## 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 prior to the Commencement of 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 rentable square footage stated above, then Tenant shall have the right to adjust such rentable 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 rentable square footage exceeds the amount represented by Landlord.



### **3. COMMON AREAS**

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

### **4. COMMENCEMENT AND EXPIRATION DATES**

#### **4.1 Term**

The term of this Lease shall be for a period of six (6) 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 seventy-two (72) months thereafter, unless otherwise terminated by Tenant as provided herein. 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 Premises are Substantially Complete, Tenant has inspected the Premises, and Tenant has accepted 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, 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) [Intentionally omitted.]

#### **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, 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 and Landlord acknowledge that Tenant is currently in possession of the Premises and shall continue to pay the current Base Rent until the Commencement Date.

#### 4.4 Early Termination

Tenant shall have the right to terminate this Lease at any time after the Early Termination date specified in Section 1.1, by giving Landlord not less than ninety (90) days prior written notice, executed by Tenant's Chief Executive Officer or his/her designee. Provided however, Tenant shall pay to Landlord a termination fee equal to three (3) months of current Base Rent.

#### 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 Adjustment

The Base Rent shall escalate by four percent (4%) upon each anniversary of the Commencement Date throughout the Term 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 in the Building, during Tenant's Hours of Operation, after Tenant's Hours of Operation, and on weekends and holidays. Notwithstanding, Tenant shall not be permitted to use the Premises for any medical uses including but not limited to counseling or meeting with patients in the



Premises, administering, distributing, or storing prescription medication in the Premises. Landlord, at Landlord's sole cost and expense shall remove County's exterior signage on the Building except for those uses not permitted outlined above.

**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. Provided however, Tenant can remain in the Premises on a holdover basis subject to the existing terms and conditions of the Lease for a maximum of one hundred eighty (180) days prior to any Rent Adjustment as defined herein. Provided, if the Tenant is in Holdover beyond one hundred eighty (180) days then Landlord shall increase the Base Rent by four (4%) percent of the then existing Base Rent.

**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 Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including but not limited to the Americans with Disabilities Act ("ADA"), except if such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises.

**9. DAMAGE OR DESTRUCTION**

**9.1 Damage**

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

**9.2 Tenant Termination Right**

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises will not be

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

### 9.3 Damage In Last Year

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

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

### 9.4 Default By Landlord

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

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

## 10. REPAIRS AND MAINTENANCE

### 10.1 Landlord Representations

- (a) Landlord represents to Tenant that, as of the date hereof and on the Commencement Date:
  - 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) Landlord shall provide Tenant, in a form acceptable to Tenant, an Americans with Disabilities Act ("ADA") report for the Building. Further, Landlord, at its cost, shall resolve any noncompliant conditions described within such report.
- (d) 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.

x 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.

- (e) 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.
- (f) Tenant will not finalize the Lease without Tenant's review and approval of the reports mentioned in Paragraph 1.1.

#### 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, replacements of, or installation of:

- iv. the floor covering while ensuring Tenant's desks are protected from damage (carpeting shall be replaced throughout the original 5,665 square feet Premises with same specifications used for expansion space with Tenant's review and approval in writing prior to installation.
  - v. interior partitions;
  - vi. doors, door frames and hardware;
  - vii. the interior side of demising walls while ensuring Tenant's desks are protected from damage (which shall be repainted throughout the original 5,665 square feet Premises with Tenant's prior approval.
  - viii. signage;
  - ix. emergency exit signage and battery replacement;
  - x. existing HVAC equipment dedicated to the mechanical rooms housing Tenant's computer servers and related equipment; and
  - xi. 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.
  - (d) Landlord shall be responsible for paying, at its sole cost and expense, all operating expenses and real estate taxes, including but not limited to all utilities, supplemental taxes, assessments, and insurance. The Lease shall be full-service gross as that term is recognized in the real estate industry.

#### 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 ten (10) business days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within thirty (30) days after written notice, then Tenant shall be entitled to deduct from Base Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 15.
- (b) Notwithstanding any provisions of this Lease to the contrary, Tenant, acting through the Chief Executive Office, may request that Landlord perform, supply and administer repairs, maintenance, building services and/or alterations that are the responsibility of the Tenant, not to exceed \$5,000, as part of a separate purchase order issued by the County on Tenant's behalf. Any improvements by Landlord shall be subject to compliance with County Internal Services Department Purchasing Policy and Procedure No. A-0300, effective November 22, 2016, delivered to Landlord and incorporated by reference herein.

### 11. SERVICES AND UTILITIES

#### 11.1 Services

- (a) Heating, Ventilation and Air Conditioning (HVAC)

Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Tenant's Hours of Operations in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings and not less than the standard set forth in Exhibit C attached hereto. In addition, Landlord shall furnish HVAC during building standard hours, to the mechanical rooms housing Tenant's computer servers and related equipment.

(b) Electricity

Landlord shall furnish to the Premises 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, 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.

If any, Tenant shall pay prior to delinquency all taxes assessed against and levied upon Tenant Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Tenant contained in the Premises.

## **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) business 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) business day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

- (a) to remedy such default or breach and deduct the costs thereof (including but not limited to attorney's fees) 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 with obtaining Landlord's prior consent; provided, however, no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease.

16.2 Sale

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

Upon any sale or transfer of the Property by Landlord, Landlord shall provide thirty (30) days prior written notice of said sale 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 provided that Landlord approved said Alteration.

## **18. CONDEMNATION**

### **18.1 Controlling Terms**

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



18.2 Total Taking

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

18.3 Partial Taking

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

18.4 Restoration

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

18.5 Award

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

18.6 Waiver of Statute

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

## 19. INDEMNIFICATION

### 19.1 Landlord's Indemnity

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

### 19.2 Tenant's Indemnity

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

## 20. INSURANCE

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

### 20.1 Waiver

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

### 20.2 General Insurance Provisions – Landlord Requirements

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

#### (a) Evidence of Coverage and Notice to Tenant

- 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



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

- (b) Commercial Property Insurance. Such insurance shall:

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

## 21. PARKING

### 21.1 Tenant's Rights

Tenant shall have the right to the number of exclusive reserved parking spaces and unreserved parking spaces set forth in Section 1.1, without charge, for the Term of this Lease. 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 Tenant's 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. Tenant may request additional unreserved parking spaces, subject to availability and on a month to month basis ("Supplemental Parking") at an additional cost of Ninety-five Dollars (\$95.00) per space per month.

### 21.2 Remedies

Landlord acknowledges that it is a material term of this Lease that Tenant receives all of the parking spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the parking spaces required above



are not available to Tenant (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation), then Tenant may:

- (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective thirty (30) days thereafter, or
- (b) deduct from the Base Rent thereafter accruing hereunder an amount each month equal to the Base Rent times the percentage of parking spaces not so provided times the number 1.5, but such deduction from Base Rent shall be not less than ten percent (10%) nor more than one hundred percent (100%) of the Base Rent.

## **22. ENVIRONMENTAL MATTERS**

### **22.1 Hazardous Materials**

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

### **22.2 Landlord Indemnity**

Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fines, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of, or in connection with, the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to



Hazardous Materials other than those caused by Tenant. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

**23. ESTOPPEL CERTIFICATES**

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

**24. 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.

**25. SUBORDINATION AND MORTGAGES**

**25.1 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.

**25.2 Existing Deeds of Trust**

Landlord will use commercially reasonable effort to provide, 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.

**25.3 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.

**26. SURRENDER OF POSSESSION**

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

**27. 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 standards.

**28. 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.

**29. GENERAL**

**29.1 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.

**29.2 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.

**29.3 Brokers**

Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation.

29.4 Entire Agreement

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

29.5 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.

29.6 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.

29.7 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.

29.8 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.

29.9 Time of Essence

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

29.10 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.

29.11 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.

29.12 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.

29.13 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.

30. 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 any 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.

**31. ACKNOWLEDGEMENT BY LANDLORD**

Landlord acknowledges that it is aware of the following provisions:

**31.1 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.

**31.2 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.



### 31.3 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.

#### 31.4 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. 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.

**33. COVID-19 VACCINATIONS OF COUNTY CONTRACTOR PERSONNEL**

- 33.1. 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").
- 33.2. 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").
- 33.3. 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.
- 33.4. 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.
  - c. Engage in proper physical distancing, as determined by the applicable County department that the Lease is with.
- 33.5. 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:

NAY HOLDINGS, LLC,  
a California limited liability company

By:   
Name: Fred Nosrati  
Its: Sole Member

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

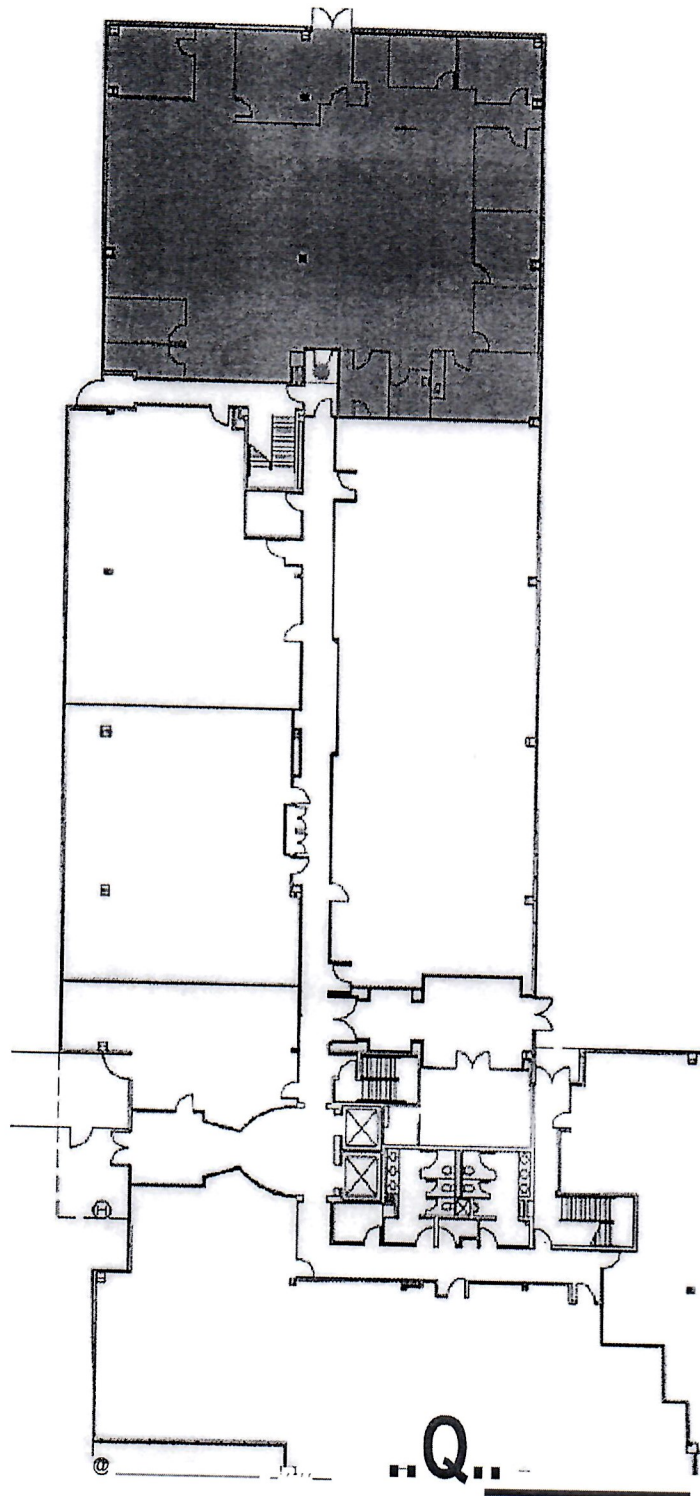
By: \_\_\_\_\_  
Deputy

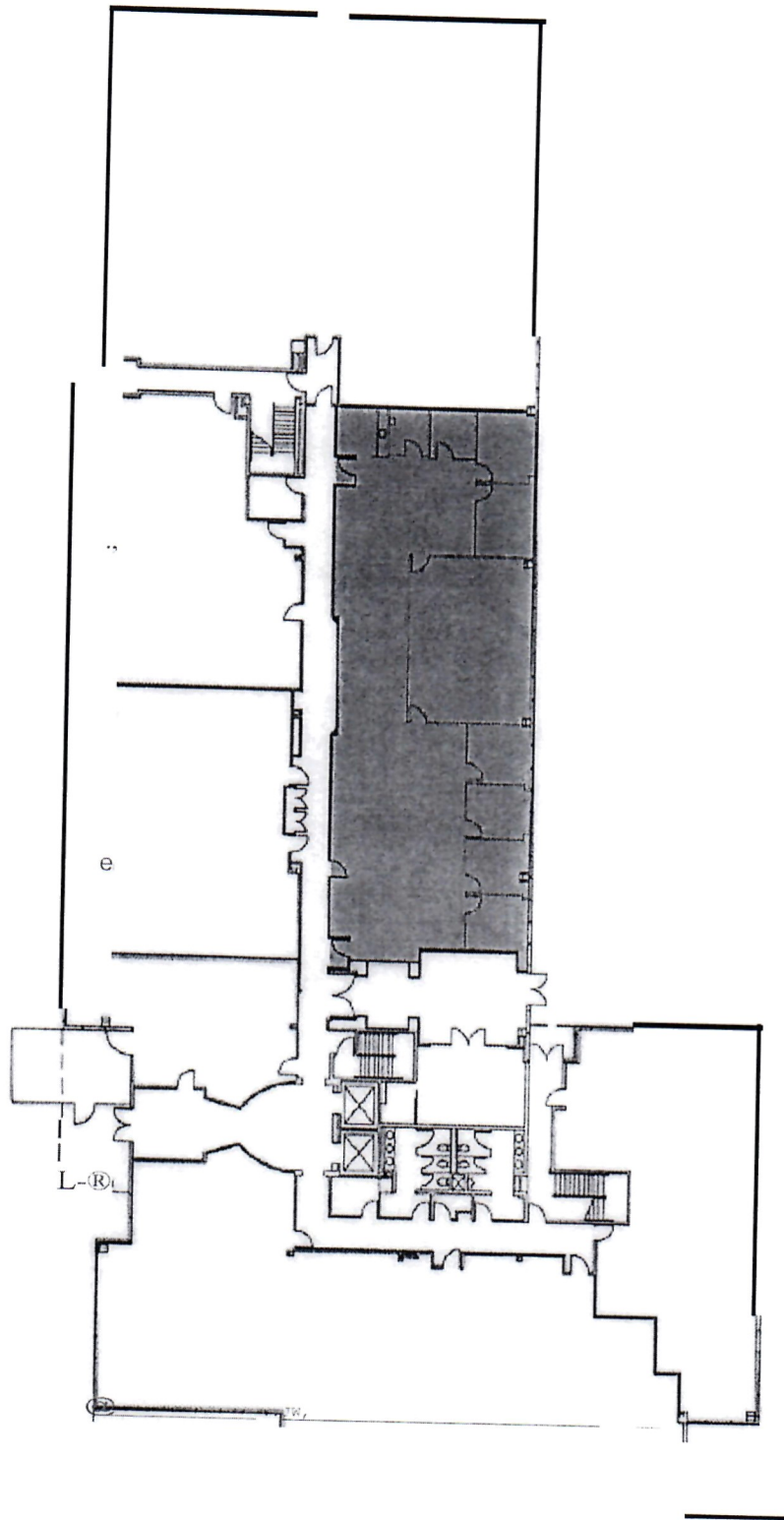
APPROVED AS TO FORM:

DAWYN R. HARRISON  
Interim County Counsel

By: \_\_\_\_\_  
Senior Deputy

EXHIBIT A  
FLOOR PLAN OF PREMISES





## EXHIBIT B

### COMMENCEMENT DATE MEMORANDUM AND CONFIRMATION OF LEASE TERMS

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

Landlord and Tenant hereby acknowledge as follow:

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

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:

Landlord:

COUNTY OF LOS ANGELES,  
a body corporate and politic

\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_  
Name \_\_\_\_\_  
Its \_\_\_\_\_

By: \_\_\_\_\_  
Name \_\_\_\_\_  
Its \_\_\_\_\_

## EXHIBIT C

### HEATING, VENTILATION AND AIR CONDITIONING

Landlord shall use commercially reasonable efforts to 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. Intentionally deleted.
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. Intentionally deleted.
13. Standard restroom supplies replenished, including, but not limited to, paper supplies and soap.

#### B. WEEKLY

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

#### C. MONTHLY

16. Intentionally deleted.
17. High-reach areas, door frames and tops of partitions dusted.
18. Upholstered furniture vacuumed, including, but not limited to, chairs and sofas.

21. Intentionally deleted.

22. HVAC chiller water checked for bacteria, water conditioned as necessary.

D. QUARTERLY

23. Light fixtures cleaned and dusted, but not less frequently than quarterly.

24. Intentionally deleted.

25. Draperies or mini-blinds cleaned as required, but not less frequently than quarterly.

26. HVAC units serviced for preventative maintenance purposes, all filters changed.

E. SEMI-ANNUALLY

27. Windows washed as required inside and outside but not less frequently than twice annually.

28. All painted wall and door surfaces washed and stains removed.

29. Intentionally deleted.

30. Carpet professionally spot cleaned as required to remove stains

F. ANNUALLY

31. Intentionally deleted.

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. Intentionally deleted.

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,
- ii. moderate traffic areas cleaned as needed; 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.

## SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

**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**

**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.**

## Factual Background

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.

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:

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To Borrower:

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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 )  
COUNTY OF \_\_\_\_\_ ) SS.  
)

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

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

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature (Seal)

## EXHIBIT 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	Owners, Partners and		Managers		Staff	
	All O.P. &	Women	All	Women	All Staff	Women
Black/African American						
Hispanic/Latin American						
Asian American						
Portuguese American						
American Indian/Alaskan						
All Others						

### II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

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

2. Total Number of Ownership/Partners:

### III. MINORITY/WOMEN-OWNED FIRM CERTIFICATION

3. Provide the percentage of

Is your firm currently certified as a minority owned

business firm by the: State of California? ☐

Yes ☐ No ☐

City of Los Angeles? ☐ Yes ☐ No ☐

### Section D. OPTION TO PROVIDE REQUESTED INFORMATION

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

Firm Name: \_\_\_\_\_

Signature/Title: \_\_\_\_\_

**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  
Interim 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

COUNTY OF \_\_\_\_\_

)  
) SS.  
)

On \_\_\_\_\_, before me,

\_\_\_\_\_ Date

\_\_\_\_\_ Name And Title Of Officer (e.g. "Jane Doe, Notary Public")

personally appeared \_\_\_\_\_

\_\_\_\_\_ Name of Signer(s)

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

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature (Seal





# BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

<b>CLUSTER AGENDA REVIEW DATE</b>	5/31/2023							
<b>BOARD MEETING DATE</b>	6/27/2023							
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input checked="" type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>							
<b>DEPARTMENT(S)</b>	Mental Health							
<b>SUBJECT</b>	Approve a proposed nine-year lease amendment for the continued use of 25,996 square feet of existing office space and 108 on-site parking spaces at 10605 Balboa Boulevard, Granada Hills.							
<b>PROGRAM</b>	San Fernando Mental Health Center							
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No							
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why: N/A							
<b>DEADLINES/ TIME CONSTRAINTS</b>	Lease has been on month-to-month holdover without fee since it expired on April 29, 2020.							
<b>COST &amp; FUNDING</b>	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Total cost: \$10,300,000</td><td style="width: 50%;">Funding source: The lease costs will be fully funded by State and Federal funds. DMH will not be requesting additional net County cost for this action.</td></tr> <tr> <td colspan="2">TERMS (if applicable): The proposed lease will have an annual cost of \$1,013,844 for the first year, where the landlord will be responsible for all operating expenses, including utilities, janitorial, repair and maintenance to the building.</td></tr> <tr> <td colspan="2">Explanation: DMH has sufficient funding in its FY 2023-24 Operating Budget to cover the proposed rent for the first year. Future funding for the costs associated with the proposed lease amendment will be requested through DMH's annual budget process. There is no NCC impact associated with the recommended actions.</td></tr> </table>		Total cost: \$10,300,000	Funding source: The lease costs will be fully funded by State and Federal funds. DMH will not be requesting additional net County cost for this action.	TERMS (if applicable): The proposed lease will have an annual cost of \$1,013,844 for the first year, where the landlord will be responsible for all operating expenses, including utilities, janitorial, repair and maintenance to the building.		Explanation: DMH has sufficient funding in its FY 2023-24 Operating Budget to cover the proposed rent for the first year. Future funding for the costs associated with the proposed lease amendment will be requested through DMH's annual budget process. There is no NCC impact associated with the recommended actions.	
Total cost: \$10,300,000	Funding source: The lease costs will be fully funded by State and Federal funds. DMH will not be requesting additional net County cost for this action.							
TERMS (if applicable): The proposed lease will have an annual cost of \$1,013,844 for the first year, where the landlord will be responsible for all operating expenses, including utilities, janitorial, repair and maintenance to the building.								
Explanation: DMH has sufficient funding in its FY 2023-24 Operating Budget to cover the proposed rent for the first year. Future funding for the costs associated with the proposed lease amendment will be requested through DMH's annual budget process. There is no NCC impact associated with the recommended actions.								
<b>PURPOSE OF REQUEST</b>	Approval of the recommended actions will authorize and provide continued use of office space for DMH.							
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	The County has leased the subject location since 2002. The facility adequately meets the office space needs of DMH.							
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:							
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:							
<b>DEPARTMENTAL CONTACTS</b>	Alexandra Nguyen-Rivera Section Chief, Leasing CEO Real Estate Division 213-974-4189 arivera@ceo.lacounty.gov							



## **Chief Executive Office.**

### **COUNTY OF LOS ANGELES**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, CA 90012  
(213) 974-1101      ceo.lacounty.gov

#### **CHIEF EXECUTIVE OFFICER**

Fesia A. Davenport

*"To Enrich Lives Through Effective and Caring Service"*

June 27, 2023

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

Dear Supervisors:

**NINE-YEAR LEASE AMENDMENT  
DEPARTMENT OF MENTAL HEALTH  
10605 BALBOA BOULEVARD, GRANADA HILLS  
(THIRD DISTRICT) (3 VOTES)**

#### **SUBJECT**

Approval of a proposed nine-year lease amendment to renew an existing lease to provide the Department of Mental Health (DMH) continued use of 25,996 square feet of office space and 108 on-site parking spaces.

#### **IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed lease amendment is exempt from the California Environmental Quality Act (CEQA), for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed lease amendment with A & S Balboa Medical, L.P., a California limited partnership (Landlord), for approximately 25,996 square feet of office space and 108 on-site parking spaces located at 10605 Balboa Boulevard, Suite 100, Granada Hills (Premises) to be occupied by DMH. The proposed lease amendment is for a term of nine years. The estimated maximum first year base rental cost is \$1,013,844. The estimated total lease amendment cost is \$10,300,000 over the nine-year term. The rental costs will be fully funded by State and Federal funds. DMH will not be requesting additional net County cost (NCC) for this action.

3. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed lease amendment and to take actions necessary and appropriate to implement the proposed lease amendment including, without limitation, early termination rights.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Since September 2002, the DMH San Fernando Mental Health Center has been at this location providing adults and children/family outpatient services geared toward the DMH recovery model. Services include treatment of co-occurring disorders, dual diagnosis services, psychological and vocational assessment services, group and family therapy, field capable clinical services, and crises resolution services. These same services are provided to County social service departments and their various programs in the service area.

The Premises house approximately 102 employees. The current lease term expired April 29, 2020 and is in holdover with no additional fees charged by the Landlord.

Parking is provided in the facility parking lot. The Premises is in proximity to local public transportation routes.

The proposed lease amendment at the existing Premises will enable DMH to avoid relocation costs, interruption of services, and higher rental rates. Due to the in-person visits from patients with their clinician or psychiatrist, interviews, and group therapy activities at these Premises, there are no immediate plans for extensive teleworking or hoteling at the current location.

Approval of the recommended actions will find that the proposed lease amendment is exempt from CEQA and will allow DMH to continue to operate at this location.

### **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 amendment is also consistent with the Strategic Asset Management Goal – Strengthen connection between service priorities and asset decisions – and Key Objective No. 1. – Maintain Asset Inventory.

The proposed lease amendment supports the above goals and objective by renewing the use of an existing facility that includes proper accommodations for office and ancillary space in a centrally located facility that is accessible for employees and clients.



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

### **FISCAL IMPACT/FINANCING**

The estimated maximum first year rental cost, including parking, is \$1,013,844. The aggregate cost associated with the proposed lease amendment over the entire term is \$10,300,000 as shown in Enclosure B-1. The lease costs will be fully funded by State and Federal funds. DMH will not be requesting NCC for this action.

Sufficient funding to cover the proposed rent for the first year of the proposed lease amendment term is included in the Fiscal Year (FY) 2023-24 Rent Expense budget and will be billed back to DMH. DMH has sufficient funding in its FY 2023-24 Operating Budget to cover the proposed rent for the first year. Future funding for the costs associated with the proposed lease amendment will be requested through DMH's annual budget process. There is no NCC impact associated with the recommended actions.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

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

- Upon commencement of the proposed lease amendment, the annual rental rate will increase from \$30.59 per square foot, per year to \$39 per square foot, per year. The base rent includes 108 on-site parking spaces and is subject to annual increases based on the Consumer Price Index (CPI) capped at 3 percent annually.
- The Landlord will provide a tenant improvement allowance of \$200,000 (\$7.69 per rentable square foot).
- The Landlord is responsible for all operating and maintenance costs of the Premises as well as utilities and janitorial expenses.
- A comparison of the existing lease and the proposed lease amendment is shown in Enclosure B-2.
- The County shall have an ongoing right to terminate the lease at any time after the end of the sixth year of the extension term not less than 180 days' prior written notice.
- Per the existing lease, holdover monthly base rent during the holdover period will be at the same rent at the time of the proposed lease amendment expiration.
- The proposed lease amendment will be effective upon approval by the Board and full execution of the proposed lease amendment.

The Chief Executive Office conducted a market search of available office space for lease but was unable to identify any sites that could accommodate this requirement more economically. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$36.96 and \$60 per square foot, per year. The base annual rental rate of \$39 per square foot, per year for the proposed lease amendment represents a rate that is within 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 Premises as the most suitable to meet the County's space requirements.

In addition, co-working office space is not programmatically practical for one-on-one confidential mental health therapeutic practices.

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

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

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

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

## **ENVIRONMENTAL DOCUMENTATION**

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

The Honorable Board of Supervisors  
June 27, 2023  
Page 5

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

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

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

Respectfully submitted,

FESIA A. DAVENPORT  
Chief Executive Officer

FAD:JMN:JTC  
JLC:HD:ANR:NH:gb

Enclosures

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



**DEPARTMENT OF MENTAL HEALTH  
10605 BALBOA BLVD., GRANADA HILLS  
Asset Management Principles Compliance Form<sup>1</sup>**

<b>1.</b>	<b><u>Occupancy</u></b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
	A	Does lease consolidate administrative functions?			<b>X</b>
	B	Does lease co-locate with other functions to better serve clients?	<b>X</b>		
	C	Does this lease centralize business support functions?			<b>X</b>
	D	Does this lease meet the guideline of 200 sq. ft of space per person? <b>Based on 102 employees, 255 sq. ft. per person due to reception and interview rooms.</b>		<b>X</b>	
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? <b>108 parking spaces for a ratio of 4.15/1,000</b>		<b>X</b>	
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?	<b>X</b>		
<b>2.</b>	<b><u>Capital</u></b>				
	A	Is it a substantial net County cost (NCC) program?		<b>X</b>	
	B	Is this a long-term County program?	<b>X</b>		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		<b>X</b>	
	D	If no, are there any suitable County-owned facilities available?		<b>X</b>	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			<b>X</b>
	F	Is Building Description Report attached as Enclosure C?	<b>X</b>		
	G	Was build-to-suit or capital project considered? <b>The proposed building is offered at a competitive market rate and County already occupies the facility.</b>		<b>X</b>	
<b>3.</b>	<b><u>Portfolio Management</u></b>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	<b>X</b>		
	B	Was the space need justified?	<b>X</b>		
	C	If a renewal lease, was co-location with other County departments considered?			<b>X</b>
	D	Why was this program not co-located with other County departments?			<b>X</b>
		1. ____ The program clientele requires a "stand alone" facility.			
		2. ____ No suitable County occupied properties in project area.			
		3. <b>X</b> 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?	<b>X</b>		
	F	Has growth projection been considered in space request?	<b>X</b>		
	G	<sup>1</sup> Has the Dept. of Public Works completed seismic review/approval?	<b>X</b>		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98					

## OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS

10605 Balboa Boulevard, Granada Hills

Department of Mental Health

Basic Lease Assumptions

Leased Area (sq.ft.)	25,996	
	Monthly	Annual
Rent (per sq. ft.) <sup>(1)</sup>	\$3.25	\$39.00
Rent Amount (\$)	\$84,487.00	\$1,013,844.00
Term (Month/Years)	108 mts	9 yrs.
Annual Rent Adjustment	3%	

	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year	6 <sup>th</sup> Year	7 <sup>th</sup> Year	8 <sup>th</sup> Year	9 <sup>th</sup> Year	Total 9 Year Rental Costs
Annual Base Rent Costs <sup>(1)</sup>	\$1,013,844	\$1,044,259	\$1,075,587	\$1,107,855	\$1,141,090	\$1,175,323	\$1,210,583	\$1,246,900	\$1,284,307	\$10,300,000
Total Annual Lease Costs	\$1,013,844	\$1,044,259	\$1,075,587	\$1,107,855	\$1,141,090	\$1,175,323	\$1,210,583	\$1,246,900	\$1,284,307	\$10,300,000

Footnotes

<sup>(1)</sup> The Base Rent is subject to annual Consumer Price Index adjustments with a maximum cap of three percent (3%) per annum. The Base Rent includes 108 on-site parking spaces.

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

**COMPARISON OF THE PROPOSED LEASE AMENDMENT TO EXISTING LEASE**

	<b>Existing Lease: 10605 Balboa Blvd.</b>	<b>Proposed Amendment: 10605 Balboa Blvd.</b>	<b>Change</b>
Area (Square Feet)	25,996 sq.ft.	25,996 sq.ft.	None
Term (years)	7 years	9 years	+2 years
Annual Base Rent (Base rent includes 108 parking spaces)	\$795,283 (\$30.59 per sq. ft. annually)	\$1,013,844 (\$39 per sq. ft. annually)	+\$218,561 annually
County's TI Cost	None	None	None
Annual Parking Cost	Included	Included	None
Janitorial/Utility/Maintenance Costs	Included	Included	None
Total Annual Lease Costs payable to Landlord	\$795,283	\$1,013,844	+\$218,561 annually
Rental rate adjustment	Annual CPI adjustments capped at 3 percent with no minimum.	Annual CPI adjustments capped at 3 percent with no minimum.	None



**DEPARTMENT OF MENTAL HEALTH  
SPACE SEARCH – SAN FERNANDO VALLEY VICINITY**

Laco	Name	Address	Gross SF	Net SF	Ownership	VACANT SQFT
A477	ASSESSOR-NORTH DISTRICT OFFICE	13800 BALBOA BLVD, SYLMAR 91342	37,000	33,300	LEASED	NONE
A549	San Fernando MHC	10605 BALBOA BLVD., GRANADA HILLS 91344	25,996	23,396	LEASED	NONE
0427	OLIVE VIEW-FINANCE BUILDING	14445 OLIVE VIEW DR, SYLMAR 91342	12,925	11,633	OWNED	NONE
T535	OLIVE VIEW-HOSPITAL TRAILER #2	14445 OLIVE VIEW DR, SYLMAR 91342	12,000	9,650	OWNED	NONE
X254	OLIVE VIEW-NORTH ANNEX BUILDING	14445 OLIVE VIEW DR, SYLMAR 91342	7,920	7,128	OWNED	NONE
Y297	SYLMAR JUV CRTHSE/B J NIDORF ADMIN BLDG-1	16350 FILBERT ST, SYLMAR 91342	36,692	32,008	OWNED	NONE
Y651	BARRY J NIDORF JUV HALL-N AREA SCHOOL OFFIC-4	16350 FILBERT ST, SYLMAR 91342	5,158	4,402	OWNED	NONE
0246	DHS-SAN FERNANDO HEALTH CENTER	1212 PICO ST, SAN FERNANDO 91340	22,144	8,493	OWNED	NONE
A523	PUBLIC LIBRARY-SAN FERNANDO LIBRARY	217 N MACLAY AVE, SAN FERNANDO 91340	8,601	6,881	LEASED	NONE
A386	ALT PUBLIC DEFENDER-SAN FERNANDO OFFICE	303 N MACLAY AVE, SAN FERNANDO 91340	3,040	3,040	LEASED	NONE
Y481	SAN FERNANDO COURTHOUSE	900 3RD ST, SAN FERNANDO 91340	203,225	132,127	FINANCED	NONE
5858	PH-PACOIMA PUBLIC HEALTH CENTER	13300 VAN NUYS BLVD, PACOIMA 91331	5,404	3,098	OWNED	NONE
A239	PROBATION(AB-109) SAN FERNANDO REG OFFICE	13557 VAN NUYS BLVD, PACOIMA 91331	12,189	11,580	LEASED	NONE
X368	PH-SUN VALLEY HEALTH CENTER	7223 N FAIR AVE, SUN VALLEY 91352	10,659	10,245	JPA	NONE
A641	DPSS - GROW OFFICE	9188 GLENOAKS BLVD, SUN VALLEY 91352	24,780	23,541	LEASED	NONE
B356	PH-ENVIRONMENTAL HLTH OFFICE	14500 ROSCOE BLVD, PANORAMA CITY 91402	11,668	11,085	LEASED	NONE
E111	CSS AND PROBATION-JUVENILE DAY REPORTING CTR	6640 VAN NUYS BLVD, VAN NUYS 91405	5,812	5,522	LEASED	NONE
5273	VAN NUYS COUNTY ADMINISTRATIVE CENTER BLDG	14340 W SYLVAN ST, VAN NUYS 91401	9,849	6,087	OWNED	NONE
4400	VAN NUYS COURTHOUSE - WEST	14400 ERWIN ST MALL, VAN NUYS 91401	320,391	172,053	FINANCED	NONE
Y476	VAN NUYS COURTHOUSE-BUILDING E	6280 SYLMAR AVE MALL, VAN NUYS 91401	3,373	1,987	OWNED	NONE
X368	PH-SUN VALLEY HEALTH CENTER	7223 N FAIR AVE, SUN VALLEY 91352	10,659	10,245	JPA	NONE
A641	DPSS - GROW OFFICE	9188 GLENOAKS BLVD, SUN VALLEY 91352	24,780	23,541	LEASED	NONE
X014	PH-BURBANK PUBLIC HEALTH CENTER	1101 W MAGNOLIA BLVD, BURBANK 91502	5,864	3,640	OWNED	NONE
A501	DCSS-BURBANK ADULT PROTECTIVE SERVICES REG I	2501 W BURBANK BLVD, BURBANK 91502	5,702	5,132	LEASED	NONE
3599	BURBANK COURTHOUSE	300 E OLIVE AVE, BURBANK 91502	66,697	48,924	FINANCED	NONE
A481	DPSS-GLENDALE FAMILY SERVICE CENTER	4680 SAN FERNANDO RD, GLENDALE 91204	80,000	70,420	LEASED	NONE
4295	PH-GLENDALE PUBLIC HEALTH CENTER	501 N GLENDALE AVE, GLENDALE 91206	15,217	8,043	OWNED	NONE
A215	ALT PUBLIC DEFENDER-PASADENA OFFICE	221 E WALNUT ST, PASADENA 91101	3,200	2,960	LEASED	NONE
5397	PASADENA COURTHOUSE	300 E WALNUT ST, PASADENA 91101	228,638	126,899	OWNED	NONE
A426	DCFS-PASADENA (SPA 3)	532 E COLORADO BLVD, PASADENA 91101	75,235	70,721	LEASED	NONE
F359	PW FLOOD-EATON YARD OFFICE	2986 E NEW YORK DR, PASADENA 91104	4,130	3,717	OWNED	NONE
D465	DPSS-PASADENA AP DISTRICT OFFICE	955 N LAKE AVE, PASADENA 91104	36,224	25,372	OWNED	NONE

## **FACILITY LOCATION POLICY ANALYSIS**

**Proposed lease:** Proposed lease amendment for the Department of Mental Health (DMH) – 10605 Balboa Blvd., Suite 100, Granada Hills within the Third Supervisorial District.

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

**B. Determination of the Service Area –** The proposed lease amendment will provide a nine-year lease extension for an existing DMH Clinic within Service Area 2.

**C. Apply Location Selection Criteria to Service Area Data**

- Need for proximity to service area and population: DMH programs are most effective when located in the same geographic area as their consumers, providers and stakeholders. This location meets the service area criteria and remains in the desired area.
- Need for proximity to existing County facilities: Close to several other County departments including the Departments of Public Social Services, Children and Family Services, and Fire.
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is easily accessible to the 405 and 118 freeways and adequately served by local bus transit services in the Granada Hills vicinity.
- 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: Located within a long-standing commercial medical-type office building.
- Compatibility with local land use plans: The City of Los Angeles has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.
- Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed lease amendment over the entire term is \$10,300,000.

**D. Analyze results and identify location alternatives**

It has been established that the annual rental range for a comparable lease in the area is between \$36.96-\$60 per square foot, per year. The base annual rental rate of \$39 per square foot, per year for the proposed lease amendment represents a rate that is within the market range for the area.

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

The proposed lease amendment will provide adequate and efficient office space for 102 employees consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012. There are no available buildings in the area that meet the Department's requirements.



**AMENDMENT NO. 3 TO LEASE NO. 73770  
DEPARTMENT OF MENTAL HEALTH  
10605 BALBOA BOULEVARD, GRANADA HILLS**

This AMENDMENT NO. 3 to LEASE NO. 73770 ("Third Amendment" or "Amendment No. 3") is made, entered and dated as of this \_\_\_\_\_ of \_\_\_\_\_, 2023, by and between A & S BALBOA MEDICAL, L.P., a California limited partnership ("Landlord") and the COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant").

**RECITALS:**

WHEREAS, Lease No. 73770 (the "Lease") was executed by and between Landlord and Tenant on January 8th, 2008, as amended by Amendment No. 1 dated July 7, 2002 (the "Amendment No. 1") and Amendment No. 2 dated April 30, 2013 (the "Amendment No. 2"), wherein collectively the Lease, Amendment No. 1, Amendment No. 2, and Amendment No. 3 shall be referred to as the lease ("Lease"), whereby the Landlord leased to Tenant those certain premises containing approximately 25,996 rentable square feet of office space in a building located at 10605 Balboa Boulevard, Granada Hills, ("Premises"), for a term of ten (10) years, which was extended for an additional seven (7) years, and;

WHEREAS, Landlord and Tenant further desire to extend the Lease Term and amend the Lease under this Amendment No. 3, and;

WHEREAS, the terms of this Amendment No. 3 shall not become effective until such time that said Amendment is executed by all the parties herein.

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements herein contained, Landlord and Tenant hereby covenant and agree to amend the Lease as follows:

1. **EXTENSION OF THE LEASE TERM.** Landlord and Tenant acknowledge that Tenant's lease of the Premises became a month-to-month tenancy as of April 29, 2020, pursuant to the Holdover provision of Paragraph 6 of the Lease. Notwithstanding anything to the contrary in the Lease, Paragraph 2 of the Lease is hereby amended to extend the Lease term for an additional nine (9) years commencing upon the full execution of this Amendment No. 3 ("Extension Commencement Date"). The period of time commencing on the Extension Commencement Date and terminating on the last day of the ninth year following the Commencement Date shall be referred to herein as the "Extension Term".
2. **CANCELLATION.** Effective on the Extension Commencement Date, and for the remainder of the Extension Term, Paragraph 5, **CANCELLATION**, of the Lease is hereby deleted in its entirety and the following is substituted therefor:

Provided Tenant is not in material breach or default under this Lease at the time of the giving of notice under this Paragraph 2, or at any time thereafter during the Extension Term, Tenant shall have a continuous right to cancel this Lease with regard to the entire

Premises or a portion thereof, as commercially reasonable at or any time after the sixth (6th) year of the Extension Term by providing Landlord not less than one hundred eighty (180) days prior written notice by Chief Executive Office letter. Should the Lease be terminated with regard to a portion of the Premises, Basic Rent shall be adjusted proportionately and shall be paid timely until the date Tenant returns possession of the Premises to Landlord, broom clean and subject only to ordinary wear and tear.

3. **RENT.** Effective upon the Extension Commencement Date and for remainder of the Extension Term but not retroactively, Paragraph 3, RENT, of the Lease is hereby deleted in its entirety and the following substituted therefor:

Tenant hereby agrees to pay as rent for the Premises during the Extension Term the sum of Eighty-four Thousand Four Hundred Eighty-seven Dollars (\$84,487.00) per month, i.e., Three Dollars and Twenty-five cents (\$3.25) per rentable square foot per month, for approximately 25,996 square feet of office space and one hundred eight (108) parking spaces payable in advance by Auditor's General Warrant. Rental payments shall be payable within fifteen (15) days after the first day of each and every month of the Extension Term, provided Landlord has caused a claim therefor for each such month to be filed with the Auditor of the County of Los Angeles prior to the first day of each month.

Beyond the first year of the Extension Term, the Basic Rent shall be adjusted and payable as follows:

- (a) CPI. Commencing on the first day of the 13th month of the Extension Term (the "Adjustment Date") and occurring annually on each anniversary of the Adjustment Date thereafter and continuing throughout the entire Extension Term, the Basic Rent shall be increased annually on each Adjustment Date by applying the CPI Formula set forth in Sub-Paragraph (b) below to the total amount of the monthly Basic Rent for the Lease year immediately prior to the applicable Adjustment Date during the Extension Term. The "Basic Index" shall be the Index published for the month prior to commencement of the Extension Term.
- (b) CPI Formula. The "Index" means the Consumer Price Index ("CPI") for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Basic Rent multiplied by a fraction, the numerator being the Index ("New Index") published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Basic Index. If the Index is changed so that the Index differs from that used as of the Extension Commencement Date, 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 Extension Term, such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.
- (c) Illustration of Formula. The formula for determining the new rent shall be as follows:

$$\frac{\text{New Index}}{\text{Basic Index}} \times \$84,487.00 \text{ (Basic Rent)} = \text{Monthly Basic Rent}$$

Limitations on CPI Adjustment. In no event shall the monthly Basic Rent adjustment based upon the CPI Formula result in an annual increase greater than three percent (3%) per year of the Basic Rent. In no event shall the monthly rent be adjusted by the CPI Formula to result in a lower monthly Basic Rent than was payable during the previous year of the Lease. All Rent shall be paid in full without any deduction, set-off or credit except as expressly provided in Paragraph 5 below.

4. **DEFERRED MAINTENANCE.** The following deferred maintenance work shall be added to the Lease and shall be at Landlord's sole cost and expense to include the following pursuant to the Lease:
- a. Replace fluorescent light bulbs as required throughout Premises.
  - b. Clean fluorescent light diffusers throughout Premises.
  - c. Replace all stained or damaged ceiling tiles where required throughout Premises.
  - d. Repair door frame in office where required.
  - e. Replace or clean A/C supply and return grills throughout office area.
  - f. Provide service and rebalancing of the HVAC system throughout Premises.
  - g. Wash interior and exterior windows throughout Premises.
  - h. Repair or replace window coverings where required throughout Premises.
  - i. Patch holes in walls where required throughout Premises.
  - j. Clean and polish VCT flooring where required throughout Premises.
  - k. Repair entry door signage for Suite R106.
  - l. Install new LED light fixtures in common area hallways to increase safety.
  - m. Replace missing West elevator button for 2nd floor access.
  - n. Steam clean and shampoo existing carpet and replace damaged permanently stained carpet modules to match existing throughout Premises and common area corridors as required by Tenant.
  - o. Paint touch-up throughout Premises as mutually agreed upon by Landlord and Tenant without moving furniture.

Landlord shall complete the above scope of work with regard to the deferred maintenance as soon as commercially reasonable but in no event longer than twelve (12) months from the execution of this Amendment No. 3.

5. **TENANT IMPROVEMENT ALLOWANCE.** Tenant desires to make alterations to the Premises to provide new paint, carpet and other minor miscellaneous improvements (not requiring significant engineering, design or plans) and/or install furniture, fixtures and/or equipment, ("Improvements"), as needed to be installed and/or constructed within the Premises. Landlord shall provide Tenant with a Tenant Improvement Allowance in the sum of Two Hundred Thousand Dollars (\$200,000.00) ("Tenant Improvement Allowance"). Should Tenant Improvements cost less than the Base Tenant Improvement Allowance herein, Tenant may apply unutilized allowance as a rent reduction towards next rent due. Landlord will perform the work or supply a Landlord contractor.
6. **REPORTS.** Landlord has agreed to provide Tenant with the following Required Reports ("Reports"), which are outlined below, for the Premises only, at Landlord's sole cost and expense. Tenant will not finalize the Lease without Tenant's review and approval of these Reports, which approval shall not unreasonably withheld, delayed or denied. Landlord, at its cost, will pay for any deficiencies identified within such Reports.

(a) Hazardous Materials Asbestos Containing Materials. Landlord shall provide Tenant an asbestos report for the Building. Further, Landlord shall represent, to the best of its actual knowledge and without any independent investigation, that there are no hazardous or asbestos containing materials ("ACM") located within the entire structure and provide all necessary certificates to indicate same.

(b) Americans with Disabilities Act. Landlord shall provide Tenant an Americans with Disabilities Act ("ADA") report for the Building. Further, Landlord, at its cost, shall resolve any noncompliant conditions in common areas described within such report. Landlord shall resolve any such ADA issues as soon as commercially reasonable but in no event longer than twelve (12) months from the execution of this Amendment No. 3.

7. **PARKING.** Pursuant to the existing Lease, Tenant will have the exclusive right to use one hundred eight (108) unreserved parking spaces located in the Building parking structure servicing the Building at no charge. Landlord will maintain a minimum parking ratio of four (4) cars per 1,000 square feet of gross leasable area of the Premises. Landlord shall provide Tenant with no less than one hundred twenty-five (125) parking passes to provide access to the parking structure. Tenant's visitors shall have the right to park free of charge in the structure located adjacent to the Building for a period of ninety (90) minutes per visit; thereafter any parking charges shall accrue based upon the stated hourly rates.
8. **SIGNAGE.** The following sentence is added to the end of Paragraph 31:  
  
Landlord shall provide Tenant with its pro-rata share of listings on the directory located in the Building's lobby. If Landlord installs monument signs anywhere or any signage of the exterior of the Building, Tenant will have equivalent signage rights, adjusted for relative occupancy.
9. **BROKERS.** The following is added to Section 29(c): Provided however, Tenant warrants that it has not dealt with any real estate broker(s), agent(s), and/or finder(s) in connection with this transaction other than Tenant Advocates, Inc., a California corporation, dba Cresa ("Cresa"). Upon receipt and acceptance of a separate written agreement from Cresa, Landlord will pay a full industry standard brokerage commission to Cresa in connection with the proposed lease extension pursuant to a separate written agreement.
10. **SMOKING PROHIBITION.** Landlord shall require that the Building comply with the Los Angeles County Smoking Ordinance found in the Los Angeles County, California Code of Ordinances, Title 2 – Administration, Chapter 2.126
11. **AUTHORITY.** Landlord represents and warrants that the signatories for Landlord have the power and authority to execute this Amendment No. 3 upon the terms and conditions stated herein, and each agrees to indemnify and hold harmless Tenant from all damages, costs, and expenses, which result from a breach of this representation.
12. **MODIFICATION OF LEASE TERMS & DEFAULT.** Notwithstanding anything to the contrary herein, except as specifically amended or modified herein, each and every term, covenant, and condition of the Lease, as amended, hereby is ratified and shall remain in full force and effect. Landlord and Tenant each represent and warrant to the other that as of the date hereof that (a) no defenses or offsets exist to the enforcement of the Lease by Landlord, (b) neither Tenant nor Landlord is in default in the performance of the Lease or



any provisions contained therein, (c) neither Tenant nor Landlord has committed any breach of the Lease, nor has any default occurred which, with the passage of time or the giving of notice or both, would constitute a default or a breach by Tenant or Landlord under the Lease. In the event of a conflict between the Lease and this Amendment No. 3, the terms of this Amendment No. 3 shall control.


13. **MISCELLANEOUS.** This Amendment No. 3 and any other document necessary for the consummation of the transaction contemplated by this Amendment No. 3 may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Amendment No. 3 and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Amendment No. 3 had been delivered had been signed using a handwritten signature. Landlord and Tenant (i) agree that an electronic signature, whether digital or encrypted, of a party to this Amendment No. 3 is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intend to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Amendment No.3 based on the foregoing forms of signature. If this Amendment No. 3 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 FOLLOW ON THE NEXT PAGE]**

IN WITNESS WHEREOF, Landlord has executed this Amendment No. 3, or caused it to be duly executed, and the County of Los Angeles has caused this Amendment No. 3 to be executed on its behalf by the parties herein and attested by the Clerk thereof.

LANDLORD:

A & S BALBOA MEDICAL, L.P.,  
A California limited partnership

By:   
Harry Sinanian  
CFO of Topek Investments, Inc.,  
its general partner

TENANT:

COUNTY OF LOS ANGELES,  
a body corporate and politic

FESIA A. DAVENPORT  
Chief Executive Officer

By: \_\_\_\_\_  
John T. Cooke  
Assistant Chief Executive Officer

ATTEST:

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

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON  
County Counsel

By:   
Senior Deputy