



# Board of Supervisors Operations Cluster Agenda Review Meeting

**DATE:** June 26, 2024

**TIME:** 2:00 p.m. – 4:00 p.m.

**MEETING CHAIR:** John Leonard, 3<sup>rd</sup> Supervisorial District

**CEO MEETING FACILITATOR:** Thomas Luscombe

**This meeting will be held in a hybrid format which allows the public to participate virtually, or in-person, as permitted under the Board of Supervisors' March 19, 2024 order.**

To participate in this meeting in-person, the meeting location is:

Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012  
Room 374-A

To participate in this meeting virtually, please call teleconference number

1 (323) 776-6996 and enter the following 522268816# or [Click here to join the meeting](#)

Teams Meeting ID: 237 250 878 670

Passcode: UoBQAE

**For Spanish Interpretation, the Public should send emails within 48 hours in advance of the meeting to [ClusterAccommodationRequest@bos.lacounty.gov](mailto:ClusterAccommodationRequest@bos.lacounty.gov)**

Members of the Public may address the Operations Cluster on any agenda item during General Public Comment.

The meeting chair will determine the amount of time allowed for each item.

**THIS TELECONFERENCE WILL BE MUTED FOR ALL CALLERS. PLEASE DIAL \*6 TO UNMUTE YOUR PHONE WHEN IT IS YOUR TIME TO SPEAK.**

**1. CALL TO ORDER**

**2. GENERAL PUBLIC COMMENT**

### **3. DISCUSSION ITEM(S):**

- A) Board Letter:  
RECOMMENDATION TO APPROVE MASTER AGREEMENT FOR EMPLOYEE  
RELATIONS COMMISSION HEARING OFFICER SERVICES  
BOS/EO - Susan Huff, Administrative Deputy and  
Jeri Weinstein, Executive Director, ERCOM
  
- B) Board Letter:  
NINE-YEAR LEASE  
DEPARTMENT OF PUBLIC SOCIAL SERVICES  
12440 IMPERIAL HIGHWAY, NORWALK  
CEO/RE - Alexandra Nguyen-Rivera, Section Chief, Leasing
  
- C) Board Letter:  
TEN-YEAR LEASE  
AGING & DISABILITIES DEPARTMENT  
441 EAST CARSON STREET, SUITES J, K, L, CARSON  
CEO/RE - Alexandra Nguyen-Rivera, Section Chief, Leasing
  
- D) Board Letter:  
TEN-YEAR LEASE USING COMMERCIAL PAPER NOTES TO FUND  
TENANT IMPROVEMENTS  
DEPARTMENT OF MENTAL HEALTH  
879 W 190TH STREET, GARDENA  
CEO/RE - Alexandra Nguyen-Rivera, Section Chief, Leasing
  
- E) Board Letter:  
APPROVE SOLE SOURCE AMENDMENT NUMBER ELEVEN TO EXTEND  
CONTRACT NUMBER 55301 WITH MODAXO TRAFFIC MANAGEMENT USA  
INC. FOR CONTINUED PARKING CITATION PROCESSING SERVICES  
LASD/CIO - Aloett Martin, LASD, Administrative Services Manager II
  
- F) Board Memo:  
ADVANCE NOTIFICATION OF INTENT TO EXTEND SOLE SOURCE  
AGREEMENT NO. H-705933 WITH SAFETY NET CONNECT, INC.  
DHS/CIO - Dr. Stanley Dea, eConsult Project Director and  
Julio Alvarado, Director, Contract Admin. & Mntr.

### **4. PRESENTATION ITEM(S):**

None available.

### **5. ADJOURNMENT**

#### **UPCOMING ITEM(S) FOR JULY 3, 2024:**

None available.

## BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

<b>CLUSTER AGENDA REVIEW DATE</b>	6/26/2024	
<b>BOARD MEETING DATE</b>	7/9/2024	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>	
<b>DEPARTMENT(S)</b>	Board of Supervisors, Executive Office	
<b>SUBJECT</b>	Authorize the Executive Officer of the Board of Supervisors (Executive Officer) to execute Master Agreements (MAs) for Employee Relations Commission (ERCOM) Hearing Officer Services.	
<b>PROGRAM</b>	ERCOM Hearing Officer Services	
<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:	
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable	
<b>DEADLINES/ TIME CONSTRAINTS</b>	The current ERCOM Hearing Officer Services MAs expire on July 31, 2024.	
<b>COST &amp; FUNDING</b>	<b>Total cost:</b> \$65,000	<b>Funding source:</b> Funding is available in the Executive Office's Adopted Budget
	<b>TERMS (if applicable):</b> The MA term shall consist of three (3) years, with three (3) one-year renewal options and one (1) six-month extension exercisable by the Executive Officer, or designee.	
	<b>Explanation:</b> Rates are standardized for all contractors under the MA. Services are used on an as-needed basis with an estimated annual cost of \$65,000.	
<b>PURPOSE OF REQUEST</b>	Approve and authorize the Executive Officer, or designee, to execute MAs for ERCOM Hearing Officer Services.	
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	<ul style="list-style-type: none"> <li>• Total number of contractors: 14</li> <li>• Contractors shall provide Hearing Officer services to the ERCOM. Under the MA, a Hearing Officer shall preside over administrative hearings to determine whether certified issues were proven based on certain factors including admissibility of evidence, credibility of witnesses, and weight of facts presented.</li> <li>• ERCOM administers the County's Employee Relations Ordinance and utilizes as-needed Hearing Officers to ensure that all County employees and their representatives are fairly treated, their rights are maintained, and their requests are fairly heard, considered and resolved in accordance with the County Charter.</li> <li>• The minimum qualifications concerning hearing officer eligibility were updated in the 2023 RFSQ to warrant only qualified candidates are recommended for agreement. Changes included specific requirements concerning the nature of a proposer's experience in the public sector, membership status to organizations providing legal and adjudicative education, forums, and associations, and requirements concerning level of education.</li> </ul> <p>The rate for the current MA is \$1,500 per day or \$750 for a half-day of Hearing or report completion. The rates of the new agreement per day will be \$1,800 per day or \$900 for a half-day of Hearing or report completion. The Agreement may authorize a Hearing Officer to receive compensation for the time spent in preparation for a hearing if it is approved by the ERCOM Executive Director.</p>	
<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>	<ul style="list-style-type: none"> <li>• Susan Huff, Administrative Deputy, (213) 893-2509, <a href="mailto:shuff@bos.lacounty.gov">shuff@bos.lacounty.gov</a></li> <li>• Jeri Weinstein, Executive Director, ERCOM, (213) 974-8969, <a href="mailto:jweinstein@bos.lacounty.gov">jweinstein@bos.lacounty.gov</a></li> </ul>	



COUNTY OF LOS ANGELES  
**EXECUTIVE OFFICE**  
BOARD OF SUPERVISORS

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 383  
LOS ANGELES, CALIFORNIA 90012  
(213) 974-1411 • www.bos.lacounty.gov

HILDA L. SOLIS

HOLLY J. MITCHELL

LINDSEY P. HORVATH

JANICE HAHN

KATHRYN BARGER

July 09, 2024

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:

**RECOMMENDATION TO APPROVE MASTER AGREEMENT FOR  
EMPLOYEE RELATIONS COMMISSION HEARING OFFICER SERVICES  
(ALL DISTRICTS) (3 VOTES)**

**SUBJECT**

Request to approve Master Agreement for Employee Relations Commission (ERCOM) Hearing Officer Services and authorize the Executive Officer of the Board of Supervisors (Executive Officer), or designee, to enter into and execute additional Agreements with other contractors throughout the term of the Master Agreement. The Executive Office of the Board of Supervisors, through the Master Agreement process, will be able to secure necessary hearing officer services to be used for ERCOM hearings.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and authorize the Executive Officer, or designee, to execute a new non-exclusive Master Agreement for ERCOM Hearing Officer Services with 14 qualified contractors listed in Attachment I, in a format substantially similar to the sample Master Agreement provided in Attachment II, which has been approved as to form by County Counsel, effective August 1, 2024, for a term of three (3) years, with three (3) one-year renewal options and one (1) six-month extension exercisable by the Executive Officer, or designee.

2. Delegate authority to the Executive Officer, or designee, to enter into and execute Agreements for ERCOM Hearing Officer Services with additional contractors throughout the Master Agreement term upon the recommendation of the Executive Director of ERCOM, provided these contractors meet the minimum requirements and qualifications as outlined in the initial Request for Statement of Qualifications (RFSQ) dated March 2, 2023, and addendums dated March 30, 2023, and May 3, 2023.
3. Delegate authority to the Executive Officer, or designee, to assign cases or hearings to contractors as a Hearing Officer, to approve and execute amendments to the Master Agreement for ERCOM Hearing Officer Services, as long as the amendments do not exceed the maximum term of the Agreement, are consistent with your original Board-approved intent of the Master Agreement, are in conformance with any mandatory or otherwise Board-ordered contract provisions, and have been approved as to form by County Counsel.
4. Approve and authorize the Executive Officer the ability to approve rate increases up to 10%. Notice must be provided to the Board of Supervisors prior to increasing the rates.
5. Delegate authority to the Executive Officer, or designee, to authorize non-material changes to the Master Agreements, pursuant to a change notice, for general County updates; and to terminate the Master Agreements for convenience, when such action is deemed by the Executive Office of the Board of Supervisors, in its sole discretion, to be in the County's best interest.

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

The purpose of this recommendation is to replace the existing Master Agreement for the Los Angeles County (County) ERCOM Hearing Officer Services for which the current agreement extension expires on July 31, 2024. To continue providing Hearing Officer services, it is necessary to approve agreements with 14 contractors (Hearing Officers) for the ERCOM. The new Master Agreement also provides the Executive Officer delegated authority to add qualified Hearing Officers to the list upon the recommendation of the Executive Director of the ERCOM.

The ERCOM is a body that was established by County Employee Relations Ordinance #9646, in 1969, to regulate labor relations in Los Angeles County. The ERCOM consists of three Commissioners, whose selection is based on the policies set forth in the County Employee Relations Ordinance under Sections 5.04.110, 5.40.120, and 5.04.130. Its functions include determining employee representation units, arranging for elections in such units, determining the validity of claims of Unfair Practice Charges filed against management and employee organizations, acting on requests for mediation, fact finding, and impasses. Additionally, the ERCOM assesses the reports from Hearing Officers and

submits a final Decision and Order on Unfair Practice matters as defined in the Employee Relations Ordinance.

The rate for the current Master Agreement is \$1,500 per day or \$750 for a half-day of hearing or report completion. The rates of the new agreement per day will consist of \$1,800 per day or \$900 for a half-day of hearing or report completion. In addition, the Agreement may authorize a Hearing Officer to receive compensation for the time spent in preparation for a hearing if it is approved by the ERCOM Executive Director.

The ERCOM utilizes as-needed Hearing Officers to preside over administrative hearings to ensure that all County employees and their representatives are treated fairly, their rights are maintained, and their requests are impartially heard, considered and resolved in accordance with the County Charter. The list of qualified Hearing Officers will serve as a resource for parties participating in appeal hearings before the ERCOM.

#### **IMPLEMENTATION OF STRATEGIC PLAN GOALS:**

This action is consistent with the County's Strategic Plan Strategy III.3.4 Complete Business Continuity Planning. The Master Agreement will improve internal operations through the utilization of Hearing Officers' expertise to effectively provide services in a timely and responsive manner. This recommended Master Agreement will promote workforce excellence and operational effectiveness through the orderly and systematic presentation, consideration and prompt resolution of personnel and employee relations matters, resulting in uninterrupted services to the employee and improve relationships between the County and its employees.

#### **FISCAL IMPACT/FINANCING:**

Rates are standardized for all contractors under this Master Agreement. Services are used on an as-needed basis and the estimated annual cost is \$65,000. Funding for this service is available in the Executive Office's Fiscal Year 2024-25 Adopted Budget.

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

The ERCOM is authorized to assign matters to be heard by Hearing Officers pursuant to the provisions of Title 5, Chapter 5.04 of the County Code.

The ERCOM will assign cases to the hearing officers on a rotational basis. The Executive Officer is also requesting authorization to execute Agreements with additional qualified contractors throughout the term of the Master Agreement. Doing so will ensure the availability of a sufficient number of Hearing Officers to ensure that administrative hearings continue to be conducted efficiently and in a timely manner.

The Master Agreement has been approved as to form by County Counsel and includes all of the Board required contract provisions such as Consideration of GAIN/START

The Honorable Board of Supervisors  
July 09, 2024  
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Program Participants for Employment, Compliance with the County's Jury Service Program, Safely Surrendered Baby Law, Assignment and Delegation, Budget Reductions, and the Defaulted Property Tax Reduction.

There is no impact to County employees as these services supplement current resources and are intermittent in nature.

### **CONTRACTING PROCESS**

In accordance with the County's contracting procedures and requirements, a RFSQ was released on March 2, 2023. The RFSQ was posted on the County's website and notification was mailed and/or emailed to contractors. A Proposers' Conference was held on March 23, 2023, offering proposers the opportunity to submit general questions. As a result of the Proposers' Conference, an addendum to the RFSQ was released and posted on the County's website on March 30, 2023. A total of 15 responses were received and reviewed for compliance with the RFSQ. Fourteen (14) contractors were determined qualified to provide Hearing Officer services and are being recommended for Agreements.

### **IMPACT ON CURRENT SERVICES:**

Approval of the Master Agreement will ensure continued uninterrupted services and assist in reducing scheduling time for hearings.

Respectfully submitted,

Edward Yen  
Executive Officer, Board of Supervisors

EY:kn

Attachments

c: Chief Executive Officer  
County Counsel

**Approved ERCOM Hearing Officers for ERCOM Request for Statement of Qualifications (RFSQ):**

1. Sheri E. Ross
2. Daniel R. Saling, Esq.
3. Stephen M. Biersmith
4. David P. Beauvais
5. H. Stuart Waxman
6. Samuel D. Reyes
7. Jacqueline Reese
8. Sylvia Marks-Barnett
9. Robert Bergeson
10. Trudi Ferguson
11. Richard Terzian
12. Wayne H. Song
13. Mark Perez
14. Robert Klepa



**APPENDIX A**

**MASTER AGREEMENT**



**MASTER AGREEMENT**

**BY AND BETWEEN**

**COUNTY OF LOS ANGELES**

**EXECUTIVE OFFICE OF THE  
BOARD OF SUPERVISORS**

**AND**

**(CONTRACTOR)**

**FOR**

**AS-NEEDED EMPLOYEE RELATIONS COMMISSION  
HEARING OFFICER SERVICES**

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**STANDARD EXHIBITS**

- A COUNTY'S ADMINISTRATION
- B CONTRACTOR'S ADMINISTRATION
- C SAFELY SURRENDERED BABY LAW
- D INTENTIONALLY OMITTED
- D1 INTENTIONALLY OMITTED
- D2 INTENTIONALLY OMITTED

FORMS REQUIRED AT THE TIME OF MASTER AGREEMENT EXECUTION

**CERTIFICATIONS**

- E1 CERTIFICATION OF EMPLOYEE STATUS
- E2 CERTIFICATION OF NO CONFLICT OF INTEREST

**NON-IT MASTER AGREEMENTS**

- E3 CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

**OR**

- E4 INTENTIONALLY OMITTED

- E5 INTENTIONALLY OMITTED

**OR**

**IT-MASTER AGREEMENTS**

- E3-IT INTENTIONALLY OMITTED

**OR**

- E4-IT INTENTIONALLY OMITTED

- E5-IT INTENTIONALLY OMITTED

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**UNIQUE EXHIBITS**

FORMS REQUIRED AT COMPLETION OF EACH WORK ORDER INVOLVING  
INTELLECTUAL PROPERTY DEVELOPED/DESIGNED BY CONTRACTOR

F1	INTENTIONALLY OMITTED
F2	INTENTIONALLY OMITTED
F3	INTENTIONALLY OMITTED
G	INTENTIONALLY OMITTED
H	INTENTIONALLY OMITTED
I	INTENTIONALLY OMITTED
J	INTENTIONALLY OMITTED

**Appendix A**

**MASTER AGREEMENT BETWEEN  
COUNTY OF LOS ANGELES,  
EXECUTIVE OFFICE BOARD OF SUPERVISORS  
AND  
CONTRACTOR  
FOR  
AS-NEEDED EMPLOYEE RELATIONS HEARING OFFICER SERVICES**

This Master Agreement and Exhibits made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_ by and between the County of Los Angeles, Executive Office, Board of Supervisors hereinafter referred to as County and CONTRACTOR, hereinafter referred to as Contractor, to provide As-Needed Employee Relations Hearing Officer Services.

**RECITALS**

WHEREAS, the County may contract with private businesses for as-needed Hearing Officer Services when certain requirements are met; and

WHEREAS, the Contractor is a private firm specializing in providing as-needed Hearing Officer Services; and

WHEREAS, this Master Agreement is therefore authorized under California Codes, Government Code Section 31000 which authorizes the Board of Supervisors to contract for special services; and

WHEREAS, the Board of Supervisors has authorized the Executive Officer of the Board of Supervisors or designee to execute and administer this Master Agreement; and

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

## **1.0 APPLICABLE DOCUMENTS**

Exhibits A, B, C, D, E, F, G, H, and I are attached to and form a part of this Master Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Master Agreement and the Exhibits, or between Exhibits, such conflict or inconsistency will be resolved by giving precedence first to the Master Agreement and then to the Exhibits according to the following priority:

### **Standard Exhibits:**

- A County's Administration
- B Contractor's Administration
- C Safely Surrendered Baby Law
- D Intentionally Omitted
- D1 Intentionally Omitted
- D2 Intentionally Omitted
- K Statement of Work - Not Attached to Exhibits
- L Pricing Schedule - Not Attached to Exhibits

### **Certifications**

- E1 Certification of Employee Status
- E2 Certification of No Conflict of Interest

### **Non-It Master Agreements**

- E3 Contractor Acknowledgement and Confidentiality Agreement

This Master Agreement and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous Master Agreements, written and oral, and all communications



between the parties relating to the subject matter of this Master Agreement. No change to this Master Agreement will be valid unless prepared pursuant to Paragraph 8.1 (Amendments) and signed by both parties.

## **2.0 DEFINITIONS**

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words as used herein will be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

- 2.1 Active Contractor:** Identifies a Qualified Contractor who is in compliance with the terms and conditions and whose evidence of insurance requirements have all been received by the Executive Office, Board of Supervisors and are valid and in effect at the time of a given award. As used herein, the terms Active Contractor and Contractor may be used interchangeably throughout this document.
- 2.2 Contractor Project Manager:** The individual designated by the Contractor to administer the Master Agreement operations after the Master Agreement award.
- 2.3 County Project Manager:** Person designated as chief contact person with respect to the day-to-day administration of the Master Agreement.
- 2.4 Day(s):** Calendar day(s) unless otherwise specified.
- 2.5 Executive Officer:** Executive Officer of the Board of Supervisors
- 2.6 Fiscal Year:** The twelve (12) month period beginning July 1st and ending the following June 30th.
- 2.7 Master Agreement:** County's standard agreement executed between County and individual Contractors. It sets forth the terms and conditions for the issuance and performance of, and otherwise governs, subsequent Work Orders.
- 2.8 Qualified Contractor:** A Contractor who has submitted a Statement of Qualifications (SOQ) in response to County's Request For Statement of Qualifications (RFSQ); has met the minimum qualifications listed in the RFSQ, and has an executed Master Agreement with the Executive Office of the Board of Supervisors.
- 2.9 Request For Statement of Qualifications (RFSQ):** A solicitation based on establishing a pool of Qualified Proposers to provide services through Master Agreements.
- 2.10 Statement of Qualifications (SOQ):** A Contractor's response to an RFSQ.
- 2.11 Statement of Work:** A written description of tasks and/or deliverables desired by County for a specific Master Agreement/Work Order.

### **3.0 WORK**

- 3.1 Pursuant to the provisions of this Master Agreement, the Contractor must fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth herein the Statement of Work, Exhibit K. The execution of this Master Agreement does not guarantee a Contractor any minimum amount of business.

### **4.0 TERM OF MASTER AGREEMENT**

- 4.1 This Master Agreement is effective upon the date of its execution by Executive Officer of the Board of Supervisors (Executive Officer or their designee as authorized by the Board of Supervisors. This Master Agreement will expire on July 31, 2027 unless sooner extended or terminated, in whole or in part, as provided herein.
- 4.2 The County will have the sole option to extend the Master Agreement term for up to three (3) additional one-year periods and one (1) six (6)-month extension, for a maximum total Master Agreement term of six (6) and six (6) months. Each such option and extension will be exercised at the sole discretion of the Executive Officer or their designee as authorized by the Board of Supervisors.

The County maintains a database that track/monitor contractor performance history. Information entered into the database may be used for a variety of purposes, including determining whether the County will exercise a Master Agreement term extension option.

- 4.3 Contractor must notify the Executive Office of the Board of Supervisors when this Master Agreement is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, Contractor must send written notification to the Executive Office of the Board of Supervisors at the address herein provided in Exhibit A (County's Administration).

### **5.0 CONTRACT SUM**

- 5.1 The Pricing Schedule as set forth in Exhibit L – Pricing Schedule covers the proposed fees for the required services.
- 5.2 The Contractor will not be entitled to any payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or take over of any of the Contractor's duties, responsibilities, or obligations or performance of same by any entity other than the

Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, will occur only with the County's express prior written approval.

### **5.3 Completion of Assignment After Expiration of Master Agreement**

5.3.1 The provisions of this Master Agreement will continue to apply to all hearings and matters assigned to the Contractor but not completed prior to the expiration or termination of this Master Agreement as provided in this Section 5.3.1. The County's Project Manager may provide written notification to the Contractor to continue providing services on specified cases, hearings, or matters assigned or resubmitted to the Contractor prior to the expiration or termination of this Master Agreement. If the Contractor is so notified, the Contractor must perform the requested services in accordance with applicable terms of this Master Agreement and the Contractor will be paid at the same rates specified herein for any such services rendered by the Contractor.

5.3.2 No new hearings, cases, or other matters will be assigned to the Contractor after expiration or termination of this Master Agreement. If any hearing, case or other matter assigned to the Contractor after expiration or termination of the Master Agreement, the Contractor must immediately notify the Employee Relations Commission (ERCOM) of such assignment and must refrain from performing services with regard to such assignment. The contractor will not be paid for any services rendered for any such new hearing, case or other matter assigned after expiration or termination of the Master Agreement.

### **5.4 Invoices and Payments**

5.4.1 The Contractor will invoice the County for providing the tasks, deliverables, services, and other work authorized pursuant to this Master Agreement. The Contractor must separately invoice the County for each assigned hearing on a fixed price per deliverable basis (See Exhibit L – Pricing Schedule – Sample Invoice).

5.4.2 The County will not pay the Contractor for any overtime premiums, travel expenses, meals, lodging, holidays, vacation, sick leave, per diem, or miscellaneous expenses, etc.

5.4.3 All work performed by, and all invoices submitted by the Contractor issued hereunder must receive the written

approval of County's Project manager, who will be responsible for a detailed evaluation of Contractor's performance before approval of work and/or payment of invoices is permitted.

5.4.4 The Contractor's invoice must contain at a minimum, the Contractor's name, address, payment remittance address, invoice date, invoice number, case number and any other description which would assist in identifying the work for which payment is claimed.

**5.4.5 Invoice Content**

The period of performance specified in Contractor's invoice(s) must coincide with the period of performance specified in Exhibit L – Pricing Schedule.

**Fixed Price Per Deliverable:**

Each invoice submitted by Contractor must specify:

- County number of the Contractor's Master Agreement;
- Period of performance of work being invoiced;
- Name(s) of persons who performed the work;
- A brief description of the deliverable(s) for which payment is claimed, the respective number(s) assigned to the deliverable(s), and the individual amount being billed for each deliverable; and
- Total amount of the invoice.

5.4.6 Invoices under this Master Agreement must be submitted in PDF format to the following address:

Executive Office of the Board of Supervisors  
Employee Relations Commission (ERCOM)  
Attention: Jeri Weinstein  
jweinstein@bos.lacounty.gov

**5.4.7 Preference Program Enterprises – Prompt Payment Program**

Certified Prompt Payment Enterprises (PPEs) will receive prompt payment for services they provide to County departments. Prompt payment is defined as fifteen (15) calendar days after receipt of an approved, undisputed invoice which has been properly matched against documents such as a receiving, shipping, or services delivered report, or any other validation of receipt document consistent with Board

Policy 3.035 ([Preference Program Payment Liaison and Prompt Payment Program](#)).

## **5.5 Default Method of Payment: Direct Deposit or Electronic Funds Transfer**

5.5.1 The County, at its sole discretion, has determined that the most efficient and secure default form of payment for goods and/or services provided under an agreement/contract with the County will be Electronic Funds Transfer (EFT) or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller (A-C).

5.5.2 The Contractor must submit a direct deposit authorization request via the website <https://directdeposit.lacounty.gov> with banking and vendor information, and any other information that the A-C determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.

5.5.3 Any provision of law, grant, or funding agreement requiring a specific form or method of payment other than EFT or direct deposit will supersede this requirement with respect to those payments.

5.5.4 At any time during the duration of the agreement/contract, a Contractor may submit a written request for an exemption to this requirement. Such request must be based on specific legal, business or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with the contracting department(s), will decide whether to approve exemption requests.

## **6.0 ADMINISTRATION OF MASTER AGREEMENT - COUNTY**

A listing of all County Administration referenced in the following paragraphs are designated in Exhibit A (County's Administration). The County will notify the Contractor in writing of any change in the names or addresses shown.

### **6.1 County's Project Manager**

The County's Project Manager is County's chief contact person with respect to the day-to-day administration of this Master Agreement. The County's Project Manager is not authorized to make any changes in any of the terms and conditions of this Agreement and is

not authorized to further obligate the County in any respect whatsoever.

## **7.0 ADMINISTRATION OF MASTER AGREEMENT - CONTRACTOR**

### **7.1 Contractor's Project Manager**

7.1.1 Contractor's Project Manager is designated in Exhibit B (Contractor's Administration). The Contractor must notify the County in writing of any change in the name or address of the Contractor's Project Manager.

7.1.2 Contractor's Project Manager will be responsible for Contractor's day-to-day activities as related to this Master Agreement.

### **7.2 Contractor's Authorized Official(s)**

7.2.1 Contractor's Authorized Official(s) are designated in Exhibit B (Contractor's Administration). Contractor must promptly notify County in writing of any change in the name(s) or address(es) of Contractor's Authorized Official(s).

7.2.2 Contractor represents and warrants that all requirements of Contractor have been fulfilled to provide actual authority to such officials to execute documents under this Master Agreement on behalf of Contractor.

### **7.3 Approval of Contractor's Staff**

County has the absolute right to approve or disapprove all of Contractor's staff performing work hereunder and any proposed changes in Contractor's staff, including, but not limited to, Contractor's Project Manager. Contractor must provide County with a resume of each proposed substitute and an opportunity to interview such person prior to any staff substitution.

### **7.4 Contractor's Staff Identification**

7.4.1 Contractor will provide, at Contractor's expense, all staff providing services under this Master Agreement with a photo identification badge.

### **7.5 Background and Security Investigations**

7.5.1 Each of Contractor's staff performing services under this Master Agreement who is in a designated sensitive position, as determined by County in County's sole discretion, must undergo and pass a background investigation to the satisfaction of County as a condition of beginning and continuing to perform services under this Master Agreement. Such background investigation must be obtained through

fingerprints submitted to the California Department of Justice to include State, local, and federal-level review, which may include, but will not be limited to, criminal conviction information. The fees associated with the background investigation will be at the expense of the County, regardless if the member of Contractor's staff passes or fails the background investigation.

7.5.2 If a member of Contractor's staff does not pass the background investigation, County may request that the member of Contractor's staff be immediately removed from performing services under the Master Agreement at any time during the term of the Master Agreement. County will not provide to Contractor or to Contractor's staff any information obtained through the County's background investigation.

7.5.3 County, in its sole discretion, may immediately deny or terminate facility access to any member of Contractor's staff that does not pass such investigation to the satisfaction of the County or whose background or conduct is incompatible with County facility access.

7.5.4 Disqualification of any member of Contractor's staff pursuant to this Paragraph 7.5 will not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Master Agreement.

## **7.6 Confidentiality**

7.6.1 Contractor must maintain the confidentiality of all records and information in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.

7.6.2 Contractor must indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Paragraph 7.6, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this

Paragraph 7.6 will be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County will have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County will be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor will not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

- 7.6.3 Contractor must inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Master Agreement.
- 7.6.4 Contractor must sign and adhere to the provisions of the Exhibit H2 (Contractor Acknowledgement and Confidentiality Agreement).

## **8.0 STANDARD TERMS AND CONDITIONS**

### **8.1 Amendments**

- 8.1.1 The County's Board of Supervisors or Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in the Master Agreement during the term of this Master Agreement. The County reserves the right to add and/or change such provisions as required by the County's Board of Supervisors or Chief Executive Officer. To implement such orders, an Amendment to the Master Agreement must be prepared and executed by the Contractor and by the Executive Officer or their designee.
- 8.1.2 The Executive Officer or their designee may, at their sole discretion, authorize extensions of time as defined in Paragraph 4.0 (Term of Master Agreement). The Contractor agrees that such extensions of time will not change any other term or condition of this Master Agreement during the period of such extensions. To implement an extension of time, an Amendment to the Master Agreement must be prepared and executed by the Contractor and by the Executive Officer or their designee.

### **8.2 Assignment and Delegation/Mergers or Acquisitions**

- 8.2.1 The Contractor must notify the County of any pending



acquisitions/mergers of its company unless otherwise legally prohibited from doing so. If the Contractor is restricted from legally notifying the County of pending acquisitions/mergers, then it should notify the County of the actual acquisitions/mergers as soon as the law allows and provide to the County the legal framework that restricted it from notifying the County prior to the actual acquisitions/mergers.

8.2.2 The Contractor must not assign, exchange, transfer, or delegate its rights or duties under this Master Agreement, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment, delegation, or otherwise transfer of its rights or duties, without such consent will be null and void. For purposes of this Paragraph, County consent will require a written amendment to the Master Agreement, which is formally approved and executed by the parties. Any payments by the County to any approved delegate or assignee on any claim under this Master Agreement will be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.

8.2.3 Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any person or entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, will be a material breach of the Master Agreement which may result in the termination of this Master Agreement. In the event of such termination, County will be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

### **8.3 Authorization Warranty**

The Contractor represents and warrants that the person executing this Master Agreement for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Master Agreement and that all requirements of the Contractor have been fulfilled to provide such actual authority.

### **8.4 Complaints**

The Contractor must develop, maintain and operate procedures for receiving, investigating and responding to complaints.

- 8.4.1 Within fifteen (15) business days after the Master Agreement effective date, the Contractor must provide the County with the Contractor's policy for receiving, investigating and responding to user complaints.
- 8.4.2 The County will review the Contractor's policy and provide the Contractor with approval of said plan or with requested changes.
- 8.4.3 If the County requests changes in the Contractor's policy, the Contractor must make such changes and resubmit the plan within five (5) business days for County approval.
- 8.4.4 If, at any time, the Contractor wishes to change the Contractor's policy, the Contractor must submit proposed changes to the County for approval before implementation.
- 8.4.5 The Contractor must preliminarily investigate all complaints and notify the County's Project Manager of the status of the investigation within five (5) business days of receiving the complaint.
- 8.4.6 When complaints cannot be resolved informally, a system of follow-through will be instituted which adheres to formal plans for specific actions and strict time deadlines.
- 8.4.7 Copies of all written responses must be sent to the County's Project Manager within three (3) business days of mailing to the complainant.

## **8.5 Compliance with Applicable Laws**

- 8.5.1 In the performance of this Master Agreement, Contractor must comply with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, and all provisions required thereby to be included in this Master Agreement are hereby incorporated herein by reference.
- 8.5.2 Contractor must indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this

Paragraph 8.5 will be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County will have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County will be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor will not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

## **8.6 Compliance with Civil Rights Laws**

The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person will, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Master Agreement or under any project, program, or activity supported by this Master Agreement. Additionally, contractor certifies to the County:

1. That contractor has a written policy statement prohibiting discrimination in all phases of employment.
2. That contractor periodically conducts a self-analysis or utilization analysis of its work force.
3. That Contractor has a system for determining if its employment practices are discriminatory against protected groups.
4. Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables.

The Contractor must comply with Exhibit C – Contractor's EEO Certification.

## **8.7 Compliance with County's Jury Service Program**

- 8.7.1 Jury Service Program: This Master Agreement is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified

in [Sections 2.203.010 through 2.203.090 of the Los Angeles County Code](#). A copy of which is attached as Exhibit D and incorporated by reference into and made part of this Master Agreement.

#### 8.7.2 Written Employee Jury Service Policy

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the [Jury Service Program \(Section 2.203.020 of the County Code\)](#) or that Contractor qualifies for an exception to the [Jury Service Program \(Section 2.203.070 of the County Code\)](#), Contractor must have and adhere to a written policy that provides that its Employees will receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
2. For purposes of this Paragraph, "Contractor" means a person, partnership, corporation or other entity which has a Master Agreement with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County Master Agreements or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Master Agreement, the subcontractor will also be subject to the provisions of this paragraph. The provisions of this paragraph will be inserted into any such subcontract agreement and a copy of the Jury Service Program must be attached to the agreement.
3. If Contractor is not required to comply with the Jury Service Program when the Master Agreement commences, Contractor will have a continuing obligation to review the applicability of its "exception status" from the Jury Service

Program, and Contractor must immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor must immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Master Agreement and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.

4. Contractor's violation of this Paragraph of the Master Agreement may constitute a material breach of the Master Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Master Agreement and/or bar Contractor from the award of future County Master Agreements for a period of time consistent with the seriousness of the breach.

## **8.8 Conflict of Interest**

- 8.8.1 No County employee whose position with the County enables such employee to influence the award of this Master Agreement or any competing Master Agreement, and no spouse or economic dependent of such employee, will be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Master Agreement. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder will in any way participate in the County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.
- 8.8.2 The Contractor must comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Master Agreement. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it must immediately make full written disclosure of such facts to the County. Full written disclosure must include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply

with the provisions of this Paragraph 8.8 will be a material breach of this Master Agreement.

**8.9 Consideration of Hiring County Employees Targeted for Layoffs or are on a County Re-employment List**

Should the Contractor require additional or replacement personnel after the effective date of this Master Agreement to perform the services set forth herein, the Contractor must give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Master Agreement.

**8.10 Consideration of Hiring GAIN/START Participants**

8.10.1 Should the Contractor require additional or replacement personnel after the effective date of this Master Agreement, the Contractor will give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or Skills and Training to Achieve Readiness for Tomorrow (START) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration will mean that the Contractor will interview qualified candidates. The County will refer GAIN/START participants by job category to the Contractor. Contractors must report all job openings with job requirements to: [gainstart@dpss.lacounty.gov](mailto:gainstart@dpss.lacounty.gov) and [bservices@opportunity.lacounty.gov](mailto:bservices@opportunity.lacounty.gov) and DPSS will refer qualified GAIN/START job candidates.

8.10.2 In the event that both laid-off County employees and GAIN/START participants are available for hiring, County employees must be given first priority.

**8.11 Contractor Responsibility and Debarment**

**8.11.1 Responsible Contractor**

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the Master Agreement. It is the County's policy to conduct business only with responsible Contractors.

**8.11.2 Chapter 2.202 of the County Code**

The Contractor is hereby notified that, in accordance with [Chapter 2.202 of the County Code](#), if the County acquires information concerning the performance of the Contractor

on this or other Master Agreements which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in this Master Agreement, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing Contracts the Contractor may have with the County.

#### 8.11.3 Non-responsible Contractor

The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated a term of a Master Agreement with the County or a nonprofit corporation created by the County, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a Master Agreement with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

#### 8.11.4 Contractor Hearing Board

1. If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
2. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative will be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board will prepare a tentative proposed decision, which will contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department will be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

3. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board will be presented to the Board of Supervisors. The Board of Supervisors will have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
4. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.
5. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board will conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing will be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.
6. The Contractor Hearing Board's proposed decision will contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board will present its proposed decision and recommendation to the Board of



Supervisors. The Board of Supervisors will have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.11.5 Subcontractors of Contractor

These terms will also apply to Subcontractors of County Contractors.

**8.12 Contractor’s Acknowledgement of County’s Commitment to Safely Surrendered Baby Law**

The contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The contractor understands that it is the County’s policy to encourage all County contractors to voluntarily post the County’s “Safely Surrendered Baby Law” poster, in Exhibit E, in a prominent position at the contractor’s place of business. The contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor’s place of business. Information and posters for printing are available at:

<https://lacounty.gov/residents/family-services/child-safety/safe-surrender/>

**8.13 Contractor’s Warranty of Adherence to County’s Child Support Compliance Program**

8.13.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through Purchase Order or Master Agreement are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

8.13.2 As required by the [County’s Child Support Compliance Program \(County Code Chapter 2.200\)](#) and without limiting the Contractor’s duty under this Master Agreement to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and will during the term of this Master Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and will implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

#### **8.14 County's Quality Assurance Plan**

The County or its agent(s) will monitor the contractor's performance under this Master Agreement on not less than an annual basis. Such monitoring will include assessing the contractor's compliance with all Master Agreement terms and conditions and performance standards. Contractor deficiencies which the County determines are significant or continuing and that may place performance of the Master Agreement in jeopardy if not corrected will be reported to the Board of Supervisors and listed in the appropriate contractor performance database. The report to the Board will include improvement/ corrective action measures taken by the County and the contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Master Agreement or impose other penalties as specified in this Master Agreement.

#### **8.15 Damage to County Facilities, Buildings or Grounds**

8.15.1 Contractor will repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by Contractor or employees or agents of Contractor. Such repairs must be made immediately after Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

8.15.2 If Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs must be repaid by Contractor by cash payment upon demand.

#### **8.16 Employment Eligibility Verification**

8.16.1 The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Master Agreement meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor must obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor must retain all such documentation for all covered employees for the period prescribed by law.

8.16.2 The Contractor must indemnify, defend, and hold harmless,

the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Master Agreement.

#### **8.17 Counterparts and Electronic Signatures and Representations**

This Master Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same Master Agreement. The facsimile, email or electronic signature of the Parties will be deemed to constitute original signatures, and facsimile or electronic copies hereof will be deemed to constitute duplicate originals.

The County and the Contractor hereby agree to regard electronic representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to Paragraph 8.1 (Amendments) and received via communications facilities (facsimile, email or electronic signature), as legally sufficient evidence that such legally binding signatures have been affixed to Amendments to this Master Agreement.

#### **8.18 Fair Labor Standards**

The Contractor must comply with all applicable provisions of the Federal Fair Labor Standards Act and must indemnify, defend, and hold harmless the County and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor's employees for which the County may be found jointly or solely liable.

#### **8.19 Force Majeure**

8.19.1 Neither party will be liable for such party's failure to perform its obligations under and in accordance with this Master Agreement, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this Paragraph

as "force majeure events"). Parties agree that Covid-19 is not considered a force majeure event.

- 8.19.2 Notwithstanding the foregoing, a default by a subcontractor of Contractor will not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor will not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this Paragraph, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.
- 8.19.3 In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

## **8.20 Governing Law, Jurisdiction, and Venue**

This Master Agreement will be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Master Agreement and further agrees and consents that venue of any action brought hereunder will be exclusively in the County of Los Angeles.

## **8.21 Independent Contractor Status**

- 8.21.1 This Master Agreement is by and between the County and the Contractor and is not intended, and must not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one party must not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.
- 8.21.2 The Contractor will be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Master Agreement all compensation and benefits. The County will have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

- 8.21.3 The Contractor understands and agrees that all persons performing work pursuant to this Master Agreement are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor will be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Master Agreement.
- 8.21.4 The Contractor must adhere to the provisions stated in Paragraph 7.6 (Confidentiality).

## **8.22 Indemnification**

- 8.22.1 Hearing Officers' functions are quasi-judicial in nature and are protected by quasi-judicial immunity. The County may, at the County's sole discretion, indemnify and defend a Contractor sued for acts or omissions performed in the course and scope of Hearing Officer duties under this Master Agreement, provided that any such acts or omissions do not constitute willful misconduct by the Contractor.

## **8.23 INTENTIONALLY OMITTED**

## **8.24 INTENTIONALLY OMITTED**

## **8.25 Liquidated Damages**

- 8.25.1 If, in the judgment of the Director, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Director, or their designee, at their option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the Contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from payments to the Contractor from the County, will be forwarded to the Contractor by the Director, or their designee, in a written notice describing the reasons for said action.
- 8.25.2 If the Director determines that there are deficiencies in the performance of this Master Agreement that the Director or their designee, deems are correctable by the Contractor over a certain time span, the Director or their designee, will provide a written notice to the Contractor to correct the

deficiency within specified time frames. Should the Contractor fail to correct deficiencies within said time frame, the Director may:

(a) Deduct from the Contractor's payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or

(b) Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is One Hundred Dollars (\$100) per day per infraction, or as may be specified in any Performance Requirements Summary (PRS) Charts in future Work Orders, and that the Contractor will be liable to the County for liquidated damages in said amount. Said amount will be deducted from the County's payment to the Contractor; and/or

(c) Upon giving five (5) days notice to the Contractor for failure to correct the deficiencies, the County may correct any and all deficiencies and the total costs incurred by the County for completion of the work by an alternate source, whether it be County forces or separate private contractor, will be deducted and forfeited from the payment to the Contractor from the County, as determined by the County.

8.25.3 The action noted in sub-paragraph 8.25.2 will not be construed as a penalty, but as adjustment of payment to the Contractor to recover the County cost due to the failure of the Contractor to complete or comply with the provisions of this Master Agreement.

8.25.4 This sub-paragraph will not, in any manner, restrict or limit the County's right to damages for any breach of this Master Agreement provided by law or as specified in the PRS or sub-paragraph 8.25.2, and will not, in any manner, restrict or limit the County's right to terminate this Master Agreement as agreed to herein.

## **8.26 Most Favored Public Entity**

If the Contractor's prices decline, or should the Contractor at any time during the term of this Master Agreement provide the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Master Agreement, then such lower prices will be immediately extended to the County.

## **8.27 Nondiscrimination and Affirmative Action**

8.27.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

8.27.2 Contractor certifies to the County each of the following:

1. That contractor has a written policy statement prohibiting discrimination in all phases of employment.
2. That contractor periodically conducts a self-analysis or utilization analysis of its work force.
3. That Contractor has a system for determining if its employment practices are discriminatory against protected groups.
4. Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables.

8.27.3 The Contractor must take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action must include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

8.27.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.

8.27.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies will comply with all applicable Federal and State laws and regulations to the end

that no person will, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Master Agreement or under any project, program, or activity supported by this Master Agreement.

- 8.27.6 The Contractor will allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this Paragraph 8.27 when so requested by the County.
- 8.27.7 If the County finds that any provisions of this Paragraph 8.27 have been violated, such violation will constitute a material breach of this Master Agreement upon which the County may terminate or suspend this Master Agreement. While the County reserves the right to determine independently that the anti-discrimination provisions of this Master Agreement have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations will constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Master Agreement.
- 8.27.8 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Master Agreement, the County will, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Master Agreement.

## **8.28 Non Exclusivity**

Nothing herein is intended nor will be construed as creating any exclusive arrangement with Contractor. This Master Agreement will not restrict the Department from acquiring similar, equal or like goods and/or services from other entities or sources.

## **8.29 Notice of Delays**

Except as otherwise provided under this Master Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Master Agreement, that party must, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.



### **8.30 Notice of Disputes**

The Contractor must bring to the attention of the County Project Manager any dispute between the County and the Contractor regarding the performance of services as stated in this Master Agreement. If the County Project Manager or County Project Director is not able to resolve the dispute, the Executive Officer of the Board of Supervisors or designee will resolve it.

### **8.31 Notice to Employees Regarding the Federal Earned Income Credit**

The Contractor must notify its employees, and will require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice must be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

### **8.32 Notice to Employees Regarding the Safely Surrendered Baby Law**

The contractor must notify and provide to its employees, and will require each subcontractor to notify and provide to its employees, information regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The information is set forth in Exhibit E, Safely Surrendered Baby Law of this Master Agreement. Additional information is available at:

<https://lacounty.gov/residents/family-services/child-safety/safely-surrender/>

### **8.33 Notices**

All notices or demands required or permitted to be given or made under this Master Agreement must be in writing and will be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibits A (County's Administration) and B (Contractor's Administration). Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party. The Executive Officer of the Board of Supervisors or their designee will have the authority to issue all notices or demands required or permitted by the County under this Master Agreement.

### **8.34 Prohibition Against Inducement or Persuasion**

Notwithstanding the above, the Contractor and the County agree that, during the term of this Master Agreement and for a period of one year thereafter, neither party will in any way intentionally induce or

persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

### **8.35 Public Records Act**

8.35.1 Any documents submitted by Contractor; all information obtained in connection with the County's right to audit and inspect Contractor's documents, books, and accounting records pursuant to Paragraph 8.37 (Record Retention and Inspection/Audit Settlement) of this Master Agreement; as well as those documents which were required to be submitted in response to the Request for Statement of Qualifications (RFSQ) used in the solicitation process for this Master Agreement, become the exclusive property of the County. All such documents become a matter of public record and will be regarded as public records. Exceptions will be those elements in the [California Government Code Section 7921 et seq.](#) (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County will not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

8.35.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of an SOQ marked "trade secret", "confidential", or "proprietary", the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

### **8.36 Publicity**

8.36.1 The Contractor must not disclose any details in connection with this Master Agreement to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County will not inhibit the Contractor from publishing its role under this Master Agreement within the following conditions:

- The Contractor must develop all publicity material in a professional manner; and
- During the term of this Master Agreement, the Contractor must not, and will not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the

name of the County without the prior written consent of the County's Project Director. The County will not unreasonably withhold written consent.

- 8.36.2 The Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Master Agreement with the County of Los Angeles, provided that the requirements of this Paragraph 8.36 (Publicity) will apply.

### **8.37 Record Retention and Inspection-Audit Settlement**

The Contractor must maintain accurate and complete financial records of its activities and operations relating to this Master Agreement in accordance with generally accepted accounting principles. The Contractor must also maintain accurate and complete employment and other records relating to its performance of this Master Agreement. The Contractor agrees that the County, or its authorized representatives, will have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Master Agreement. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, will be kept and maintained by the Contractor and will be made available to the County during the term of this Master Agreement and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such material prior to such time. All such material must be maintained by the Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the County's option, the Contractor will pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

- 8.37.1 In the event that an audit of the Contractor is conducted specifically regarding this Master Agreement by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, then the Contractor must file a copy of such audit report with the County's Auditor-Controller within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Master Agreement. The County will make a reasonable effort to maintain the confidentiality of such audit report(s).

- 8.37.2 Failure on the part of the Contractor to comply with any of the provisions of this paragraph will constitute a material breach of this Master Agreement upon which the County may terminate or suspend this Master Agreement.
- 8.37.3 If, at any time during the term of this Master Agreement or within five (5) years after the expiration or termination of this Master Agreement, representatives of the County may conduct an audit of the Contractor regarding the work performed under this Master Agreement, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference will be either: a) repaid by the Contractor to the County by cash payment upon demand or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to the Contractor from the County, whether under this Master Agreement or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the Contractor, then the difference will be paid to the Contractor by the County by cash payment, provided that in no event will the County's maximum obligation for this Master Agreement exceed the funds appropriated by the County for the purpose of this Master Agreement.

### **8.38 Recycled Bond Paper**

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on this Master Agreement.

### **8.39 Subcontracting**

- 8.39.1 The requirements of this Master Agreement may not be subcontracted by the Contractor **without the advance approval of the County**. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Master Agreement.
- 8.39.2 If the Contractor desires to subcontract, the Contractor must provide the following information promptly at the County's request:
- A description of the work to be performed by the subcontractor;
  - A draft copy of the proposed subcontract; and

- Other pertinent information and/or certifications requested by the County.
- 8.39.3 The Contractor must indemnify and hold the County harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such subcontractor(s) were Contractor employees.
- 8.39.4 The Contractor will remain fully responsible for all performances required of it under this Master Agreement, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.
- 8.39.5 The County's consent to subcontract will not waive the County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Master Agreement. The Contractor is responsible to notify its subcontractors of this County right.
- 8.39.6 The Executive Officer or their designee is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees. After approval of the subcontract by the County, Contractor must forward a fully executed subcontract to the County for their files.
- 8.39.7 The Contractor will be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.
- 8.39.8 The Contractor must obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. The Contractor must ensure delivery of all such documents to:

Executive Office, Board of Supervisors  
Fiscal Services Division  
500 West Temple Street, Room 383  
Los Angeles, CA 90012  
Attention Susanna Ponciano – Contracts  
[solicitations@bos.lacounty.gov](mailto:solicitations@bos.lacounty.gov)

before any subcontractor employee may perform any work hereunder.

#### **8.40 Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program**

Failure of the Contractor to maintain compliance with the requirements set forth in Paragraph 8.13 (Contractor's Warranty of Adherence to County's Child Support Compliance Program), will constitute a default under this Master Agreement. Without limiting the rights and remedies available to the County under any other provision of this Master Agreement, failure of Contractor to cure such default within 90 calendar days of written notice will be grounds upon which the County may terminate this Master Agreement pursuant to Paragraph 8.42 (Termination for Default) and pursue debarment of Contractor, pursuant to [County Code Chapter 2.202](#).

#### **8.41 Termination for Convenience**

8.41.1 County may terminate this Master Agreement, issued hereunder, in whole or in part, from time to time or permanently, when such action is deemed by the County, in its sole discretion, to be in its best interest. Termination of work hereunder will be effected by notice of termination to Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective will be no less than ten (10) days after the notice is sent.

8.41.2 Upon receipt of a notice of termination and except as otherwise directed by the County, the Contractor must immediately:

- Stop work under this Master Agreement, as identified in such notice;
- Transfer title and deliver to County all completed work and work in process; and
- Complete performance of such part of the work as would not have been terminated by such notice.

8.41.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Master Agreement must be maintained by the Contractor in accordance with Paragraph 8.37 (Record Retention and Inspection/Audit Settlement).

#### **8.42 Termination for Default**

8.42.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Master Agreement, if, in the judgment of County's Project Director:

- Contractor has materially breached this Master Agreement;

- Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Master Agreement; or
- Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Master Agreement, or of any obligations of this Master Agreement and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

8.42.2 In the event that the County terminates this Master Agreement in whole or in part as provided in Paragraph 8.42.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor will be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The Contractor will continue the performance of this Master Agreement to the extent not terminated under the provisions of this paragraph.

8.42.3 Except with respect to defaults of any subcontractor, the Contractor will not be liable for any such excess costs of the type identified in Paragraph 8.42.2 if its failure to perform this Master Agreement, hereunder, arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor will not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this Paragraph 8.42.3, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

- 8.42.4 If, after the County has given notice of termination under the provisions of this Paragraph 8.42, it is determined by the County that the Contractor was not in default under the provisions of this Paragraph 8.42, or that the default was excusable under the provisions of Paragraph 8.42.3, the rights and obligations of the parties will be the same as if the notice of termination had been issued pursuant to Paragraph 8.41 (Termination for Convenience).
- 8.42.5 The rights and remedies of the County provided in this Paragraph 8.42 will not be exclusive and are in addition to any other rights and remedies provided by law or under this Master Agreement.

#### **8.43 Termination for Improper Consideration**

- 8.43.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Master Agreement if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Master Agreement or securing favorable treatment with respect to the award, amendment, or extension of this Master Agreement or the making of any determinations with respect to the Contractor's performance pursuant to this Master Agreement. In the event of such termination, the County will be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.
- 8.43.2 The Contractor must immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report must be made to the Los Angeles County Fraud Hotline at (800) 544-6861 or <https://fraud.lacounty.gov/>.
- 8.43.3 Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

#### **8.44 Termination for Insolvency**

- 8.44.1 The County may terminate this Master Agreement forthwith in the event of the occurrence of any of the following:
- Insolvency of the Contractor. The Contractor will be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or



not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;

- The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the Contractor; or
- The execution by the Contractor of a general assignment for the benefit of creditors.

8.44.2 The rights and remedies of the County provided in this Paragraph 8.44 will not be exclusive and are in addition to any other rights and remedies provided by law or under this Master Agreement.

#### **8.45 Termination for Non-Adherence of County Lobbyist Ordinance**

The Contractor, and each County Lobbyist or County Lobbying firm as defined in [County Code Section 2.160.010](#) retained by the Contractor, must fully comply with the County's Lobbyist Ordinance, [County Code Section 2.160.010](#). Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance will constitute a material breach of this Master Agreement, upon which the County may in its sole discretion, immediately terminate or suspend this Master Agreement.

#### **8.46 Termination for Non-Appropriation of Funds**

Notwithstanding any other provision of this Master Agreement, the County will not be obligated for the Contractor's performance hereunder or by any provision of this Master Agreement during any of the County's future fiscal years unless and until the County's Board of Supervisors appropriates funds for this Master Agreement in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Master Agreement, then this Master Agreement will terminate as of June 30 of the last fiscal year for which funds were appropriated. The County will notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

#### **8.47 Validity**

If any provision of this Master Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Master Agreement and the application of such provision to other persons or circumstances will not be affected thereby.

#### **8.48 Waiver**

No waiver by the County of any breach of any provision of this Master Agreement will constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Master Agreement will not be construed as a waiver thereof. The rights and remedies set forth in this Paragraph 8.48 will not be exclusive and are in addition to any other rights and remedies provided by law or under this Master Agreement.

#### **8.49 Warranty Against Contingent Fees**

8.49.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Master Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

8.49.2 For breach of this warranty, the County will have the right to terminate this Master Agreement and, at its sole discretion, deduct from the Master Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

#### **8.50 Warranty of Compliance with County's Defaulted Property Tax Reduction Program**

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Master Agreement will maintain compliance, with [Los Angeles County Code Chapter 2.206](#).

#### **8.51 Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program**

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 8.50 (Warranty of Compliance with County's Defaulted Property Tax Reduction Program) will constitute default under this Master Agreement. Without limiting the rights and remedies available to County under any other provision of this Master Agreement, failure of Contractor to cure such default within

10 days of notice will be grounds upon which County may terminate this Master Agreement and/or pursue debarment of Contractor, pursuant to [Los Angeles County Code Chapter 2.206](#).

#### **8.52 Time off For Voting**

The Contractor must notify its employees, and must require each subcontractor to notify and provide to its employees, information regarding the time off for voting law ([Elections Code Section 14000](#)). Not less than 10 days before every statewide election, every Contractor and subcontractors must keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of [Section 14000](#).

### **8.53 Compliance with County's Zero Tolerance Policy on Human Trafficking**

Contractor acknowledges that the County has established a Zero Tolerance Policy on Human Trafficking prohibiting contractors from engaging in human trafficking.

If a Contractor or member of Contractor's staff is convicted of a human trafficking offense, the County will require that the Contractor or member of Contractor's staff be removed immediately from performing services under the Master Agreement. County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

Disqualification of any member of Contractor's staff pursuant to this paragraph will not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Master Agreement.

### **8.54 INTENTIONALLY OMITTED**

### **8.55 Compliance with Fair Chance Employment Practices**

Contractor, and its subcontractors, must will comply with fair chance employment hiring practices set forth in [California Government Code Section 12952](#), Contractor's violation of this paragraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract.

### **8.56 Compliance with the County Policy of Equity**

The contractor acknowledges that the County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity (CPOE) (<https://ceop.lacounty.gov/>). The contractor further acknowledges that the County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. The contractor, its employees and subcontractors acknowledge and certify receipt and understanding of the CPOE. Failure of the contractor, its employees or its subcontractors to uphold the County's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject the contractor to termination of contractual agreements as well as civil liability.

### **8.57 Prohibition from Participation in Future Solicitation(s)**

A Proposer, or a Contractor or its subsidiary or Subcontractor ("Proposer/Contractor"), is prohibited from submitting a bid or proposal in a County solicitation if the Proposer/Contractor has provided advice or consultation for the solicitation. A Proposer/Contractor is also prohibited from submitting a bid or proposal in a County solicitation if the Proposer/Contractor has developed or prepared any of the solicitation materials on behalf of the County. A violation of this provision will result in the disqualification of the Contractor/Proposer from participation in the County solicitation or the termination or cancellation of any resultant County contract.

### **8.58 Injury and Illness Prevention Program**

Contractor will be required to comply with the State of California's Cal OSHA's regulations. California Code of Regulations Title 8 Section 3203 requires all California employers to have a written, effective Injury and Illness Prevention Program (IIPP) that addresses hazards pertaining to the particular workplace covered by the program.

## **9.0 UNIQUE TERMS AND CONDITIONS**

### **9.1 INTENTIONALLY OMITTED**

### **9.3 INTENTIONALLY OMITTED**

### **9.4 INTENTIONALLY OMITTED**

### **9.5 INTENTIONALLY OMITTED**

### **9.6 Local Small Business Enterprise (LSBE) Preference Program**

9.6.1 This Master Agreement is subject to the provisions of the County's ordinance entitled LSBE Preference Program, as codified in [Chapter 2.204 of the Los Angeles County Code](#).

9.6.2 The Contractor must not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a LSBE.

9.6.3 The Contractor must not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or

employee for the purpose of influencing the certification or denial of certification of any entity as a LSBE.

9.6.4 If the Contractor has obtained certification as a LSBE by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Master Agreement to which it would not otherwise have been entitled, will:

1. Pay to the County any difference between the Master Agreement amount and what the County's costs would have been if the Master Agreement had been properly awarded;
2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than ten (10) percent of the amount of the Master Agreement; and
3. Be subject to the provisions of [Chapter 2.202 of the Los Angeles County Code](#) (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties will also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the State and the Department of Consumer and Business Affairs of this information prior to responding to a solicitation or accepting a Master Agreement award.

## **9.7 Social Enterprise (SE) Preference Program**

- 9.7.1 This Master Agreement is subject to the provisions of the County's ordinance entitled SE Preference Program, as codified in [Chapter 2.205 of the Los Angeles County Code](#).
- 9.7.2 Contractor must not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a SE.
- 9.7.3 Contractor must not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or

employee for the purpose of influencing the certification or denial of certification of any entity as a SE.

9.7.4 If Contractor has obtained County certification as a SE by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Master Agreement to which it would not otherwise have been entitled, Contractor will:

1. Pay to the County any difference between the Master Agreement amount and what the County's costs would have been if the Master Agreement had been properly awarded;
2. In addition to the amount described in subdivision (1) above, the Contractor will be assessed a penalty in an amount of not more than ten percent (10%) of the amount of the Master Agreement; and
3. Be subject to the provisions of [Chapter 2.202 of the Los Angeles County Code](#) (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties will also apply to any entity that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the Department of Consumer and Business Affairs of this information prior to responding to a solicitation or accepting a Master Agreement award.

## **9.8 Disabled Veteran Business Enterprise (DVBE) Preference Program**

9.8.1 This Master Agreement is subject to the provisions of the County's ordinance entitled DVBE Preference Program, as codified in [Chapter 2.211 of the Los Angeles County Code](#).

9.8.2 Contractor must not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a DVBE.

9.8.3 Contractor must not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit,

report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a DVBE.

9.8.4 If Contractor has obtained certification as a DVBE by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Master Agreement to which it would not otherwise have been entitled, Contractor will:

1. Pay to the County any difference between the Master Agreement amount and what the County's costs would have been if the Master Agreement had been properly awarded;
2. In addition to the amount described in subdivision (1) above, the Contractor will be assessed a penalty in an amount of not more than 10 percent of the amount of the Master Agreement; and
3. Be subject to the provisions of [Chapter 2.202 of the Los Angeles County Code](#) (Determinations of Contractor Non-responsibility and Contractor Debarment).

Notwithstanding any other remedies in this Master Agreement, the above penalties will also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the State and the Department of Consumer and Business Affairs of this information prior to responding to a solicitation or accepting a Master Agreement award.

## 10. Survival

In addition to any terms and conditions of this Agreement that expressly survive expiration or termination of this Agreement by their terms, the following provisions must survive the expiration or termination of this Agreement for any reason:

Paragraph 1 (Applicable Documents)

Paragraph 2 (Definitions)

Paragraph 3 (Work)

Paragraph 5.4 (No Payment for Services Provided Following



Expiration/Termination of Agreement)  
Paragraph 7.6 (Confidentiality)  
Paragraph 8.1 (Amendments)  
Paragraph 8.2 (Assignment and Delegation/Mergers or Acquisitions)  
Paragraph 8.52 (Time off for Voting  
Paragraph 8.18 (Fair Labor Standards)  
Paragraph 8.19 (Force Majeure)  
Paragraph 8.20 (Governing Law, Jurisdiction, and Venue)  
Paragraph 8.22 (Intentionally Omitted)  
Paragraph 8.23 (Intentionally Omitted)  
Paragraph 8.24 (Intentionally Omitted)  
Paragraph 8.25 (Liquidated Damages)  
Paragraph 8.33 (Notices)  
Paragraph 8.37 (Record Retention and Inspection/Audit Settlement)  
Paragraph 8.41 (Termination for Convenience)  
Paragraph 8.42 (Termination for Default)  
Paragraph 8.47 (Validity)  
Paragraph 8.48 (Waiver)  
Paragraph 8.57 (Prohibition from Participation in Future Solicitation(s))  
Paragraph 10 (Survival)

**AUTHORIZATION OF MASTER AGREEMENT FOR  
AS-NEEDED EMPLOYEE RELATIONS HEARING OFFICER SERVICES**

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Master Agreement to be executed by the Executive Officer of the Board of the Supervisors or designee and approved by County Counsel, and Contractor has caused this Master Agreement to be executed in its behalf by its duly authorized officer, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Executive Officer  
Board of Supervisors

By \_\_\_\_\_  
Contractor

Signed: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
DAWYN R. HARRISON  
County Counsel

By \_\_\_\_\_  
Deputy County Counsel

**MASTER AGREEMENT FOR  
AS-NEEDED EMPLOYEE RELATIONS COMMISSION HEARING OFFICER SERVICES**

**TABLE OF CONTENTS OF EXHIBITS**

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- A COUNTY'S ADMINISTRATION
- B CONTRACTOR'S ADMINISTRATION
- C SAFELY SURRENDERED BABY LAW
- D INTENTIONALLY OMITTED
- D1 INTENTIONALLY OMITTED
- D2 INTENTIONALLY OMITTED
- K STATEMENT OF WORK - NOT ATTACHED TO EXHIBITS
- L PRICING SCHEDULE - NOT ATTACHED TO EXHIBITS

**FORMS REQUIRED AT THE TIME OF MASTER AGREEMENT EXECUTION  
CERTIFICATIONS**

- E1 CERTIFICATION OF EMPLOYEE STATUS
- E2 CERTIFICATION OF NO CONFLICT OF INTEREST

**NON-IT MASTER AGREEMENTS**

- E3 CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT  
OR
- E4 INTENTIONALLY OMITTED
- E5 INTENTIONALLY OMITTED  
OR

**IT-MASTER AGREEMENTS**

- E3-IT INTENTIONALLY OMITTED  
OR
- E4-IT INTENTIONALLY OMITTED
- E5-IT INTENTIONALLY OMITTED

**UNIQUE EXHIBITS**

**MASTER AGREEMENT FOR  
AS-NEEDED EMPLOYEE RELATIONS COMMISSION HEARING OFFICER SERVICES**

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F1	INTENTIONALLY OMITTED
F2	INTENTIONALLY OMITTED
F3	INTENTIONALLY OMITTED
G	INTENTIONALLY OMITTED
H	INTENTIONALLY OMITTED
I	INTENTIONALLY OMITTED
J	INTENTIONALLY OMITTED

**COUNTY'S ADMINISTRATION**

MASTER AGREEMENT NO. \_\_\_\_\_

**COUNTY'S MASTER AGREEMENT PROJECT DIRECTOR (MAPD):**

Name: Jeri Weinstein  
Title: Executive Director, Employee Relations Commission  
Address: Kenneth Hahn Hall of Administration 500 West Temple Street, Room 374  
Los Angeles, CA 90012  
Telephone: 213-974-8969  
Facsimile: N/A  
E-mail Address: [jweinstein@bos.lacounty.gov](mailto:jweinstein@bos.lacounty.gov)

**COUNTY'S PROJECT DIRECTOR:**

Name: Jeri Weinstein  
Title: Executive Director, Employee Relations Commission  
Address: Kenneth Hahn Hall of Administration 500 West Temple Street, Room 374  
Los Angeles, CA 90012  
Telephone: 213-974-8969  
Facsimile: N/A  
E-mail Address: [jweinstein@bos.lacounty.gov](mailto:jweinstein@bos.lacounty.gov)

# CONTRACTOR'S ADMINISTRATION

\_\_\_\_\_  
CONTRACTOR'S NAME

MASTER AGREEMENT NO. \_\_\_\_\_

WORK ORDER NO. \_\_\_\_\_

**CONTRACTOR'S PROJECT DIRECTOR:**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

**CONTRACTOR'S AUTHORIZED OFFICIAL(S):**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

**NOTICES TO CONTRACTOR:**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

# THERE'S A BETTER CHOICE. SAFELY SURRENDER YOUR BABY.

Any fire station. Any hospital. Any time.



1.877.222.9723

BabySafeLA.org

No shame | No blame | No names



Some parents of newborns can find themselves in difficult circumstances. Sadly, babies are sometimes harmed or abandoned by parents who feel that they're not ready or able to raise a child. Many of these mothers or fathers are afraid and don't know where to turn for help.

This is why California has a Safely Surrendered Baby Law, which gives parents the choice to legally leave their baby at any hospital or fire station in Los Angeles County.

### FIVE THINGS YOU NEED TO KNOW ABOUT BABY SAFE SURRENDER

- 1 Your newborn can be surrendered at any hospital or fire station in Los Angeles County up to 72 hours after birth.
- 2 You must leave your newborn with a fire station or hospital employee.
- 3 You don't have to provide your name.
- 4 You will only be asked to voluntarily provide a medical history.
- 5 You have 14 days to change your mind; a matching bracelet (parent) and anklet (baby) are provided to assist you if you change your mind.

No shame | No blame | No names



### ABOUT THE BABY SAFE SURRENDER PROGRAM

In 2002, a task force was created under the guidance of the Children's Planning Council to address newborn abandonment and to develop a strategic plan to prevent this tragedy.

Los Angeles County has worked hard to ensure that the Safely Surrendered Baby Law prevents babies from being abandoned. We're happy to report that this law is doing exactly what it was designed to do: save the lives of innocent babies. Visit [BabySafeLA.org](http://BabySafeLA.org) to learn more.

No shame | No blame | No names

ANY FIRE STATION.  
ANY HOSPITAL.  
ANY TIME.

1.877.222.9723  
[BabySafeLA.org](http://BabySafeLA.org)

THERE'S A  
BETTER CHOICE.  
SAFELY SURRENDER  
YOUR BABY.



BabySafeLA.org

No shame | No blame | No names







## FROM SURRENDER TO ADOPTION: ONE BABY'S STORY

Los Angeles County firefighter Ted and his wife Becki were already parents to two boys. But when they got the call asking if they would be willing to care for a premature baby girl who'd been safely surrendered at a local hospital, they didn't hesitate.

Baby Jenna was tiny, but Ted and Becki felt lucky to be able to take her home. "We had always wanted to adopt," Ted says, "but taking

home a vulnerable safely surrendered baby was even better. She had no one, but now she had us. And, more importantly, we had her."

Baby Jenna has filled the longing Ted and Becki had for a daughter—and a sister for their boys. Because her birth parent safely surrendered her when she was born, Jenna is a thriving young girl growing up in a stable and loving family.

## ANSWERS TO YOUR QUESTIONS

### Who is legally allowed to surrender the baby?

Anyone with lawful custody can drop off a newborn within the first 72 hours of birth.

### Do you need to call ahead before surrendering a baby?

No. A newborn can be surrendered anytime, 24 hours a day, 7 days a week, as long as the parent or guardian surrenders the child to an employee of the hospital or fire station.

### What information needs to be provided?

The surrendering adult will be asked to fill out a medical history form, which is useful in caring for the child. The form can be returned later and includes a stamped return envelope. No names are required.

### What happens to the baby?

After a complete medical exam, the baby will be released and placed in a safe and loving home, and the adoption process will begin.

### What happens to the parent or surrendering adult?

Nothing. They may leave at any time after surrendering the baby.

### How can a parent get a baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days by calling the Los Angeles County Department of Children and Family Services at (800) 540-4000.

### If you're unsure of what to do:

You can call the hotline 24 hours a day, 7 days a week and anonymously speak with a counselor about your options or have your questions answered.

**1.877.222.9723 or BabySafeLA.org**

English, Spanish and 140 other languages spoken.

## **FORMS REQUIRED FOR EACH WORK ORDER BEFORE WORK BEGINS**

### **CERTIFICATIONS**

*This certification is to be executed and returned to County with Contractor's executed Work Order. Work cannot begin on the Work Order until County receives this executed document.*

- E1 CERTIFICATION OF EMPLOYEE STATUS
- E2 CERTIFICATION OF NO CONFLICT OF INTEREST

### **NON-IT MASTER AGREEMENTS**

*A determination must be made whether the Contractor will complete a Confidentiality Agreement on behalf of its employees or whether the Contractor's employees and non-employees will complete the Confidentiality Agreements individually.*

- E3 CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT
- OR**
- E4 INTENTIONALLY OMITTED
- E5 INTENTIONALLY OMITTED
- OR**

### **IT MASTER AGREEMENTS**

*A Master Agreement involving Information Technology (IT) services includes Copyright Assignment language whereas a non-IT Master Agreement omits the Copyright Assignment language.*

- E3-IT INTENTIONALLY OMITTED
- OR**
- E4-IT INTENTIONALLY OMITTED
- E5-IT INTENTIONALLY OMITTED

**AS-NEEDED EMPLOYEE RELATIONS COMMISSION HEARING OFFICER SERVICES  
MASTER AGREEMENT WORK ORDER**

**CERTIFICATION OF EMPLOYEE STATUS**

\_\_\_\_\_  
Contractor Name

Master Agreement No.: \_\_\_\_\_

I CERTIFY THAT: (1) I am an Authorized Official of Contractor; (2) the individual(s) named below is(are) this organization's employee(s); (3) applicable state and federal income tax, FICA, unemployment insurance premiums, and workers' compensation insurance premiums, in the correct amounts required by state and federal law, will be withheld as appropriate, and paid by Contractor for the individual(s) named below for the entire time period covered by the attached Work Order.

EMPLOYEES

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_
- 4. \_\_\_\_\_

I declare under penalty of perjury that the foregoing is true and correct.

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Printed Name of Authorized Official

\_\_\_\_\_  
Title of Authorized Official

\_\_\_\_\_  
Date

**AS-NEEDED EMPLOYEE RELATIONS COMMISSION HEARING OFFICER SERVICES  
MASTER AGREEMENT WORK ORDER**

**CERTIFICATION OF NO CONFLICT OF INTEREST**

\_\_\_\_\_  
Contractor Name

Master Agreement No.: \_\_\_\_\_

Los Angeles County Code Section 2.180.010.A provides as follows:

**“Certain contracts prohibited.**

- A. Notwithstanding any other section of this code, the county will not contract with, and will reject any bid or proposal submitted by, the persons or entities specified below, unless the board of supervisors finds that special circumstances exist which justify the approval of such contract:
  - 1. Employees of the county or of public agencies for which the board of supervisors is the governing body;
  - 2. Profit-making firms or businesses in which employees described in subdivision 1 of subsection A serve as officers, principals, partners, or major shareholders;
  - 3. Persons who, within the immediately preceding 12 months, came within the provisions of subdivision 1 of subsection A, and who:
    - a. Were employed in positions of substantial responsibility in the area of service to be performed by the contract; or
    - b. Participated in any way in developing the contract or its service specifications; and
  - 4. Profit-making firms or businesses in which the former employees, described in subdivision 3 of subsection A, serve as officers, principals, partners, or major shareholders.”

Contractor hereby declares and certifies that no Contractor Personnel, nor any other person acting on Contractor’s behalf, who prepared and/or participated in the preparation of the bid or proposal submitted for the Work Order specified above, is within the purview of County Code Section 2.180.010.A, above.

I declare under penalty of perjury that the foregoing is true and correct.

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Printed Name of Authorized Official

\_\_\_\_\_  
Title of Authorized Official

\_\_\_\_\_  
Date

**CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT**

Contractor Name: \_\_\_\_\_

County Master Agreement No.: \_\_\_\_\_

**GENERAL INFORMATION:**

The Contractor referenced above has entered into a Master Agreement with the County of Los Angeles to provide certain services to the County. The County requires the Corporation to sign this Contractor Acknowledgement and Confidentiality Agreement.

**CONTRACTOR ACKNOWLEDGEMENT:**

Contractor understands and agrees that the Contractor employees, consultants, Outsourced Vendors and independent contractors (Contractor's Staff) that will provide services in the above referenced agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced Master Agreement.

Contractor understands and agrees that Contractor's Staff are not employees of the County of Los Angeles for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced Master Agreement. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

**CONFIDENTIALITY AGREEMENT:**

Contractor and Contractor's Staff may be involved with work pertaining to services provided by the County of Los Angeles and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor and Contractor's Staff understand that if they are involved in County work, the County must ensure that Contractor and Contractor's Staff, will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by Contractor's Staff for the County.

Contractor and Contractor's Staff hereby agrees that they will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced Master Agreement between Contractor and the County of Los Angeles. Contractor and Contractor's Staff agree to forward all requests for the release of any data or information received to County's Project Manager.

Contractor and Contractor's Staff agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to Contractor and Contractor's Staff under the above-referenced Master Agreement. Contractor and Contractor's Staff agree to protect these confidential materials against disclosure to other than Contractor or County employees who have a need to know the information. Contractor and Contractor's Staff agree that if proprietary information supplied by other County vendors is provided to me during this employment, Contractor and Contractor's Staff must keep such information confidential.

Contractor and Contractor's Staff agree to report any and all violations of this agreement by Contractor and Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor and Contractor's Staff acknowledge that violation of this agreement may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

PRINTED NAME: \_\_\_\_\_

POSITION: \_\_\_\_\_

**EXHIBIT K**

**STATEMENT OF WORK**

***NOT ATTACHED TO EXHIBITS***

**EXHIBIT L**

**PRICING SCHEDULE**

***NOT ATTACHED TO EXHIBITS***

# EXHIBIT K

## STATEMENT OF WORK

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## **STATEMENT OF WORK (SOW)**

### **1.0 SCOPE OF WORK**

The County of Los Angeles, Executive Office of the Board of Supervisors (Department) is seeking qualified contractors to enter into Master Agreements with the County to provide Hearing Officer Services for the Employee Relations Commission (ERCOM or Commission). Under this Master Agreement a Hearing Officer presides over Administrative Hearings to determine whether certified issues have been proved. The Hearing Officer rules on the admissibility of evidence, determines the credibility of witnesses, weighs facts presented, applies legal principles, complies with the County of Los Angeles (County) Employee Relations Ordinance and ERCOM Rules and Regulations, complies with the time frames set forth therein and prepares timely advisory reports with recommended findings of fact and conclusions of law for consideration by ERCOM.

### **2.0 QUALITY ASSURANCE PLAN**

The County will evaluate the Contractor's performance under this Master Agreement using the quality assurance procedures as defined in this Master Agreement, Paragraph 8, Standard Terms and Conditions, Sub-paragraph 8.14, County's Quality Assurance Plan.

#### **2.1 Contract Discrepancy Report**

Verbal notification of a Contract discrepancy will be made to the Contract Project Monitor as soon as possible whenever a Contract discrepancy is identified. The problem shall be resolved within a time period mutually agreed upon by the County and the Contractor.

#### **2.3 County Observations**

In addition to departmental contracting staff, other County personnel may review documents relevant to this Contract at any time during normal business hours once the commission has taken action on the final report.

### **3.0 INTENTIONALLY OMITTED**

### **4.0 SPECIFIC WORK & COMPENSATION**

#### **4.1 HEARING OFFICERS**

4.1.1 Contractor shall act as a Hearing Officer for the Employee Relations Commission in connection with the Hearings on the investigation and resolution of charges of unfair employee relations practices and any other matters within the jurisdiction of the Employee Relations Commission as set forth in this SOW (Hearings). The County may select one or more such

Contractors to perform As-Needed Hearing Officer services by using a pre-determined set of evaluation criteria including but not limited to the availability of the contractor, complexity of the facts and legal issues involved, prior specialized experience, and the needs of the County. Assignments to a Hearing Officer are determined by the County.

- 4.1.2 Said services shall be performed as provided in this SOW and in accordance with any and all applicable provisions of law, including but not limited to, the County Charter, County Code, County Policy, Employee Relations Ordinance, Civil Service Rules, Procedural Rules of ERCOM, and any and all specific requirements or directives imposed by the Commission. Commission requirements or directives for each assignment may include, but are not limited to, completion within a prescribed period of time, restrictions or limitations on the scope, and limitations on the maximum compensable time (Maximum Compensable Time). Services requiring additional time beyond the Maximum Compensable Time require advance ERCOM Executive Director approval.
- 4.1.3 The Contractor shall conduct Hearings and pre-Hearing conferences as assigned by ERCOM and in accordance with the terms of this SOW. At the time of assignment of a Charge, as defined in the Employee Relations Ordinance, Section 5.04.240, to the Contractor, the Commission shall establish the issues to be submitted for determination and recommendation by the Contractor. The Contractor shall render services only in regard to those specified issues and shall not be entitled to any compensation for any services rendered outside the scope of his or her assignment as defined by the Commission.
- 4.1.4 Should Contractor need to continue a Hearing, Contractor shall set dates within 30 Days of the original date of the commenced Hearing. Contractor shall apprise Executive Director of deviation from this policy.
- 4.1.5 Contractor shall have no more than three (3) personal cancellations within one (1) year without good cause. If Contractor cancels a Hearing no compensation shall be awarded. Good cause shall be determined by the Executive Director.

## **4.2 COMPENSATION**

- 4.2.1 Compensation shall be in accordance with Exhibit G Pricing Schedule.

## **4.3 REPORTS**

- 4.3.1 Reports shall be submitted no more than 30 Days from the day the Hearing concludes or closing briefs are submitted whichever is later. Unless otherwise provided by this SOW, said written report shall be submitted to

ERCOM within thirty (30) Days after the completion of the Hearing ("Maximum Write-Up Period").

- 4.3.2 Hearing Officers' written report shall include, at a minimum, sections that address the following: introduction, issue, positions of the parties, discussion and analysis of the evidence presented, proposed finding of fact, proposed conclusions of law, and an overall recommendation. If a posting is ordered, the Hearing Officer shall designate the length of time the posting shall be displayed.
- 4.3.3 For appeals requiring Hearings in excess of seven (7) days, the Contractor may request additional time to the Maximum Allowable Write-Up period and shall submit a written request and justification to the ERCOM Executive Director for approval of additional hours. The Executive Director may grant or deny said request, in whole or in part, in his or her sole discretion and may request additional information before approving or denying said request. The Contractor shall be compensated for preparation of reports only to the extent of the additional time expressly approved by the Executive Director. For Hearings requiring additional time to complete a report beyond the Maximum Allowable Write-up Period of thirty (30) Days, as stated in Sub-section 4.3.1 of the SOW, the Contractor shall notify the Executive Director of ERCOM of the circumstances and obtain prior approval of additional time needed.

## **5.0 PERFORMANCE REQUIREMENTS SUMMARY**

A Performance Requirements Summary (PRS) chart, Attachment 1 of Exhibit F1, listing required services that will be monitored by the Commission during the term of this Contract is an important monitoring tool for the County.

All listings of services used in the PRS are intended to be completely consistent with the Contract and the SOW, and are not meant in any case to create, extend, revise, or expand any obligation of Contractor beyond that defined in the Contract and the SOW. In any case of apparent inconsistency between services as stated in the Contract and the SOW and this PRS, the meaning apparent in the Contract and the SOW will prevail. If any service seems to be created in this PRS which is not clearly and forthrightly set forth in the Contract and the SOW, that apparent service will be null and void and place no requirement on Contractor.

# EXHIBIT K-1

## STATEMENT OF WORK ATTACHMENTS

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<u>Attachments</u>	<u>Page</u>
1 PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART .....	1

## PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Exhibit F – Statement of Work (4.1.4)	Should contractor need to continue a Hearing, Contractor shall set dates within 30 Days of the original date of the commenced Hearing. Contractor shall apprise Executive Director of deviation from this policy.	Inspection of case file(s)	Failure to set continuance within prescribed time period, without notification to Executive Director may result in termination of the contract.
Exhibit F – Statement of Work (4.1.5)	Contractor shall have no more than three (3) personal cancellations within one year without good cause. If Contractor cancels a Hearing no compensation shall be awarded.	Documentation	More than three (3) personal cancellations, within one year, without good cause may result in termination of the contract.
Exhibit F – Statement of Work (4.3.1)	Contractor shall submit a written report no more than thirty (30) Days from the day the Hearing concludes or closing briefs are submitted, whichever is later. Contractor shall apprise Executive Director of deviation from this policy.	Documentation	Failure to submit the report within the prescribed time period, without notification to Executive Director, may result in termination of the contract.
Exhibit F – Statement of Work (4.3.2)	The Contractor's report shall be in compliance with the approved format which includes at minimum sections that address the following: positions of the parties, discussion and analysis of the evidence presented, proposed findings of fact, proposed conclusions of law, and an overall recommendation.	Inspection of case file(s)	More than two (2) remands by the Commission may result in termination of the contract

# EXHIBIT L

## PRICING SCHEDULE

### 1. Compensation

- 1.1 Compensation to the Contractor for Hearing Officer Services rendered for ERCOM pursuant to this Master Agreement shall be \$1,800 per day or \$900 for a half-day of Hearing or report completion. A half-day is described as three (3) hours or less.
- 1.2 Contractor shall only be entitled to compensation for days when Hearings took place. Notwithstanding sub-section 3.1 Cancellation below, Contractor shall not be compensated for any prescheduled days if the Hearing does not take place or when a Hearing takes less time than anticipated.
- 1.3 Contractor shall not be entitled to compensation beyond the Maximum Compensable Time of each assignment as determined by the Commission in accordance with Exhibit F, SOW subsection 4.1.2. Any costs incurred to complete an assignment beyond the Maximum Compensable Time shall be borne by the Contractor.

### 2. Preparation

- 2.1 The ERCOM Executive Director, in his or her sole discretion, may authorize that the Contractor receive compensation for time spent in preparation for a Hearing when the Contractor 1) must review specialized material of a technical, scientific or legal nature; 2) is asked to act as a substitute Hearing Officer in an undecided Appeal; or 3) is assigned an Appeal that has been remanded for rehearing by a court of competent jurisdiction for which the Contractor is required to review the record of the prior Hearing. Said authorization must be in writing and approved by the ERCOM Executive Director. The Contractor must be available to commence the Hearing within 45 Days upon receiving notice of a case assignment.

### 3. Cancellation

- 3.1 If a scheduled date for a virtual or in-person Hearing assigned to the Contractor is cancelled within ten (10) Days notice or less, through no fault of the Contractor, and in accordance with the three circumstances listed below, the Contractor shall be compensated for one full-day of service at a rate of \$1,800 per full day. The Contractor shall

be compensated only for one day regardless of how many days the Hearing may have been pre-scheduled. In addition to the above, the Contractor may only be entitled to payment for a cancelled Hearing for the following circumstances: 1) the matter is settled, 2) counsel or representative for a party is not prepared to proceed and requests a continuance, or 3) the Charging Party withdraws the charge. The Contractor shall not be entitled to any payment if a Hearing is cancelled due to medical issues of the parties, representatives, or the Hearing Officer, a Hearing takes less time than anticipated, or any other emergency...

**AS-NEEDED EMPLOYEE RELATIONS COMMISSION HEARING OFFICER  
SAMPLE INVOICES**

**Invoice: #1** \_\_\_\_\_

**Matter:** \_\_\_\_\_

**Parties:** \_\_\_\_\_

**Hearing Officer Information**

(Contractor Name)  
(Contractor Address)  
(Contractor Phone)  
Contract # XXXXX

ACTIVITY	DATE(S)	FULL DAY/ HALF DAY \$1500/ \$750	AMOUNT
1 <sup>st</sup> day of Hearing Conducted Conference Call for motions, administrative processes, and exchange of discovery, etc.	01/01/20XX	Half Day	\$ 900.00
Conducted 2 <sup>nd</sup> Day of Hearing  In – person Hearing	03/12/20XX	Full Day	\$1,800.00
Conducted 3 <sup>rd</sup> Day of Hearing  In Person Hearing and Closing Arguments	3/13/20XX	Full Day	\$1,800.00
Completed Review of evidence and statements, Hearing Officer Report and Recommendations	4/1/20XX	Full Day	\$1,800.00
	4/2/20XX	Full Day	\$1,800.00
	4/3/20XX	Full Day	\$1,800.00
	4/4/20XX	Half Day	\$ 900.00
<b>Total Fees</b>			<b>\$10,800.00</b>



Invoice: #2 \_\_\_\_\_

Matter: \_\_\_\_\_

Parties: \_\_\_\_\_

**Hearing Officer Information**

(Contractor Name)  
(Contractor Address)  
(Contractor Phone)  
Contract # XXXXX

<b>ACTIVITY</b>	<b>DATE(S)</b>	<b>FULL DAY/ HALF DAY \$1500/ \$750</b>	<b>AMOUNT</b>
Case remanded back for Supplemental Report by Commission. Completed supplemental report and submitted to Executive Director.	7/7/20XX 7/9/20XX	Full Day Half Day	\$1,800.00 \$ 900.00
Total			\$2,700.00

Invoice: #3 \_\_\_\_\_

Matter: \_\_\_\_\_

Parties: \_\_\_\_\_

**Hearing Officer Information**

(Contractor Name)  
(Contractor Address)  
(Contractor Phone)  
Contract # XXXXX

<b>ACTIVITY</b>	<b>DATE(S)</b>	<b>FULL DAY/ HALF DAY \$1500/ \$750</b>	<b>AMOUNT</b>
<u>Cancellation</u> : Case cancelled within 10 days of Hearing date. Parties settled the case.	01/01/20XX	Full Day	\$1,800.00
Total			\$1,800.00

**BOARD LETTER/MEMO  
CLUSTER FACT SHEET**

Board Letter

Board Memo

Other

<b>CLUSTER AGENDA REVIEW DATE</b>	6/26/2024	
<b>BOARD MEETING DATE</b>	7/23/2024	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input checked="" type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>	
<b>DEPARTMENT(S)</b>	Public Social Services	
<b>SUBJECT</b>	9-year lease for 68,840 square feet of office space and 275 on-site parking spaces at 12440 Imperial Highway, Norwalk	
<b>PROGRAM</b>	Norwalk District 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>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable	
<b>DEADLINES/ TIME CONSTRAINTS</b>		
<b>COST &amp; FUNDING</b>	Total cost: \$22,460,000	Funding source: The rental costs will be funded by 80.11 State and Federal funds and 19.89 by net County cost (NCC) that is already included in DPSS' existing budget.
	<b>TERMS (if applicable):</b> The proposed lease will have an annual cost of \$9,035,000 for the first year, where the landlord will be responsible for all operating expenses, janitorial, repair and maintenance to the building. The County will be responsible for electric costs within the Premises. First year costs include lump sum payments for TIs and Low Voltage Items. In addition to below market rental rate, the County will have rent abated in month one and receive a monthly rent credit of \$12,951.80 in months 2-96.	
	<b>Explanation:</b> Sufficient funding to cover the proposed rent for the first year of the proposed lease term is included in the Fiscal Year (FY) 2024-25 Rent Expense budget and will be billed back to DPSS. DPSS has sufficient funding in its FY 2024-25 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 the annual budget process for DPSS.	
<b>PURPOSE OF REQUEST</b>	Approval of the recommended actions will authorize and provide use of office space for DPSS.	
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	The proposed 9-year lease is for occupancy at the subject property for approximately 68,840 square feet of office space and 275 on-site parking spaces which will enable the Department to use the space for its Norwalk District Office. Due to service requirements, this program was not suitable to move into the proposed new Rancho Los Amigos building.	
<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"*

July 23, 2024

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

Dear Supervisors:

**NINE-YEAR LEASE  
DEPARTMENT OF PUBLIC SOCIAL SERVICES  
12440 IMPERIAL HIGHWAY, NORWALK  
(FOURTH DISTRICT) (3 VOTES)**

**SUBJECT**

Approval of a proposed new nine-year lease for 68,840 square feet of office space, and 275 on-site parking spaces for the Department of Public Social Services (DPSS) Norwalk District Office.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed lease is exempt from the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed lease with Sonnenblick Del Rio Norwalk LLC, a Delaware limited liability company (Landlord), for approximately 68,840 square feet of office space, and 275 on-site parking spaces located at 12440 Imperial Highway, Suite 115 and 300, Norwalk (Premises) to be occupied by DPSS. The estimated maximum first year base rental cost is \$1,529,000, but with a one-month rent abatement of \$127,354 and an additional rent credit of \$142,470, will be approximately \$1,259,000. The estimated total proposed lease cost, including costs for parking, tenant improvements (TI) and Low Voltage Items, as defined below, is \$22,460,000 over the nine-year term. The rental costs will be funded by 80.11 percent State and Federal funds and 19.89 percent net County cost that is already included in DPSS' existing budget.

3. Authorize the Chief Executive Officer, or her designee, to reimburse the Landlord up to \$2,410,000 for the County's TI contribution, to be paid in a lump sum.
4. Authorize the Director of DPSS, or her designee, to contract with and direct the Internal Services Department, in coordination with the Chief Executive Officer, or her designee, for the acquisition and installation of telephone, data, and low-voltage systems and vendor installation (Low-Voltage Items) at a total cost not to exceed \$5,367,000 paid in a lump sum. The cost for the Low-Voltage Items is in addition to the rental costs and the County's TI contribution payable to the Landlord.
5. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the terms of the proposed lease, and to take actions necessary and appropriate to implement the proposed lease, including, without limitation, and exercising any early termination rights.

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

The proposed lease will serve as a replacement for DPSS' Norwalk District office which is currently located at 12727 Norwalk Boulevard. The current lease expired on June 30, 2020, and has been in holdover with no additional holdover fee. The current site is no longer suitable for DPSS due to ongoing maintenance issues.

The Norwalk District office provides direct services to the communities in the Southeast region of the County. Programs administered at the site include California Work Opportunity and Responsibility to Kids, CalFresh, Medi-Cal, and Greater Avenues for Independence. California Work Opportunity and Responsibility to Kids, implements financial assistance to eligible families with children to assist in paying for housing, food, utilities, clothing, medical care, and other necessary expenses. CalFresh furnishes food benefits to low-income individuals and families and provides economic benefits to communities. Medi-Cal offers State and Federal funded health care services to low-income individuals and families. Greater Avenues for Independence provides employment related services such as vocational assessment, education, and job training. The proposed facility will also house the California Statewide Automated Welfare System Support and Business Intelligence Division and the General Services Division, which provides support to DPSS' eligibility systems, facility and space planning services. These two divisions will consolidate employees who are currently spread out and work at the following locations: 12860 Crossroads Parkway South, City of Industry; 14714 Carmenita Road, Norwalk; and 12440 Imperial Highway, 6<sup>th</sup> Floor, Norwalk. The space vacated at these two existing sites will then be made available for DPSS to use to continue to offer programs in the area.

The Norwalk District office will house 426 employees which includes seven co-located employees and four security guards. There are approximately 1,000 clients who visit the

site each day to receive services and apply for benefits.

While there is a small percentage of DPSS employees who telework, the Norwalk District office requires sufficient onsite coverage to ensure uninterrupted public service delivery. Specifically, the Greater Avenues for Independence program provides onsite training and education opportunities for constituents. Additionally, the Norwalk District processes Electronic Benefit Issuance cards onsite for the most vulnerable population who would be otherwise burdened by having to wait for mail delivery, or do not have a permanent household. Many constituents do not have the resources available to conduct business remotely. Supervisors and management must be onsite daily to ensure timely resolution of applications and inquiries.

DPSS selected the subject property due to an ongoing need for services in the Southeast area of the County. DPSS toured eight properties within a ten-mile radius of the subject property and considered the proposed new County-owned Rancho Los Amigos project and identified the proposed site as an appropriate location to provide public services. Additionally, the space is already built-out with minimal need for improvements, thereby resulting in a significant savings for DPSS. The site is easily accessible and adequately served by public transportation routes, including the Norwalk Metrolink station.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan North Star 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 – Strengthen connection between service priorities and asset decisions, and Key Objective No. 4 – Guide Strategic Decision-Making.

The proposed lease supports the above goals and objective by providing DPSS with suitable office space for employees and clients in a facility that is located within their service area.

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

## **FISCAL IMPACT/FINANCING**

The estimated maximum first year base rental cost is \$1,529,000, which includes parking at no additional cost for the first year of the proposed lease term. The aggregate cost associated with the proposed lease over the entire term, including rent abatement, rent credit, and costs for parking, TIs, and Low-Voltage Items is \$22,460,000 as shown in Enclosure B. The County is also responsible for the cost of electricity. The proposed lease costs will be funded by 80.11 percent State and Federal funds and 19.89 percent by net County cost that is already included in DPSS' Fiscal Year 2024-25 budget.

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

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

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

- The annual rental rate will be \$22.20 per square foot, per year and is subject to fixed annual increases of 3 percent.
- Total TI costs are expected to be \$2,478,240. As the proposed Premises are in move-in condition, the Landlord will provide \$68,840 (\$1.00 per square foot) base TI allowance.
- The County will reimburse the Landlord up to \$2,409,400 (\$35 per square foot) as the County's lump sum TI contribution.
- The County will pay \$5,367,000 for the lump sum cost of the Low-Voltage Items.
- The Landlord is responsible for all operating and maintenance costs of the building and the County is responsible for the electric costs within the proposed Premises.
- Parking is included at no additional cost for the first year of the lease term. For years two through nine of the lease term, the annual parking rate will be \$240 per parking space.
- The Landlord will provide an additional ten visitor parking spaces at no cost to the County throughout the term.

- The County may request supplemental parking, if available, at an annual rate of \$480 per reserved parking space and \$240 per unreserved parking space, subject to 5 percent increases every five years.
- The Landlord will provide one month of rent abatement during the first month of the lease term.
- The Landlord will provide a monthly rent credit of \$12,951.80 per month, for months two through 96 of the lease term.
- The County has the right to terminate the proposed lease any time after 96 months, with 180 days' written notice to the Landlord subject to a termination fee not to exceed \$7,650.
- Holdover at the proposed lease expiration is permitted on the same proposed lease terms and conditions with no holdover fee for the first six months following the lease expiration. Thereafter, the base rent will increase by 25 percent of the expiring base rent. If the County elects to renew the lease during the holdover period, the Landlord shall reimburse the County for any holdover premium paid as a credit toward rent next due.
- The proposed lease will be effective upon approval by the Board and full execution of the proposed lease, but the term and rent will commence upon completion of the TIs by the Landlord and acceptance of the Premises by the County.
- The County shall have the Right of First Offer to lease additional space on any contiguous space that becomes available in the building.

The Chief Executive Office (CEO) issued a flyer soliciting proposals for available space from landlords, brokers, and other owner representatives, for this space need, through the Board's Executive Office website and Real Estate's County website. The proposed property was found via the solicitation flyer. Additionally, the CEO conducted a market search of available office space for lease but was unable to identify any sites that could accommodate this requirement more economically. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$23.40 and \$27 per square foot, per year. The base annual rental rate of \$22.20 per square foot, per year for the proposed lease represents a rate that is below the market range for the area. We were unable to identify any sites that could accommodate this requirement more economically. We recommend the proposed Premises as the most suitable to meet the County's space requirements.

Due to the high volume of clients who visit the facility each day, co-working office space is not suitable for this requirement.



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

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

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

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

### **ENVIRONMENTAL DOCUMENTATION**

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

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

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

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

The Honorable Board of Supervisors  
July 23, 2024  
Page 7

Respectfully submitted,

FESIA A. DAVENPORT  
Chief Executive Officer

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

Enclosures

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

**DEPARTMENT OF PUBLIC SOCIAL SERVICES  
12440 IMPERIAL HIGHWAY, NORWALK, 90650**

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

1. <u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? <sup>2</sup>	X		
B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>	X		
C	Does this lease centralize business support functions? <sup>2</sup>	X		
D	Does this lease meet the guideline of 200 sq. ft of space per person? <b>162 sq. ft per person due to consolidation of multiple DPSS programs at proposed facility.</b>		X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline?	X		
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? <sup>2</sup>	X		
2. <u>Capital</u>				
A	Is it a substantial net County cost (NCC) program?		X	
B	Is this a long-term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report enclosed as Enclosure C?	X		
G	Was build-to-suit or capital project considered? <sup>2</sup>		X	
3. <u>Portfolio Management</u>				
A	Did department use CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?			X
D	Why was this program not co-located?			
	1. ____ The program clientele requires a "stand alone" facility.			
	2. <u> X </u> No suitable County occupied properties in project area.			
	3. <u> X </u> No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. ____ The Program is being co-located.			
E	Is lease a full-service lease? <sup>2</sup> <b>County is responsible for the electric costs within the Premises.</b>		X	
F	Has growth projection been considered in space request?	X		
G	<sup>1</sup> Has the Dept. of Public Works completed seismic review/approval?	X		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98				
<sup>2</sup> If not, why not?				

ENCLOSURE B

OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS										
12440 Imperial Hwy, Norwalk										
Department of Public Social Services										
<b>Basic Lease Assumptions</b>										
Leased Area (sq. ft.)	68,840									
Term (Months)	108									
Annual Rent	\$22.20									
Annual Rent Adjustment	3.00%									
<b>Parking</b>										
Parking Yr 1	Gratis									
Parking Yrs. 2 - 9 (per space/month)	\$20.00									
# Parking Spaces	275									
<b>Low Voltage Costs</b>										
Low Voltage Costs (Lump Sum)	\$5,367,000									
		<b>Additional TI</b>								
		<b>Base TI Allowance</b>	<b>Allowance Lump Sum</b>							
<b>Tenant Improvement Costs</b>	\$68,840	\$2,409,400								
	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>	\$1,528,248	\$1,574,095	\$1,621,318	\$1,669,958	\$1,720,057	\$1,771,658	\$1,824,808	\$1,879,552	\$1,935,939	<b>\$15,526,000</b>
Rent Abatement <sup>2</sup>	(\$127,354)									<b>(\$128,000)</b>
Rent Credit <sup>3</sup>	(\$142,470)	(\$155,422)	(\$155,422)	(\$155,422)	(\$155,422)	(\$155,422)	(\$155,422)	(\$155,422)	(\$12,952)	<b>(\$1,244,000)</b>
Parking Costs	\$0	\$66,000	\$66,000	\$66,000	\$66,000	\$66,000	\$66,000	\$66,000	\$66,000	<b>\$528,000</b>
Tenant Improvement Costs	\$2,409,400									<b>\$2,410,000</b>
<b>Total Paid to Landlord<sup>4</sup></b>	<b>\$3,667,824</b>	<b>\$1,484,674</b>	<b>\$1,531,897</b>	<b>\$1,580,536</b>	<b>\$1,630,635</b>	<b>\$1,682,237</b>	<b>\$1,735,386</b>	<b>\$1,790,131</b>	<b>\$1,988,987</b>	<b>\$17,092,000</b>
Low Voltage Costs	\$5,367,000									<b>\$5,367,000</b>
<b>Total Annual Lease Costs</b>	<b>\$9,034,824</b>	<b>\$1,484,674</b>	<b>\$1,531,897</b>	<b>\$1,580,536</b>	<b>\$1,630,635</b>	<b>\$1,682,237</b>	<b>\$1,735,386</b>	<b>\$1,790,131</b>	<b>\$1,988,987</b>	<b>\$22,460,000</b>

<sup>1</sup> Based on base rent subject to fixed 3 percent increases per annum.

<sup>2</sup> The rent for month 1 of the initial term shall be abated.

**DEPARTMENT OF PUBLIC SOCIAL SERVICES  
SPACE SEARCH – 5 MILE RADIUS  
12440 IMPERIAL HIGHWAY, NORWALK 90650**

<b>LACO</b>	<b>Name</b>	<b>Address</b>	<b>Ownership</b>	<b>Gross Sq Ft</b>	<b>Vacant</b>
Y534	Star Center - Academy Building D	11515 S Colima Rd Whittier 90604	Financed	16,551	No
A566	Sheriff - So Cal High Tech Task Force	9900 Norwalk Blvd Santa Fe Springs 90670	Leased	22,880	No
A176	Health Services - Ems	10100 Pioneer Blvd Santa Fe Springs 90670	Leased	41,720	No
A066	PW - Inc City Office (Artesia)	18747 S Clarkdale Ave Artesia 90701	Gratis Use	14,810	No
D221	DPSS - Norwalk WS District Office	12727 Norwalk Blvd Norwalk 90650	Leased	40,500	No
6335	Probation - Rio Hondo Area Office	8240 S Broadway Ave Whittier 90606	Owned	19,997	No
A358	DPSS - Information Technology Division (ITD)	14714 Carmenita Rd Norwalk 90650	Leased	44,250	No
A355	DCFS - Santa Fe Springs (SPA 7)	10355 Slusher Dr Santa Fe Springs 90670	Leased	65,568	No
Y533	Star Center - Academy Building C	11515 S Colima Rd Whittier 90604	Financed	15,578	No
Y535	Star Center - Academy Building E	11515 S Colima Rd Whittier 90604	Financed	19,984	No

## FACILITY LOCATION POLICY ANALYSIS

**Proposed lease:** Lease for the Department of Public Social Services – 12440 Imperial Highway, Norwalk – Fourth District.

**A. Establish Service Function Category** – Norwalk District Office

**B. Determination of the Service Area** – Continued need for services in the Southeast region of the County.

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

- Need for proximity to service area and population: Continued need for operation in the Southeast region of the County for DPSS programs.
- Need for proximity to existing County facilities: N/A
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services, i.e., local bus routes and the Norwalk Metrolink Station.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no alternative existing County buildings available that meet DPSS' space needs in the service area.
- Compatibility with local land use plans: The City of Norwalk has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.
- Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed lease over the entire term is \$22,460,000.

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

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 \$23.40 and \$27.00 per square foot, per year. The base annual rental rate of \$22.20 per square foot, per year for the proposed lease represents a rate that is below the market range for the area. We were unable to identify any sites that could accommodate this requirement more economically. We recommend the proposed Premises as the most suitable to meet the County's space requirements.

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

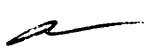
The proposed lease will provide adequate and efficient office space for 426 employees and clients consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.

**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE**

**LEASE AGREEMENT**

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

**12440 IMPERIAL HIGHWAY  
NORWALK, CALIFORNIA**





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## **EXHIBITS**

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



COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ between Sonnenblick Del Rio Norwalk LLC, a Delaware Limited Liability Company ("Landlord"), and COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant" or "County").

Landlord and Tenant agree:

1. **BASIC LEASE INFORMATION**

1.1 **Terms**

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

(a) Landlord's Address for Notices:	12440 Imperial Highway Office of the Building, Suite 101 Norwalk, CA 90650 Email: bob@sonndev.com, nelson.delrio@icloud.com
(b) Tenant's Address for Notices:	County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate  With a copy to:  County of Los Angeles Office of the County Counsel 648 Kenneth Hahn Hall of Administration 500 West Temple Street, Suite 648 Los Angeles, CA 90012-2713 Attention: Property Division
(c) Premises:	Approximately 68,840 rentable square feet (RSF) identified on the Floor Plans (attached as Exhibit A), and comprised of approximately 59,396 RSF, Suite 300 (Premises A) and approximately 9,444 RSF, Suite 115 (Premises B) within the adjacent Annex Building (collectively, Premises) located at 12440 Imperial Highway, Norwalk, California, 90650, APN's: 8047-006-004 and 8047-006-007

	in the Building (defined below), as shown on Exhibit A attached hereto.
(d) Building:	The Building and adjacent Annex Building (collectively "Building") located at 12440 Imperial Highway, Norwalk, California, which is currently assessed by the County Assessor as APN 8047-006-004 and 8047-006-007 (collectively, the "Property").
(e) Term:	Nine (9) years, commencing twenty-seven (27) days after the date of Substantial Completion and Tenant's Acceptance of the Premises, as defined in Section 4.1 (the "Commencement Date"), and terminating at midnight on the day before the ninth (9 <sup>th</sup> ) 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, 2025
(g) Irrevocable Offer Expiration Date: (see Section 34)	July 31, 2024
(h) Base Rent:	*\$127,354.00 per month (\$1.85 per rentable square foot per month)  (i.e., \$1,528,248.00 per year)  * The Base Rent shall be abated for the initial 1 <sup>st</sup> month of the Term of the Lease following the Commencement Date.
(i) Early Termination (see Section 4.4)	Tenant will have the right to terminate the Lease for any reason after the ninety-sixty (96 <sup>th</sup> ) month following the Commencement Date of the Lease within 180 days written notice to Landlord.
(j) Rentable Square Feet in the Premises:	68,840 rentable square feet
(k) Initial Departmental Use:	Department of Public Social Services, subject to Section 6.

(l) Parking Spaces:	<p>275 unreserved parking spaces, (i.e., 4 parking spaces/1,000 RSF) at no cost for the first (1<sup>st</sup>) year of the initial Lease Term and then increased to Twenty Dollars (\$20.00) per parking space per month, fixed for the initial term of the Lease.</p> <p>In addition, Landlord shall provide 10 additional unreserved parking spaces for visitor parking at no cost to Tenant throughout the term.</p> <p>Tenant may request in writing to the Landlord supplemental parking spaces (Supplemental Parking), if available, at a monthly cost of forty dollars (\$40.00) per reserved parking space and twenty dollars (\$20.00) per unreserved parking space, subject to five percent (5%) increases every five (5) years for the Supplemental Parking however, Landlord shall have the right to recapture any Supplemental Parking should such parking be required for other tenancies.</p>
(m) Tenant's Hours of Operation:	6 a.m. to 6 p.m. Monday through Friday, and 6 a.m. to 12 p.m. on Saturdays, except for legal holidays.
(n) Asbestos Report:	A report dated March 7, 2019 prepared by Partner Engineering North Carolina, PLLC, a licensed California Asbestos contractor.
(o) Seismic Report	A report dated March 7, 2019 prepared by Partner Engineering North Carolina, PLLC and a report dated March 10, 2022, prepared by the Department of Public Works.
(p) Disabled Access Survey	A report dated December 22, 2011, prepared by County of Los Angeles County Affirmative Action.

1.2 Defined Terms Relating to Landlord's Work Letter

(a) Landlord's TI Allowance:	\$68,840 (\$1.00 per RSF of the Premises)
(b) Tenant's TI Contribution:	\$2,409,400 (\$35.00 per RSF of the Premises)
(c) Tenant's TI Contribution Amortization Rate and Change Authorization Amortization Rate:	Not applicable

(d) Estimated Monthly Payments Attributable to Total TI Costs in Excess of Landlord's TI Allowance	Not applicable
(e) Tenant's Work Letter Representative:	Tina Hovsepien
(f) Landlord's Work Letter Representative:	Nelson Del Rio
(g) Landlord's Address for Work Letter Notices:	Sonnenblick Del Rio Norwalk LLC 12440 E Imperial Highway, Suite 100 Norwalk, CA 90650 Email: bob@sonndev.com, nelson.delrio@icloud.com
(h) Tenant's Address for Work Letter Notices:	County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate
1.3 <u>Exhibits to Lease</u>	Exhibit A - Floor Plan of Premises Exhibit B - Commencement Date Memorandum and Confirmation of Lease Terms Exhibit C - HVAC Standards Exhibit D - Cleaning and Maintenance Schedule Exhibit E - Subordination, Non-Disturbance and Attornment Agreement Exhibit F - Tenant Estoppel Certificate Exhibit G - Community Business Enterprises Form Exhibit H - Memorandum of Lease Exhibit I - Landlord's Work Letter Exhibit J - ADA Parking

## 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. Landlord shall request a new separate Bloomfield Avenue address from the City of Norwalk for Premises B. Tenant recognizes that the ability to obtain a new separate address for Premises B is a discretionary act of the City of Norwalk and that Landlord cannot guarantee such request will be approved. Landlord further agrees that, should the City of Norwalk staff fail to issue the requested address change, it shall file the necessary applications, at its cost, with the City of Norwalk Planning Commission and City Council requesting the proposed address change. Tenant agrees to cooperate in



any meetings or hearings required during such application process. Landlord shall not be in breach of this Lease if, following Landlord's commercially reasonable efforts, it is unable to obtain a separate Bloomfield Avenue address for Premises B.

## 2.2 Measurement of Premises

Tenant shall have the right at any time during the Term of this Lease to field-measure and verify the exact footage of the Premises and/or the Building. All measurements shall be taken in accordance with the methods of measuring rentable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI/BOMA Z65.1-2010, as promulgated by the Building Owners and Management Association ("BOMA") International, except that no penthouse mechanical room space shall be included in the measurement. Should this measurement be less than the square footage stated above, then Tenant shall have the right to adjust such square footage and reduce the Base Rent in Section 1.1 accomplished by the mutual execution of an amendment to this Lease. Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no increase made to the Base Rent if the measured square footage exceeds the amount represented by Landlord.

## 3. COMMON AREAS

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

## 4. COMMENCEMENT AND EXPIRATION DATES

### 4.1 Term

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

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

#### 4.2 Termination Right For Delay of Substantial Completion

In the event of an Unexcused Delay (as defined in Landlord's Work Letter executed concurrently herewith and attached hereto as Exhibit I and incorporated herein by reference), then Tenant may thereafter, at any time before Substantial Completion occurs, exercise the Tenant's remedies provided in Section 13 of the Work Letter.

#### 4.3 Early Entry

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

#### 4.4 Early Termination

Tenant shall have the right to terminate this Lease at any time during the Early Termination period specified in Section 1.1, by giving Landlord not less than one hundred and eighty (180) days prior written notice, executed by Tenant's Chief Executive Officer or his/her designee. In the event Tenant terminates this Lease pursuant to this section, Tenant shall reimburse Landlord for the unamortized portion of Landlord's TI Allowance on a straight line basis at zero interest in an amount not to exceed \$7,648.64.

#### 4.5 Lease Expiration Notice

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



**5. RENT**

**5.1 Base Rent**

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

**5.2 Rent Abatement**

The Base Rent for the 1st month of the initial Term shall be abated.

**5.3 Rent Credits and Additional Rent**

The Landlord shall apply a credit against the monthly base rent owed pursuant to the terms of the lease in the amount of \$12,951.80 per month for a period of ninety-six (96) months commencing the month following the Rent Abatement period.

**5.4 Base Rent Adjustments**

The Base Rent will be subject to three percent (3%) fixed increases, per annum as set forth in the schedule below.

Months	Rate	Monthly Rent
1-12	\$1.85	\$127,354.00
13-24	\$1.91	\$131,174.62
25-36	\$1.96	\$135,109.86
37-48	\$2.02	\$139,163.15
49-60	\$2.08	\$143,338.05
61-72	\$2.14	\$147,638.19
73-84	\$2.21	\$152,067.34
85-96	\$2.28	\$156,629.36
97-108	\$2.34	\$161,328.24

**6. USES**

Landlord agrees that the demised Premises, together with all appurtenances thereto, shall be used by the Tenant for the government department set forth in Section 1.1, any other

County Department the County designates, any other governmental purposes, or other lawful purposes that do not materially adversely interfere with other uses or occupants in the Building, during Tenant's Hours of Operation, after Tenant's Hours of Operation, and on weekends and holidays.

**7. HOLDOVER**

If Tenant remains in possession of the Premises or any part thereof after the expiration of the term of this Lease ("Holdover Period"), 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.

During the first six (6) months of the Holdover Period, Base Rent shall be at the last monthly Base Rent payable under this Lease prior to the Holdover Period, plus any other charges payable under this Lease, and subject to all of the terms, covenants, and conditions of this Lease. After the aforementioned initial six (6) months of the Holdover Period(s), Base Rent shall increase by 125% of the Base Rent ("Holdover Fee") and monthly Base Rent shall remain at this rate. In the event Tenant elects to renew its Lease, then Landlord shall credit to Tenant as a credit against Base Rent next due for any Holdover Fee paid by Tenant, equaling the amount of monthly Base Rent paid by Tenant during the Holdover period which exceeds the monthly base rent due as of the expiration of the Lease and the start of a new Lease.

**8. COMPLIANCE WITH LAW**

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

**9. DAMAGE OR DESTRUCTION**

**9.1 Damage**

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

material default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant.

**9.2 Tenant Termination Right**

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days for any reason, then Tenant may terminate this Lease by giving Landlord written notice within ten (10) days after Tenant's receipt of written notice from Landlord or its agents specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became unusable. If Tenant does not elect to terminate this Lease, then Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided that insurance proceeds are available to repair the damages and Tenant shall continue to pay Base Rent subject to abatement to the extent that the Premises are unusable by Tenant.

**9.3 Damage In Last Year**

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

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

**9.4 Default By Landlord**

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

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

**10. REPAIRS AND MAINTENANCE**

**10.1 Landlord Representations**

- (a) Landlord represents to Tenant that, to the Landlord's knowledge, as of the date hereof and on the Commencement Date:



- i. The Premises, the Building, and all Common Areas (including electrical, heating (Premises only), ventilating, and air conditioning ("VAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including but not limited to the Americans With Disabilities Act, 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 to Tenant that to the Landlord's knowledge and based upon a professional inspection of the Premises and the Building and the Asbestos Report (as defined in Section 1.1) that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Asbestos Report). Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos-containing materials to the extent required by law and provide Tenant with an updated report from a licensed California Asbestos contractor to that effect. In the event asbestos is subsequently found to exist, it shall be the Landlord's responsibility to remove such asbestos at its sole cost and expense unless such asbestos was introduced by the Tenant, in which case such cost shall be paid by Tenant.

(c) CASp Inspection:

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

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

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



a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

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

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

- (d) Landlord agrees to indemnify and hold harmless Tenant from all damages, costs, and expenses, which result from a material breach of Landlord's representations contained in this Section 10.1, except in the case such damages, costs, and expenses arise from or are related to the Tenant's or Tenant's vendors, employees, agents, invitees, and visitors use or alteration of the Premises.

## 10.2 Landlord Obligations

- (a) Landlord shall keep and maintain the Property in good condition and repair and promptly make repairs to and perform maintenance upon and replace as needed:
  - i. the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, foundations, roof, concealed plumbing, stairways, concealed electrical systems and intra-building telephone network cables;
  - ii. mechanical (including Premises electric in-duct heating coils ("Premises Heating") and Building VAC), electrical, plumbing and fire/life systems serving the Building;
  - iii. the Common Areas;

- iv. exterior windows of the Building; and
  - v. elevators serving the Building.
- (b) Landlord, at its sole cost and expense unless otherwise stated herein, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair and maintenance obligations include, without limitation, maintenance of, or repairs to, or replacements of:
- i. Spot clean floor covering if it will properly remove/address any soiled conditions; and/or replace carpet tiles in the effected area, at Tenant's expense, if cleaning does not properly remove/address any soiled conditions;
  - ii. interior partitions;
  - iii. doors, door frames and hardware;
  - iv. spot clean the interior side of demising walls and/or spot paint walls, at Tenant's expense, if cleaning does not properly remove/address any stained conditions;
  - v. signage, excepting Tenant's personal signage within the Premises;
  - vi. emergency exit signage and battery replacement;
  - vii. VAC equipment dedicated to the mechanical rooms housing Tenant's computer servers and related equipment (at Tenant's expense and with Tenant's assigned Chief Executive Office Property Manager's review and written approval of said costs in advance of any material work to be performed that is not otherwise scheduled repair and maintenance);
  - viii. Light fixtures, bulbs, tubes, and ballasts
  - ix. Parking areas (including resurfacing, restriping, landscaping, sweeping, and lighting as applicable); and
  - x. Furniture systems and any other fabric or upholstered surfaces including chairs, couches, walls, etc., spot cleaned, or if determined to be necessary in Tenant's sole discretion, professionally cleaned in their entirety using a water extraction system, on an annual basis at Tenant's sole cost and expense.
- (c) Landlord shall, to the best of its ability, provide all reports, maintenance records, or other documentation as may be requested from time to time.





### 10.3 Tenant Obligations

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

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

### 10.4 Tenant's Right to Repair

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



\$5,000, as part of a separate purchase order issued by the County on Tenant's behalf. Any improvements by Landlord shall be subject to (i) the Work Letter provisions regarding selection and bidding of contractors, Landlord-Tenant coordination and audit rights, and Tenant's remedies found in said Work Letter; and (ii) compliance with County Internal Services Department Purchasing Policy and Procedure No. A-0300, effective November 22, 2016, delivered to Landlord and incorporated by reference herein. This Section shall not apply to any Tenant Improvements as defined in Section 24.

## **11. SERVICES AND UTILITIES**

### **11.1 Services**

#### **(a) Premises Heating and Building Ventilation and Air Conditioning (VAC)**

Landlord shall furnish Premises Heating within the Premises, and Building ventilation and air conditioning ("VAC"), during Tenant's Hours of Operations in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings and not less than the standard set forth in Exhibit C attached hereto. All heat provided to the Premises is derived from electric in-duct heat boxes within the Premises and all such heat boxes are to be connected to the Tenant's metered electric panel and the cost of operation of such boxes is a Tenant expense. Tenant shall have the right to install in Premises B and maintain in Premises A, at Tenant's expense, any VAC required for its computer server rooms as currently exists in the Premises in the case of Premises A or as added to the Premises in the case of Premises B and as further described in the Landlord's Work Letter. Landlord shall repair and maintain such systems, as directed by Tenant. All costs of repair, maintenance and replacement of such systems shall be Tenant's responsibility.

Landlord also shall provide VAC services during hours other than Tenant's Hours of Operation ("After Hours VAC"), subject to the following terms and conditions:

(1) Landlord shall provide the After Hours VAC if Tenant gives Landlord advance notice of its need for such service no later than 24 hours before such need on Monday through Friday (except holidays referred to above) that Tenant requires the services, and no later than 24 hours before the end of the last business day preceding the weekend or holiday that Tenant requires the service. In addition and notwithstanding the foregoing, Tenant may contact the Building manager or on-site Building engineer at any reasonable time to order After Hours VAC, and Landlord shall, to the extent reasonably practicable and at Tenant's expense to the extent of actual reasonable labor costs incurred, provide After Hours VAC service as requested by Tenant, even if Tenant failed to give notice within the time periods specified above.

(2) Landlord will provide the After Hours VAC at "Actual Cost", defined herein as the actual costs incurred by Landlord in providing any particular service (including Landlord's reasonable estimate of related administrative

cost for the cost of such service (to the extent not duplicative of costs included in Operating Costs) and applicable depreciation related to the increased utilization of equipment used in providing the service). There shall be no start-up charges and minimum usage for After Hours VAC service. The foregoing direct charges shall be payable by Tenant as Additional Rent. The rate for After Hours VAC currently is Eighty Five Dollars (\$85.00) per hour, which Landlord and Tenant acknowledge is appropriate in accordance with the foregoing. Landlord shall be entitled to increase such charge from time to time, upon at least thirty (30) days prior written notice to Tenant, but only to reflect increases in the cost of labor, electricity, water, and water treatment in connection therewith.

(b) Electricity

Landlord shall furnish to the Premises the amount of electric current provided for in the Landlord's Work Letter (if applicable) but in any event not less than seven (7) watts of electric current (connected load) per square foot of rentable square feet in the Premises, for power and lighting and electric current for Premises Heating and VAC, 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. The Premises shall be metered for electricity by a meter installed by Landlord at Landlord's cost and expense. If Landlord elects to furnish non-public utility sourced electrical service to the Premises, Tenant must purchase its requirements thereof from Landlord and Tenant shall be billed monthly for its actual usage at a cost never to exceed 97% of the cost of similar electricity offered directly by the local public utility over the same billing period (local utility per kWh charge for any given month for similar load shall be included on all billing). Tenant shall pay Lessor for the cost of Premises metered electricity within fifteen (15) business days of billing.

If Tenant requires additional telecommunications service, Landlord shall arrange it at Tenant's expense and Landlord will cooperate.

(c) Elevators

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

(d) Water

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

(e) Janitorial

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

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

(f) Access

Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building. If required, Landlord shall provide the initial 400 access cards or fobs to all Tenant employees for Building entry, elevators, and/or floor access, at Landlord's sole cost and expense. Tenant shall pay Landlord Ten Dollars (\$10.00) for any replacement or additional building access cards or fobs required.

(g) Pest Control

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

11.2 Utilities

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

12. TAXES

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

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

13. LANDLORD ACCESS

Tenant shall permit Landlord and its agents to enter the Premises during Tenant's Hours of Operations upon prior written notice only for the purpose of inspecting the Premises for any reasonable purpose; provided, however, in the event of an emergency, Landlord shall

be allowed to enter the Premises to perform repairs related to the emergency. If Landlord temporarily closes any portion of the Building or the Premises, Base Rent shall be prorated based upon the percentage of the Premises or the Building rendered unusable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency and notify Tenant immediately thereafter.

#### **14. TENANT DEFAULT**

##### **14.1 Default**

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

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

##### **14.2 Termination**

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

##### **14.3 No Effect on Indemnity**

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

#### **15. LANDLORD DEFAULT**

##### **15.1 Remedies**

In addition to the provisions for Landlord's default provided by Sections 9.4, 10.4, 19, 21.2 and 32.3, Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within five (5) days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10.4); provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such five day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and

use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

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

#### 15.2 Waiver

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

#### 15.3 Emergency

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

### 16. ASSIGNMENT AND SUBLETTING

#### 16.1 Assignment and Subletting

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

#### 16.2 Sale

If Landlord sells or conveys the Property, then all liabilities and obligations of Landlord accruing under this Lease after the sale or conveyance shall be binding upon the new owner, and the transferor shall be released from all liability under

this Lease accruing subsequent to such sale or conveyance, provided that the transferee assumes Landlord's remaining obligations hereunder in writing. Nothing in this Section 16.2 shall be deemed to release Landlord's successor in interest from responsibility for any condition (including but not limited to deferred maintenance) existing on the date of transfer.

Upon any sale or transfer of the Property by Landlord, Landlord shall provide thirty (30) days prior written notice of said sale of transfer to Tenant. In addition, Landlord shall provide the following information to Tenant, at Tenant's Address for Notice (set forth in Section 1.1 hereof), as a condition of Tenant's obligation to pay Base Rent to the new owner:

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

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

## **17. ALTERATIONS AND ADDITIONS**

### **17.1 Landlord Consent**

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

- (a) complies with all laws;
- (b) is not visible from the exterior of the Premises or Building;
- (c) will not materially affect the systems or structure of the Building; and

- (d) does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building.

**17.2 End of Term**

Any Alterations, fixtures, equipment, and all other personal property placed or installed in or upon the Premises or otherwise owned by Tenant, or under its authority (including any modular furniture) shall, if Landlord so requests, be removed by Tenant at the end of the Term. Any Alterations, fixtures equipment and all other personal property owned, placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture) not removed by Tenant shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term.

**18. CONDEMNATION**

**18.1 Controlling Terms**

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

**18.2 Total Taking**

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

**18.3 Partial Taking**

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



the degree to which Tenant's use of the Premises and the Common Areas is impaired by such Condemnation.

#### 18.4 Restoration

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

#### 18.5 Award

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

#### 18.6 Waiver of Statute

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

### 19. INDEMNIFICATION

#### 19.1 Landlord's Indemnity

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

#### 19.2 Tenant's Indemnity

The Tenant shall indemnify, defend and hold harmless the Landlord, from and against any and all liability, loss, injury or damage, including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees) arising from or connected with the Tenant's repair, maintenance and other acts and omissions, negligence or willful misconduct of Tenant, or its contractors, licensees, agents, employees, guests or visitors, or arising from any breach or default under this Lease 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 additional insured status under the Landlord's General Liability policy, shall be delivered to Tenant at the address shown below and provided prior to the start day of this Lease.
- ii. Renewal Certificates shall be provided to Tenant not less than 10 days after the Landlord's policy expiration dates. The Tenant reserves the right to obtain complete, certified copies of any required Landlord insurance policies at any time.
- iii. Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number or the Premises, and be signed by an authorized representative of the insurer(s). The Tenant shall be named as an additional insured (or its equivalent) for the Premises only. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding one hundred thousand dollars (\$100,000.00) dollars, and list any Tenant-required endorsement forms.
- iv. Neither the Tenant's failure to obtain, nor the Tenant's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Landlord, its insurance broker(s) and/or insurer(s),

shall be construed as a waiver of any of the Required Insurance provisions.

- v. Certificates and copies of any required endorsements, and/or notices of cancellation shall be delivered to:

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

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

- (b) Additional Insured Status and Scope of Coverage

The Tenant, which is the County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively, "Tenant and its Agents"), shall be provided additional insured status under Landlord's General Liability policy with respect to liability arising from or connected with the Landlord's acts, errors, and omissions arising from and/or relating to the Landlord's operations on and/or its ownership of the Premises with respect to the Tenant. Tenant's additional insured status shall apply with respect to liability and defense of suits arising out of the Landlord's acts or omissions, whether such liability is attributable to the Landlord or to the Tenant. The full policy limits and scope of protection also shall apply to the Tenant as an additional insured with respect to Tenant's use of the Premises as stated in Section 1.1(k) of the Lease, even if they exceed the Tenant's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

- (c) Cancellation of or Changes in Insurance

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

- (d) Failure to Maintain Insurance

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



to Landlord, deduct the premium cost from sums due to Landlord or pursue Landlord reimbursement.

**(e) Insurer Financial Ratings**

Insurance is to be provided by an insurance company authorized to do business in California, with an A.M. Best rating of not less than A:VII, 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:	\$ 2 million
Personal and Advertising Injury:	\$ 1 million
Each Occurrence:	\$ 1 million
Damage to the Premises:	\$1 million
Medical Expense Limit:	\$10,000

Tenant, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self-insurance (self-funding of its liabilities). Certificate evidencing coverage or letter evidencing self-funding will be provided to Landlord after execution of this Lease at Landlord's request. Notwithstanding Tenant's right to self-insure, Landlord shall not waive its right to tender third party claims to Tenant caused by Tenant's intentional or negligent acts or omissions or such intentional or negligent acts or omissions of Tenant's contractors, invitees and/or licensees.

**20.4 Landlord Requirements**

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

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

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

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

i. **Provide coverage for tenant improvements and betterments that constitute "fixtures" (excludes all other furniture, fixtures, and equipment, including but not limited to the computer server room**

and any equipment therein); this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), excluding earthquake and including flood and ordinance or law coverage.

- ii. Be written for the full replacement cost of the Property, with a deductible no higher than the greater of \$250,000 or 5% of the Property value. Insurance proceeds shall be payable to the Landlord and Tenant, as their interests may appear, and be utilized for repair and restoration of the Premises or Landlord's property, as determined by the nature of the loss.

## **21. PARKING**

### **21.1 Tenant's Rights**

Tenant shall have the right to the number of parking spaces set forth in Section 1.1 for the Term of this Lease. No tandem parking shall be required or allowed except as provided below, and Tenant shall be entitled to full in/out access privileges at all times. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all unreserved parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees, and permittees of the Building. Tenant shall have the right to increase or decrease the number of reserved and/or unreserved parking subject to availability and 30 days written notice to the Landlord; provided, however, Landlord shall have the right to recapture any increase in parking should such parking be required for other tenancies. Landlord, at its sole expense, shall provide Tenant with 400 access card or key fobs for parking and building access. If additional access cards or key fobs are later required, lost, stolen, or replaced, Tenant shall pay ten dollars (\$10) per access card or key fob. In addition to the 275 unreserved parking spaces, Landlord shall provide 10 additional unreserved parking spaces for visitor parking at no cost to Tenant throughout the term. Landlord shall deliver parking in compliance with code including ADA. Additionally, Landlord shall relocate at least four (4) ADA compliant parking spaces in the general location identified in Exhibit J attached. Tenant may request in writing additional parking (Supplemental Parking), if available at a monthly cost of forty dollars (\$40) per parking space, subject to five percent (5%) increases every five (5) years however, Landlord shall have the right to recapture any Supplemental Parking should such parking be required for other tenancies.

### **21.2 Remedies**

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

written notice to Landlord and Landlord's ability to cure in a reasonable time, then Tenant may:

- (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective thirty (30) days thereafter, or
- (b) negotiate with Landlord for an equitable reduction in the monthly rent based upon the fair market value of such parking or the loss of such parking if not replaced.

### 21.3 Alternative Parking.

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

## 22. ENVIRONMENTAL MATTERS

### 22.1 Hazardous Materials

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

means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

## 22.2 Landlord Indemnity

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

## 23. ESTOPPEL CERTIFICATES

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

## 24. TENANT IMPROVEMENTS

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

## 25. LIENS

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



## **26. SUBORDINATION AND MORTGAGES**

### **26.1 Subordination and Non-Disturbance**

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

### **26.2 Existing Deeds of Trust**

The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Exhibit E attached hereto, within sixty (60) days after the execution of this Lease.

### **26.3 Notice of Default**

If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail and requests copies of any notice of default that Tenant serves upon Landlord, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee or beneficiary a copy of any notice of default that Tenant serves upon Landlord which could permit Tenant to terminate this Lease, along with an additional ten (10) days within which to cure such default.

## **27. SURRENDER OF POSSESSION**

Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition, ordinary wear and tear, damage by earthquake, fire or the elements and other disaster or casualty excepted. Tenant and Landlord agree, Landlord may require Tenant to remove, at its own expense, during or at the expiration or other termination of the term of this Lease, or any termination of any extension or holdover period thereof, as the case may be, all furniture, fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

## **28. SIGNAGE**

Tenant shall be allowed building standard signage on the directory located in the ground floor lobby of the Building and elevator lobbies of the floors of the Premises and suite signage, all of which shall be at Landlord's expense. Tenant shall have the right to install, at Landlord's sole cost and expense, up to two (2) lines per 1,000 rentable square feet of the Premises on the Building's directory board in the main lobby of the Building. Tenant shall be permitted to install signs at the Premises that conform with any and all applicable laws and ordinances and Building Rules and Regulations. Tenant shall be allowed to install signage, at Tenant's expense, that designates users of any Reserved Parking spaces leased. Landlord to provide Tenant with exterior eyebrow signage on the Annex Building per a mutually approved signage plan and the cost shall be deducted from the

Tenant Improvement Allowance provided herein. Landlord, at its sole costs and expense, shall place prominent signage at the entrance of the Property along Bloomfield Avenue, provided such address is allowed by the City of Norwalk.

**29. QUIET ENJOYMENT**

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

**30. GENERAL**

**30.1 Headings**

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

**30.2 Successors and Assigns**

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

**30.3 Brokers**

Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than Cushman & Wakefield, Inc. (the "Tenant's Agent") and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. The terms of any commissions due shall be pursuant to a separate commission agreement between Landlord and Tenant's Agent.

**30.4 Entire Agreement**

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

**30.5 Severability**

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

30.6 Notices

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

30.7 Governing Law and Venue

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

30.8 Waivers

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

30.9 Time of Essence

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

30.10 Consent

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

30.11 Community Business Enterprises

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

30.12 Memorandum of Lease

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



### 30.13 Counterparts; Electronic Signatures

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

### 31. AUTHORITY

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



she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

**32. ACKNOWLEDGEMENT BY LANDLORD**

Landlord acknowledges that it is aware of the following provisions:

**32.1 Consideration of GAIN Program Participants**

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

**32.2 Solicitation of Consideration**

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

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

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

**32.3 Landlord Assignment**

(a) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

(b) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease, or any portion thereof, as security for the Landlord's obligation to repay any monetary obligation, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.



- (c) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the Tenant. Notwithstanding the foregoing, the Tenant hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (commercial mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.
- (d) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the Tenant may impose damages in an amount equal to the greater of \$500,000 or 10% of the aggregate principal portion of all rental payments payable by the Tenant during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the Tenant may exercise or pursue any other right or remedy it may have under this Lease or applicable law.
- (e) Landlord shall give Tenant written notice and a copy of each and every assignment, transfer, hypothecation or encumbrance of Landlord's interest in this Lease and any instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least thirty (30) days prior to the effective date thereof.
- (f) Except to an existing or future mortgagor or lender, Landlord shall not furnish any information concerning Tenant or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the Tenant) to any person or entity, except with Tenant's prior written consent. Landlord shall indemnify, defend and hold Tenant and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section 32.3.
- (g) The provisions of this Section 32.3 shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns, whether so expressed or not.



### 32.4 Smoking in County Facilities.

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

### 33. IRREVOCABLE OFFER

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

### 34. RIGHT OF FIRST OFFER TO LEASE ADDITIONAL PREMISES

(a) Provided that no material Default has occurred and is continuing under the Lease, if at any time prior to the last twelve (12) months of the Term, Landlord intends to offer leasable space located contiguous to the Premises (the "Additional Premises") for lease to third parties or to accept an offer of a third party to lease the Additional Premises, Landlord shall first give written notice to Tenant of the rental rate and other material terms upon which Landlord is willing to lease the Additional Premises ("Landlord's Lease

Notice"). Landlord's Lease Notice shall constitute an offer to lease the Additional Premises to Tenant at the rental rate and upon the terms and conditions contained in Landlord's Lease Notice and shall state the anticipated date of availability of the Additional Premises. Tenant shall have ninety (90) business days after receipt of Landlord's Lease Notice to accept such offer. Tenant shall accept such offer, if at all, only by delivery to Landlord of Tenant's irrevocable written commitment to lease the Additional Premises at the rental rate and upon the terms and conditions contained in Landlord's Lease Notice (the "Expansion Commitment").

(b) If Tenant delivers to Landlord the Expansion Commitment within such ninety (90) business day period, all (but not part) of the Additional Premises shall be leased to Tenant commencing on the earlier of (a) the date Tenant first uses the Additional Premises for the Permitted Use; or (b) thirty (30) days after Landlord provides Tenant with possession of the Additional Premises and continuing for a period of time coterminous with the remaining Term, including any options to extend the Term. Tenant shall lease the Additional Premises upon the same terms, conditions and covenants as are contained in the Lease except that (i) the Base Rent for the Additional Premises shall be at the rate set forth in Landlord's Lease Notice, and (ii) any terms and conditions set forth in Landlord's Lease Notice that are inconsistent with the terms and conditions of the Lease shall control.

(c) Except as otherwise set forth in Landlord's Lease Notice, possession of the Additional Premises shall be delivered to Tenant on an "as-is" basis. Landlord shall prepare and Landlord and Tenant shall execute and deliver a written agreement modifying and supplementing the Lease and specifying that the Additional Premises are part of the Premises and, except as otherwise specified in Landlord's Lease Notice, subject to all of the terms and conditions of the Lease.

(d) Time is of the essence with respect to the exercise by Tenant of its rights granted hereunder. In the event Tenant fails to deliver to Landlord Tenant's Expansion Commitment within the ninety (90) business day period prescribed above, all rights of Tenant to lease the Additional Premises shall terminate and Landlord shall have no further obligation to notify Tenant of any proposed leasing of the Additional Premises, and Landlord shall thereafter have the unconditional right to lease the Additional Premises to third parties or to accept offers from third parties to lease the Additional Premises without further obligation to Tenant. The rights granted to Tenant under this Section 35 shall be personal to the original Tenant and not apply to any sales or similar transfers of the Additional Premises.






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

LANDLORD:

Sonnenblick Del Rio Norwalk LLC, a Delaware Limited Liability Company

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

TENANT:

COUNTY OF LOS ANGELES,  
a body corporate and politic

FESIA A. DAVENPORT  
Chief Executive Officer

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

ATTEST:

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

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

APPROVED AS TO FORM:

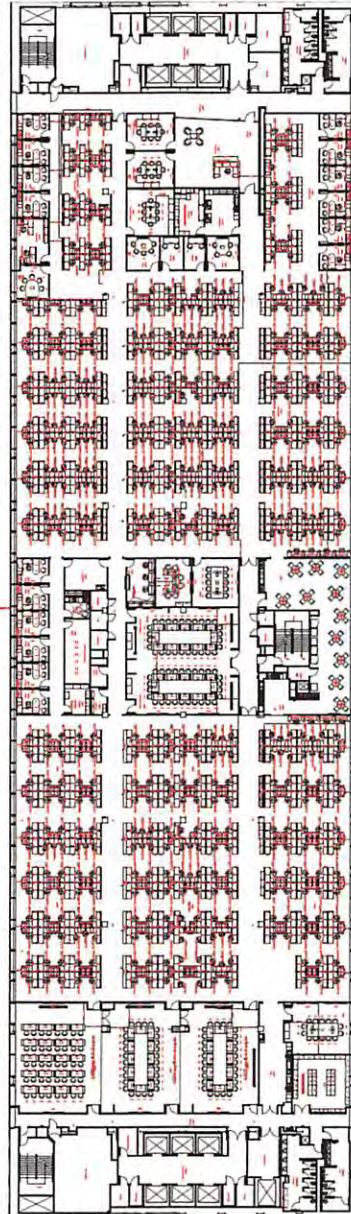
DAWYN R. HARRISON  
County Counsel

By:   
Senior Deputy

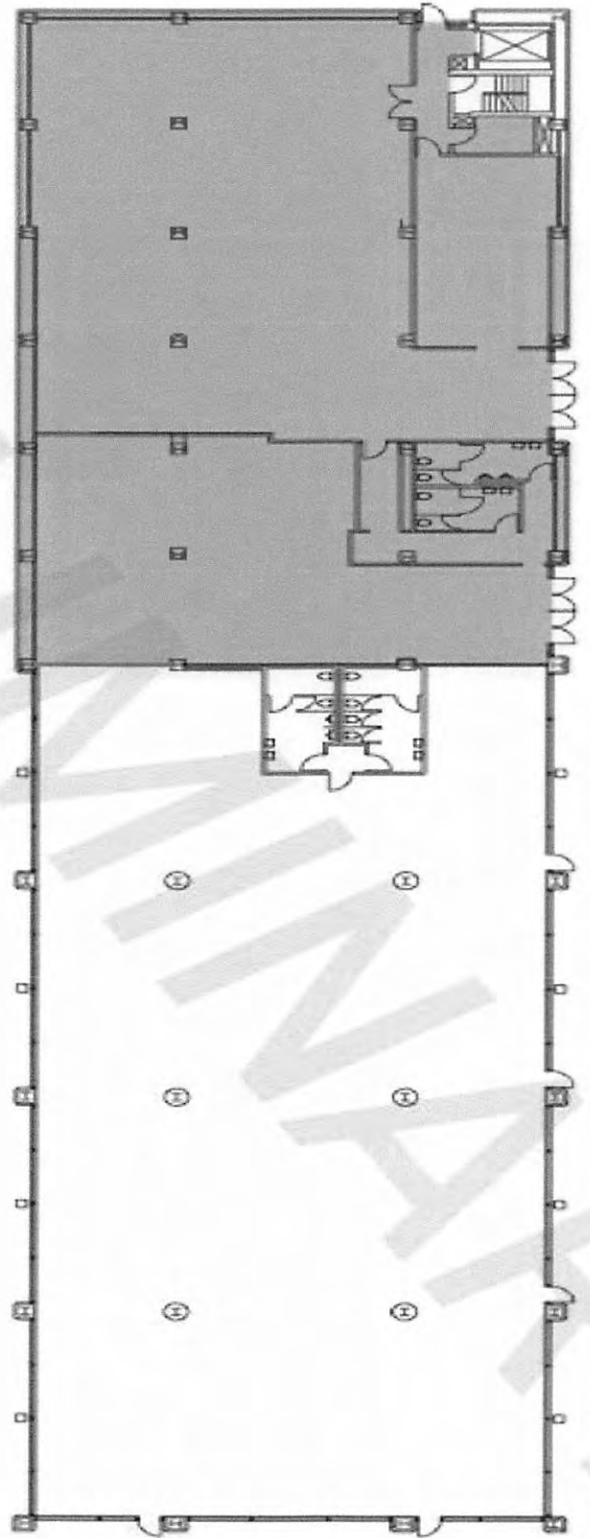


EXHIBIT A

FLOOR PLAN OF PREMISES A



FLOOR PLAN OF PREMISES B



HOA.104476883.1

10034373.1

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 Sonnenblick Del Rio Norwalk LLC, a Delaware Limited Liability Company ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 12440 Imperial Hwy, Norwalk, CA\_ ("Premises"), Landlord and Tenant hereby acknowledge as follow:

- 1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on \_\_\_\_\_ ("Possession Date");
- 2) Tenant has accepted possession of the Premises and now occupies the same;
- 3) The Lease commenced on \_\_\_\_\_ ("Commencement Date");
- 4) The Premises contain 68,840 rentable square feet of space; and

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

- 1) Base Rent Adjustments
  - (a) Base Rent is subject to fixed three percent (3%) annual increases over the previous year's Base Rent as follows:

Months	Rate	Monthly Rent
1-12	\$1.85	\$127,354.00
13-24	\$1.91	\$131,174.62
25-36	\$1.96	\$135,109.86
37-48	\$2.02	\$139,163.15
49-60	\$2.08	\$143,338.05
61-72	\$2.14	\$147,638.19
73-84	\$2.21	\$152,067.34
85-96	\$2.28	\$156,629.36
97-108	\$2.34	\$161,328.24

2)

IN WITNESS WHEREOF, this memorandum is executed this \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_.

Tenant:

Landlord:

COUNTY OF LOS ANGELES,  
a body corporate and politic

Sonnenblick Del Rio Norwalk LLC, a Delaware  
Limited Liability Company

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

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



## EXHIBIT C

### PREMISES HEATING, VENTILATION AND AIR CONDITIONING IN OTHER THAN DATA AND SERVER ROOMS

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



## EXHIBIT D

### CLEANING AND MAINTENANCE SCHEDULE

#### A. DAILY (Monday through Friday)

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

#### B. WEEKLY

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

#### C. MONTHLY

16. Floors washed and waxed in uncarpeted office area.
17. High-reach areas, door frames and tops of partitions dusted.
18. Picture moldings and frames dusted.
19. Carpet professionally spot cleaned as required to remove stains.
20. VAC chiller water checked for bacteria, water conditioned as necessary.

D. QUARTERLY

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

E. SEMI-ANNUALLY

26. Exterior windows washed as required inside and outside but not less frequently than twice annually.
27. All painted wall and door surfaces washed and stains removed.
28. All walls treated with vinyl covering washed and stains removed.

F. ANNUALLY

29. Carpets cleaned and spot cleaned as needed. Landlord shall not use bonnet cleaning on carpets.
30. Furniture Systems and any other fabric or upholstered surfaces including chairs, couches, walls, etc., spot cleaned, or if determined to be necessary in Tenant's sole discretion, professionally cleaned in their entirety using a water extraction system, at Tenant's expense.
31. Bathroom and any other ceramic tile surfaces professionally cleaned. All grout and porous surfaces resealed with a professional grade sealant, as needed.
32. Touch-up paint interior painted surfaces in a color and finish to match existing, as needed.
33. Server Room VAC units serviced for preventative maintenance purposes and all filters changed, at Tenant's expense.
34. Interior windows washed as required inside and outside.

G. AS NEEDED

35. The sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
36. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.



37. Interior and exterior pest control inspections and remediation frequency, as needed.
38. In addition to the Annual cleaning listed above, carpets are to be cleaned on an as needed basis at Tenant's expense. The initial schedule for as needed carpet cleaning is as follows:
  - i. heavy traffic areas cleaned as needed, with a minimum frequency of bi-monthly [six (6) times per year]; and
  - ii. moderate traffic areas cleaned as needed, with a minimum of once every six (6) months [two (2) times per year];

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

1. All VAC ducts cleaned as needed.

H. GENERAL

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

**EXHIBIT E**

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

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

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

)  
)  
)  
)  
)  
)  
)  
)

**Space above for Recorder's Use**

---

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

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

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

**Factual Background**

- A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.
- B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").
- C. Tenant and Borrower (as "Landlord") entered into a lease dated \_\_\_\_\_ (the "Lease") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "Premises").
- D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a non-disturbance provision, all as set forth more fully below.

**Agreement**

Therefore, the parties agree as follows:



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

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

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

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

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

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

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

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

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

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



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

To Lender: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Borrower: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

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



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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BORROWER: *[Insert name of Landlord]*

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LENDER: *[Insert name of Lender],*

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



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

STATE OF CALIFORNIA )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

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

personally appeared \_\_\_\_\_,  
Name of Signer(s)

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

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

WITNESS my hand and official seal.

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

**EXHIBIT F**

**TENANT ESTOPPEL CERTIFICATE**

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

\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_

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

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

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

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

(b) The current Rent is set forth above.

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

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

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

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

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

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

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

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

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

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

COUNTY OF LOS ANGELES,  
a body corporate and politic

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_





**EXHIBIT G**

**COMMUNITY BUSINESS ENTERPRISE FORM**

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

<b>I. Minority/Women Participation in Firm (Partners, Associate Partners, Managers, Staff, etc.)</b>						
1. Firm Name: _____			3. Contact Person/Telephone Number: _____			
2. Address: _____						
			4. Total number of employees in the firm: _____			
5. Provide the number of all minority employees and women in each category.	Owners, Partners and Associate Partners		Managers		Staff	
	All O,P & AP	Women	All Managers	Women	All Staff	Women
Black/African American						
Hispanic/Latin American						
Asian American						
Portuguese American						
American Indian/Alaskan Native						
All Others						
<b>II. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM</b>						
1. Type of Business Structure: (Corporation, Partnership, Sole Proprietorship, Etc.) _____						
2. Total Number of Ownership/Partners, Etc.: _____			<b>III. MINORITY/WOMEN-OWNED FIRM CERTIFICATION</b>			
3. Provide the percentage of ownership in each	All Employee	Women	Is your firm currently certified as a minority owned business firm by the:			
Black/African American			State of California? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Hispanic/Latin American			City of Los Angeles? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Asian American			Federal Government? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Portuguese American			<b>Section D. OPTION TO PROVIDE REQUESTED INFORMATION</b>			
American Indian/Alaskan Native			<input type="checkbox"/> We do not wish to provide the information required in this form.			
All Others			Firm Name: _____			
			Signature/Title: _____			
			Date: _____			

**EXHIBIT H**

**MEMORANDUM OF LEASE**

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

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

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

---

**MEMORANDUM OF LEASE**

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

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

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

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  
County Counsel

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

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

STATE OF CALIFORNIA )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

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

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

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

WITNESS my hand and official seal.

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



**EXHIBIT I**  
**LANDLORD'S WORK LETTER**

HOA.104476883.1

**Exhibit I**  
**LANDLORD'S WORK LETTER**

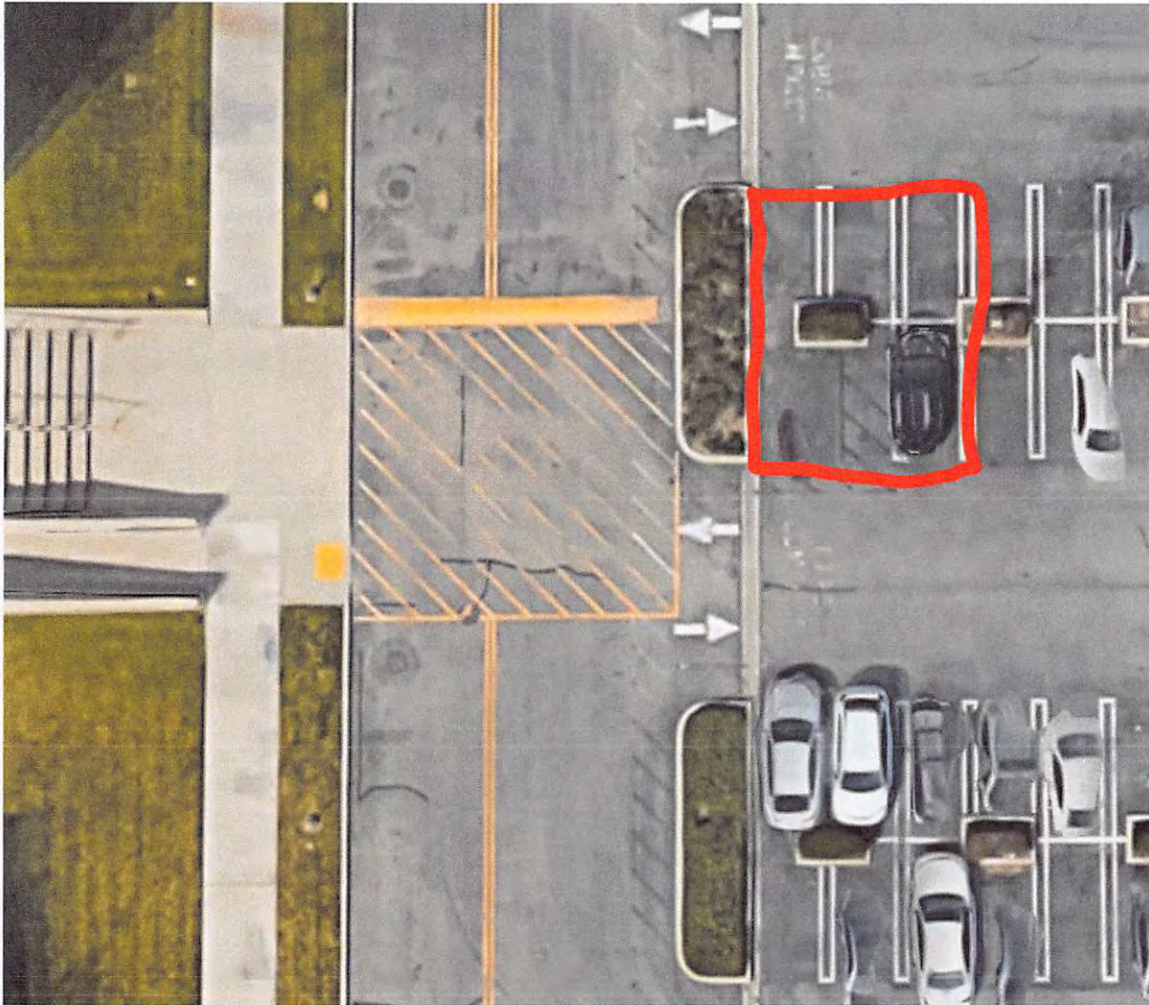
10034373.1



## EXHIBIT J

### ADA Parking Area

ADA Parking: The outlined area below represents an approximation of the location of four relocated ADA parking spaces. The actual location will be dependent upon the required path of travel and parking layout.



**LANDLORD'S WORK LETTER**

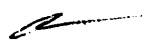
**For**

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

**COUNTY OF LOS ANGELES, as Tenant**

**SONNENBLICK DEL RIO NORWALK LLC, as Landlord**

**12440 IMPERIAL HIGHWAY, NORWALK, CA**



## LANDLORD'S WORK LETTER

This Work Letter supplements the Lease Agreement (the "Lease") dated \_\_\_\_\_, 20\_\_ , executed concurrently herewith, by and between Sonnenblick Del Rio Norwalk LLC, a Delaware Limited Liability Company, as Landlord, and COUNTY OF LOS ANGELES, a body corporate and politic, as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

The parties hereby agree as follows:

1. **Basic Work Letter Information.** The following terms as used herein shall have the meanings provided in this Section unless otherwise specifically modified by provisions of this Work Letter.

- |   |   |
|---|---|
| (a) <u>Total TI Costs</u>   | \$2,478,240.00 (i.e., \$36.00 per rentable square foot of the Premises)   |
| (i) <u>Landlord's TI Allowance</u>  | \$68,840.00 (i.e., \$1.00 per rentable square foot of the Premises)   |
| (ii) <u>Tenant's TI Contribution</u>  | \$2,409,400.00 (i.e., \$35.00 per rentable square foot of the Premises)   |
| (b) <u>TI Amortization Rate and Change Authorization Amortization Rate:</u> | Not applicable  |
| (c) <u>Tenant's Work Letter Representative</u>                              | Tina Hovsepian  |
| (d) <u>Landlord's Work Letter Representative</u>                            | Mr. Robert Sonnenblick, Mr. Nelson Del Rio, or an assigned staff person of the Landlord   |
| (e) <u>Landlord's Address for Work Letter Notices</u>                       | 12440 E Imperial Highway<br>Suite 100<br>Norwalk, CA 90650<br>Email: bob@sonndev.com,<br>nelson.delrio@icloud.com   |
| (f) <u>Tenant's Address for Work Letter Notices</u>                         | County of Los Angeles<br>Chief Executive Office - Real Estate<br>Division<br>320 West Temple Street, 7th Floor<br>Los Angeles, CA 90012<br>Attention: Director of Real Estate |



(g) Addenda

Addendum A: Base Building  
Improvements  
Addendum B: Tenant Improvements  
Addendum C: Form of Preliminary and  
Final TI Cost Summary

**2. Construction of the Building.**

2.1 Base Building Improvements. Landlord has constructed or shall construct the base building improvements described on Addendum A hereto (the "Base Building Improvements") as a part of the Building. If the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, that are not commercially standard requirements for like buildings or described in Addendum A, such changes or additions shall be considered Tenant Improvements (as defined below) and part of Tenant's Total TI Costs (as defined below) unless such changes or additions are specifically described in Addendum B hereto.

2.2 Additional Costs Not Total TI Costs.

(a) If the Building as initially constructed does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the Americans with Disabilities Act of 1990 (ADA), and/or earthquake safety codes, and Landlord incurs increased design or construction costs that it would not have incurred if the Building had been in compliance with such codes, then such costs shall not be included in the calculation of Total TI Costs (as defined below), and Tenant shall have no financial responsibility for such costs.

(b) Landlord must identify all noncompliant code related items utilizing an independent third-party expert at Landlord's sole cost and expense. Any work that Landlord must undertake to cause the Premises to comply with the access requirements of the ADA or to make existing building systems, including but not limited to electrical service and Perimeter electric in-duct heating coils and VAC equipment, fully operational shall be at Landlord's sole cost and expense. Total TI Costs shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease, including all expenses associated with curing any "Sick Building Syndromes", (ii) fire sprinkler system installation or upgrade, (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere, (iv) utility costs incurred during construction, (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease, nor (v) supervision or overhead costs of Landlord.

(c) Landlord shall be solely responsible for all costs and expenses necessary to increase and / or maintain permitted structural floor loading in order to accommodate Tenant's libraries, file rooms, unusual live loads and other such uses, provided such required floor loading is standard for commercial space generally. Any changes to the structural floor loading that are required to accommodate loads above that required in standard commercial space will be included in TI Total Costs.

(d) Upon Substantial Completion, Landlord, at its sole cost and expense, shall field-measure and verify the exact footage of the Premises and deliver said measurement to Tenant. Should this measurement be less than the square footage stated above, then Tenant shall have the right to adjust such square footage and reduce the Base Rent in Section 1.1 of the Lease accomplished by the mutual execution of an amendment to the Lease. Landlord

acknowledges the space has been marketed at the Lease indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no increase made to the Base Rent if the measured square footage exceeds the amount represented by Landlord. 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.

**2.3 Base Building Plans.** Landlord will use its best effort to deliver to Tenant complete and accurate "as built" plans and specifications for the Building in an AutoCAD 2015 (or later version) and Adobe PDF electronic format via USB flash drive and set-up of a web-based download link. If Tenant incurs additional costs because such plans and specifications are incomplete, inaccurate, or unavailable then any delay caused thereby shall not be a Tenant Delay (as defined below), but shall be deemed to be a delay caused by Landlord, and Landlord shall pay for any increased costs caused by such delay. If Landlord does not have the "as built" plans and specifications available as specified above, Landlord will deliver to Tenant that material required pursuant to Section 2.4 below.

**2.4 Survey.** Where 'as-built' plans are missing, Landlord must perform or provide if available a survey of existing space, which shall include existing floor plans and mechanical, electrical, and plumbing systems that impact or are related to the Tenant Improvements. The survey shall be at Landlord's sole cost and expense. Landlord shall submit such survey to the Tenant such that the initial Space Plan (as defined in Section 5.1) can be modified to conform to the existing conditions.

**3. Selection of Architect.** Landlord shall not proceed with any bid solicitation for architectural services until final space plan is furnished to the Landlord. Once Landlord receives the final space plan, Landlord shall promptly solicit at least three (3) proposals from qualified licensed architects familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings (as defined below). Landlord shall select an architect, subject to Tenant's acceptance, which shall not be unreasonably withheld, and which acceptance (or rejection for reasonable reasons) shall be granted within five (5) calendar days after Landlord has submitted the name of the selected architect to Tenant, together with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until Tenant accepts an architect (the "Architect"), and Tenant's written acceptance has been delivered to and received by Landlord.

**4. Selection of Contractor.** The Final Plans (as defined below) and a proposed construction contract(s) (based upon an American Institute of Architects (AIA) Fixed Price construction contract form) reasonably accepted by Tenant shall be submitted to a sufficient number of qualified contractors, selected by Landlord, so that a minimum of three (3) bids are received. Each contractor shall be requested to submit a sealed fixed price contract bid price on the Landlord supplied Tenant accepted contract form to construct the Tenant Improvements depicted on the Final Plans. Landlord shall select the most qualified bidder offering the lowest price after adjustments for inconsistent assumptions, and Landlord shall submit all bids, along with Landlord's recommendation, to Tenant for Tenant's review and acceptance. Following Tenant's acceptance, Landlord shall negotiate and, if a mutually agreeable contract is achieved, enter into a construction contract (the "Construction Contract") with the lowest qualified bidder (the "Contractor") to construct the Tenant Improvements, consistent with the terms of the accepted bid. Should the selected bidder and Landlord fail to come to agreement on the terms

of a mutually agreeable construction contract, the Landlord will select the next most qualified bidder offering the lowest price after adjustments for inconsistent assumptions of the remaining qualified bidders and Landlord shall submit the remaining bids, along with Landlord's recommendation, to Tenant for Tenant's review and acceptance. Following Tenant's acceptance, Landlord shall negotiate and, if a mutually agreeable contract is achieved, enter into a Construction Contract with the selected Contractor to construct the Tenant Improvements, consistent with the terms of the accepted bid.

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

5.1 **Preparation of Space Plan.** Concurrently with the execution of this Lease, Tenant shall submit to Landlord specifications for the Premises, which shall include a space plan, and when available, low voltage and furniture plans and shall depict, without limitation, all demising walls, corridors, entrances, exits, doors, and interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room (collectively, the "Space Plan").

5.2 **Preparation and Review of Working Drawings.** Within thirty (30) days after the date the Space Plan is submitted to Landlord (the "Plan Submission Date"), Landlord shall instruct the Architect to commence preparation of working drawings (the "Working Drawings"), which shall (a) be consistent with the Space Plan and the Preliminary TI Cost Summary (as defined below), (b) be compatible with the design, construction and equipment of the Building, (c) comply with all applicable laws, (d) be capable of physical measurement and construction, (e) contain all information required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and (f) include all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times provided that a schedule to submit the Working Drawings is provided to, and approved by, the Tenant. Landlord shall provide Tenant the Working Drawings, or such portion thereof as has been submitted, for Tenant's review and acceptance. Landlord shall be solely responsible for ensuring that the Working Drawings fully comply with all applicable building codes and cover any expenses that result from the errors, omissions or inconsistencies in the Architect's Instruments of Service.

5.3 **Preparation and Review of Engineering Drawings.** Landlord shall cause the Architect to coordinate with the Engineer and to integrate all engineering drawings prepared by the Engineer, including but not limited to complete mechanical, electrical, and plumbing plans ("Engineering Drawings"), into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review and acceptance.

5.4 **Integration of Working Drawings and Engineering Drawings into Final Plans.** After Tenant has accepted the Engineering Drawings, Landlord shall cause the Architect to integrate the accepted Working Drawings with the accepted Engineering Drawings (collectively "Final Plans") and deliver the Final Plans to Tenant for Tenant's review in an AutoCAD 2015 (or later version) and Adobe PDF electronic format via USB flash drive and set-up a web-based download link. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures,

electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements), power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements. Landlord's review of the Space Plan, Working Drawings, Engineering Drawings, and Final Plans shall be at Landlord's sole cost and expense.

5.5 Tenant's Plan Review and Acceptance. Tenant shall accept or reject the Working Drawings, the Engineering Drawings and the Final Plans within twenty-one (21) calendar days after Tenant receives the applicable plans and drawings from Landlord. If Tenant rejects any such plans or drawings, then Tenant shall notify Landlord thereof, specifying in detail the reason for such rejection, in which case Landlord shall revise the applicable plans or drawings and deliver revised plans or drawings to Tenant within fourteen (14) calendar days after receipt of Tenant's rejection notice. This procedure shall be repeated until the applicable plans are accepted by Tenant. If, after such procedure, the parties cannot agree on the Working Drawings, the Engineering Drawings or the Final Plans, then Tenant may elect to terminate the Lease and this Work Letter by delivering a written termination notice to Landlord, whereupon all monies previously paid to Landlord shall be promptly refunded to Tenant, and the parties shall have no further obligations under the Lease and the Work Letter. Tenant's acceptance of the Working Drawings, Engineering Drawings and/or the Final Plans shall not be deemed to be a representation by Tenant as to the Building Code adequacy or correctness of the design of the Tenant Improvements, which shall be Landlord's sole responsibility.

5.6 Schedule. Within twenty-one (21) calendar days of the Plan Submission Date, Landlord shall submit to Tenant a detailed baseline construction schedule, subject to acceptance by Tenant, which shall not be unreasonably withheld, setting forth the completion dates of certain project milestones, including but not limited to completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of the Construction Contract, construction commencement date, interim schedule milestone dates, and the date of Substantial Completion (as updated over time in accordance with this Section, the "Construction Schedule"). The Construction Schedule shall be apportioned by construction activity and include time required for the completion of each portion of the work. As the construction continues, Landlord shall amend the Construction Schedule at least once each month to reflect any changes to the projected dates, and Landlord shall promptly submit the revised Construction Schedule to Tenant for its approval which shall not be unreasonably withheld. Such monthly amendments of the Construction Schedule shall include any delays to Substantial Completion allowed pursuant to Section 12 below ("Tenant Delays and Force Majeure Delays") and allowed Change Authorizations (as defined below). For delays other than Tenant Delays and Force Majeure Delays and Change Authorizations, if the amended Construction Schedule identifies delays to the project's critical path, the Landlord shall provide a recovery schedule and/or request for a contract time extension.

5.7 Submittals. The Landlord shall submit to Tenant any Shop Drawings, Product Data Sheets / Samples or similar submittals required by the Final Plans in coordination with the construction schedule and with reasonable promptness, so as not to cause any delay in the construction of the Tenant Improvements. The purpose of Shop Drawings, Product Data, Samples and similar submittals is to demonstrate the way by which the Contractor proposes to construct a design concept expressed in the Final Plans. "Shop Drawings" include drawings, diagrams, schedules and other data specially prepared by the Contractor or a subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Tenant Improvements. "Product Data Sheets / Samples" include illustrations, summary performance charts, instructions,

brochures, diagrams, manufacturer specifications and other information furnished by the Landlord to illustrate materials or equipment for some portion of the Tenant Improvements. "Samples" are physical examples that illustrate materials, equipment or workmanship for some portion of the Tenant Improvements. The Contractor shall construct no portion of the Tenant Improvements for which the Final Plans require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been reviewed and accepted by the Architect.

**6. Landlord's TI Cost Summary and Payment of Total TI Costs.**

6.1 Cost Summary. Within seven (7) calendar days after the Plan Submission Date, Landlord shall submit to Tenant a preliminary cost summary for the Tenant Improvements in a format similar to Addendum C attached hereto (the "Preliminary TI Cost Summary"), which must not exceed the sum of Landlord's TI Allowance and Tenant's TI Contribution. The Preliminary TI Cost Summary shall be revised into final form within ten (10) days after the date that the Contractor is selected and will be referred to herein as the "Final TI Cost Summary". Tenant shall have fourteen (14) calendar days after the date of receipt of the Final TI Cost Summary to accept or reject the Final TI Cost Summary, including but not limited to any Contractor overhead, profit and/or general conditions costs included therein; provided, however, that any proposed increase to Tenant's TI Contribution shown on the Final TI Cost Summary shall not be effective unless approved in a separate written agreement executed by Landlord and Tenant. Tenant's failure to accept or reject the Final TI Cost Summary in writing within such period shall be deemed to be rejected. Construction of the Tenant Improvements shall not begin until Tenant accepts the Final TI Cost Summary in writing. If Tenant rejects the Final TI Cost Summary due to matters related to cost and the Final TI Cost Summary is ten percent (10%) or more higher in cost than projected in the Preliminary TI Cost Summary, then, at Tenant's request, Landlord shall cause the Architect and the Engineer to redesign the Tenant Improvements to comply with the Preliminary TI Cost Summary, and any delay caused by the necessity to rebid or redesign the Tenant Improvements shall not be considered a Tenant Delay. If Tenant rejects the Preliminary TI Cost Summary or the Final TI Cost Summary, the parties shall promptly confer to resolve all issues relating thereto. If after such consultation, the parties cannot agree on the Preliminary TI Cost Summary or the Final TI Cost Summary, then Tenant may elect to terminate the Lease and this Work Letter by delivering written termination notice to Landlord, whereupon all monies previously paid to Landlord shall be promptly refunded to Tenant, and the parties shall have no further obligations under the Lease or this Work Letter.

6.2 Landlord's TI Allowance and Tenant's TI Contribution. All improvements required by the Final Plans, as further described in Addendum B hereto, and any and all modular furniture described in the Modular Specifications (as defined below) shall be referred to herein, collectively, as "Tenant Improvements" or "TI." Costs of Tenant Improvements shall include costs for furniture, signage as set forth in the Lease, soft costs, and any other costs approved in writing by Tenant (collectively "Total TI Costs"), all of which must not exceed the sum of Landlord's TI Allowance, Tenant's TI Contribution, and the cost of any Change Authorizations (as defined below) that are approved in writing by both parties. Landlord shall be solely responsible for any delay or increased cost in completing the Tenant Improvements except as otherwise provided in Section 12 or elsewhere in this Lease. Except as otherwise provided herein, all Total TI Costs shall be paid by Landlord and deducted from Landlord's TI Allowance. If the Total TI Costs exceed Landlord's TI Allowance, then Tenant may authorize Landlord to pay the overage in an amount not exceeding Tenant's TI Contribution. Thereafter, Tenant shall pay such overage to Landlord as provided in Section 6.3 below.



6.3 Method of Payment. Tenant shall be obligated to pay Landlord that portion of Tenant's TI Contribution used to pay for any Total TI Costs in excess of Landlord's TI Allowance within thirty (30) calendar days after all of the following conditions have been met: (i) Tenant Improvements are Substantially Complete (as defined in the Lease); and (ii) Landlord has provided Tenant with all documentation substantiating all Tenant Improvements' expenses, including without limitation, receipts, invoices, proof of payment, conditional and unconditional lien releases and approved changed orders. In the event that the Landlord has provided a conditional lien release(s) as proof of costs incurred, the Tenant shall be obligated to reimburse only that amount that is supported by unconditional lien releases with supporting proof of payment. Subsequent to any partial reimbursement, Tenant shall immediately reimburse Landlord for amounts represented by any additional unconditional lien release(s) and proof of payment where such amounts were previously represented by a conditional lien release(s). Landlord shall seek no more than four additional reimbursement payments from Tenant, following partial reimbursement, for previously submitted conditional lien releases that have been converted to unconditional lien releases and for which proof of payment has been provided. Notwithstanding the above, if prior to the end of the thirty day period the Tenant has determined that it does not have the materials necessary to reconcile all Tenant Improvements' costs to determine and confirm the total Tenant Improvements amount spent and the amount of Tenant's TI Contribution owed to Landlord, the thirty day period shall be extended by that number of days necessary for Landlord to provide requested documentation. Such payment shall be made by Tenant to Landlord as a lump sum payment with no interest.

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

## 7. Construction of Tenant Improvements.

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

7.2 Bids. Unless waived by Tenant in writing, any major contractors, subcontractors and material suppliers providing labor and/or materials for the Tenant Improvements shall be selected only after a minimum of three (3) bids have been solicited from responsible and qualified persons. The bids shall include an itemized list of all materials and labor and shall include all additional costs, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Landlord shall also obtain a minimum of three (3) bids from responsible and qualified bidders for the purchase and installation of Tenant's office furniture system, if applicable, in accordance with Section 9.1 below. For the sake of clarity, in no event shall an entity hired by Landlord be subject to the provisions of this section.

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



7.4 Commencement of Construction. Landlord shall commence construction of the Tenant Improvements within a commercially reasonable time after Tenant's acceptance of the Contractor pursuant to Section 4 hereof. Contractor shall obtain the building permit for the Tenant Improvements prior to the commencement of construction. Thereafter, Landlord shall diligently proceed to construct and complete all Tenant Improvements in a good and workmanlike manner, subject only to any cessation that may be caused by Force Majeure Delays (as defined below).

7.5 Construction. Construction of the Tenant Improvements will be subject to the following terms and conditions:

(a) Notice of Nonresponsibility. Landlord and the Contractor shall cooperate with Tenant in posting a notice or notices of nonresponsibility by Tenant in compliance with California Civil Code Section 8444.

(b) Decorating Decisions. All design and programming, space planning and interior decorating services, such as selection of wall paint colors and/or wall coverings, furniture, fixtures, flooring and base, and any other decor selection efforts required by Tenant, shall be provided by Landlord, as a Total TI Cost expense, in accordance with Tenant's Space Plan. Landlord shall consult with Tenant with respect to all such decorating services and decisions.

(c) Warranties. Landlord warrants that the Tenant Improvements shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of Substantial Completion (as defined in the Lease). In the event longer warranty terms are provided by vendors and contractors selected by the Tenant, the warranty provided to the Tenant shall be equal such extended period. Landlord shall require each contractor and subcontractor to provide warranties of like duration in all construction contracts relating to the Tenant Improvements and, upon Tenant's request, Landlord shall assign to Tenant any such warranties relating to the Tenant Improvements. Patent defects in the Tenant Improvements shall be brought to Landlord's attention promptly. Latent or hidden defects in the Tenant Improvements shall be brought to Landlord's attention promptly upon Tenant's becoming aware of such defects. Landlord shall cause its contractors and subcontractors to promptly cause such defects to be repaired following receipt of notice thereof, and Tenant shall have the same rights with respect thereto as set forth herein for all other punch-list items.

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

(e) Compliance with Laws. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including but not limited to all provisions of the California Labor Code. **Without limiting the generality of the foregoing, construction of the Tenant Improvements shall comply with all applicable laws and regulations, including but not limited to the provisions of the California Labor Code relating to the payment of prevailing wages on public works projects, unless the work is otherwise exempt therefrom pursuant to the California Labor Code. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly wage rate and details pertinent thereto for each craft, classification, or type of workman or mechanic needed for the construction of**

**the Tenant Improvements. Particulars of the current prevailing wage scale, as approved by the Board of Supervisors, which are applicable to the work, are filed with the Clerk of the Board of Supervisors and must be posted at the site. Notwithstanding the foregoing or any language to the contrary contained herein, the payment of prevailing wages according to the current prevailing wage scale and compliance with applicable prevailing wage statutes shall be required where there is a Tenant's TI Contribution made towards the Total TI Costs of the Tenant Improvements to be performed.**

(f) Access During Construction. Tenant shall have the right to conduct site visits to observe progress of the Tenant Improvements during the course of construction. Additionally, pursuant to Section 4.3 of the Lease, Tenant shall be entitled to enter the Premises at least thirty (30) calendar days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Landlord and Tenant shall use reasonable good faith efforts to coordinate the work of their respective contractors to achieve timely completion of the Tenant Improvements and Tenant's installation work.

7.6 Completion/Close Out. The Premises shall not be considered Substantially Complete until the Tenant Improvements have been completed in accordance with the Final Plans and Section 4.1 of the Lease, subject only to the completion of minor punch-list items that will not interfere with Tenant's use and occupancy of the Premises for Tenant's permitted and intended use under the Lease. Upon Substantial Completion of the Tenant Improvements, Landlord shall notify Tenant in writing and, within fourteen (14) calendar days of Tenant's receipt of such notice, Landlord and Tenant shall conduct a "walk-through" inspection of the Premises and prepare a punch-list of known or apparent deficiencies or incomplete work required to be corrected or completed by Landlord. Landlord shall cause all punch-list items to be repaired or completed as soon as possible, but in no event later than thirty (30) days following the walk-through inspection, the cost of any such punch-list items shall be paid as part of the Total TI Cost if applicable. If Landlord fails to complete any of the punch-list items within such 30-day period, then Tenant, in addition to its other rights and remedies under the Lease, after giving ten (10) days written notice to Landlord, shall have the right, but not the obligation, to cause such punch-list items to be completed with the cost thereof to be deducted from the amounts payable by Tenant with respect to such Tenant Improvements work yet to be completed. In the event that Tenant has paid Landlord the Tenant TI Contribution and punch list items are not yet completed, and Tenant has elected to complete punch-list items itself, the cost thereof plus ten percent (10%) for Tenant's overhead and supervision is to be deducted from the next installment(s) of rent or other amounts payable by Tenant under the Lease

7.7 Conformed Plans. Within sixty (60) days after Substantial Completion of the Tenant Improvements and Landlord's receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans ("as-builts") incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such "as-built" or "record documents" shall be submitted in an AutoCAD 2015 (or later version) format, along with one complete set of plans and specifications Adobe PDF electronic format via USB flash drive and set up of a web-based download link.

8. Requests for Change. Tenant and Landlord may request changes, additions, deletions or substitutions in the Final Plans (each, a "Request for Change"), provided that the requesting party must submit a written request to the other party and that Requests for Change will not be effective unless approved in writing by both Tenant and Landlord (a "Change Authorization"). Only the County's Chief Executive Officer or his/her designee is authorized to execute Change





Authorizations on behalf of Tenant. If Tenant requests any changes or substitutions to the Tenant Improvements after the Final Plans and the Final TI Cost Summary have been accepted ("Tenant-Requested Changes"), then any additional costs related thereto in excess of Landlord's TI Allowance shall be paid by Tenant, provided that Tenant executes a written Change Authorization prior to the performance of the applicable work. Tenant shall be obligated to pay Landlord for the Tenant Request for Change as part of Tenant's portion of Tenant's TI Contribution used to pay for any Total TI Costs in excess of Landlord's TI Allowance as defined in Section 6.3. Landlord shall be solely responsible for the cost of any Change Authorizations or other Requests for Change that are not Tenant-Requested Changes or approved by the Chief Executive Officer or his/her designee. Landlord shall submit to the Chief Executive Officer or his/her designee with each Request for Change: (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Change Authorizations previously executed, and (iii) an estimate of the number of days by which the construction time will be increased or shortened if the Request for Change is approved. Each Change Authorization must be signed and dated by tenant department, Landlord and the Chief Executive Officer or his/her designee in order to be effective.

## **9. Furniture System.**

9.1 Tenant shall deliver to Landlord within fourteen (14) calendar days after the date of full execution of this Work Letter, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, as part of the Total TI Costs, Landlord and /or Landlord's architect shall prepare modular furniture specifications bid package for submission to no less than three (3) furniture vendors. The bid package shall be broken down into separate line items for material, delivery, and sales tax, and each furniture item shall be broken down by unit price, quantities, description and specification. Prior to submission for bids, Landlord shall review the bid package with Tenant, and Tenant shall have the right to accept or reject the bid package. Landlord shall order the modular furniture set forth in the Modular Specifications and install the same within the Premises, all of which shall be a Total TI Cost, payable by Landlord and/or Tenant as provided in Section 6.2 and Section 6.3 hereof. Tenant's acceptance of any bid package shall be deemed to be a representation by Tenant as to the adequacy or correctness of any specifications contained therein.

9.2 Alternatively, Tenant may elect to finance the cost of modular furniture through lease-purchase financing with a third-party lender ("Creditor"). If Tenant elects to enter into a lease-purchase financing of any furniture or telecommunications equipment (individually or collectively, "Personal Property") through a Creditor, Landlord expressly agrees as follows:

(a) The Personal Property shall not become part of the real property, but shall remain personal property removable by the Creditor and its assigns, provided that any damage to the Building or the Premises caused by such removal shall be repaired by Creditor.

(b) Landlord must receive written notice from Creditor of any plan by Creditor to remove the Personal Property from the Building.

(c) This Section 9.2 shall be binding on the representatives, successors and assigns of all parties hereto and shall inure to the benefit of the successors-in-interest to all parties hereto.

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

9.3 Landlord shall continue to store the existing furniture, fixtures, and equipment (FF&E) within Premises A at no additional cost to Tenant. Upon the Commencement Date, the FF&E within Premises A shall be sold to Tenant for \$1.00 which shall be included in the second month Base Rent due to Landlord.

**10. Total TI Costs Adjustment and Right to Audit.** Within seven (7) calendar days of the issuance of a Certificate of Occupancy for the Premises or a final sign-off by the County of Los Angeles, whichever occurs first, Landlord shall provide to Tenant a statement showing (a) all Total TI Costs in reasonable detail and sorted into the same line items as the Final TI Cost Summary, and (b) the amount of Total TI Costs that is in excess of Landlord's TI Allowance and payable hereunder by Tenant to Landlord. Upon approval of such statement by Tenant, payments by either party pursuant to the Lease and this Work Letter shall be adjusted as appropriate based upon such statement. Tenant shall have the right to audit the Total TI Costs for a period of two years following the date of Tenant's Acceptance of the Premises. If the audit shows that Tenant is entitled to a reduction in payments made by Tenant to the Landlord pursuant to this Work Letter, then Tenant shall provide Landlord with a copy of the audit summary, and inform Landlord if Tenant wants Landlord to pay Tenant the amount of any over-payment made by Tenant within thirty (30) calendar days or if Tenant will apply such amount as a credit against the next installment(s) of Base Rent due under the Lease, and any future payments owed by Tenant shall be adjusted as appropriate based upon the audit results. Landlord shall require the Contractor to include a two year audit provision in its contract for services and in all subcontracts the Contractor executes which allow Tenant to audit the Contractor's and all subcontractors' books and records with respect to the payment by Landlord for Tenant Improvements. Landlord shall maintain the records submitted to Tenant pursuant to Section 6.3(ii) above for a period of five years following the date of Acceptance of Premises and shall provide such records to the Tenant upon request during such period. Notwithstanding Landlord maintaining such records for five years, such period shall not extend Tenant's right to audit the Total TI Costs as set forth above.

**11. Telephone/Computer Room and Equipment.** Landlord shall complete the telephone equipment room(s), including permanent power and supplemental VAC for the server room, in compliance with the Space Plan, Low-Voltage Plan and specifications provided by Tenant, at least thirty (30) calendar days prior to the Estimated Commencement Date. During this thirty (30) day period, the Landlord shall be responsible for the security and protection of any telephone/data equipment delivered to the site prior to the Estimated Commencement Date.

**12. Delay.**

**12.1 Tenant Delays and Force Majeure Delays.** Except as set forth in this Section 12, Tenant shall not be charged as a result of any delay in the construction of Tenant Improvements. Subject to the provisions of Section 12.2, the date of Substantial Completion set forth in the Construction Schedule shall be extended one (1) day for each day that: (a) Tenant fails or refuses to provide information or materials or give authorizations or approvals within the time periods required herein or in the Lease, but only to the extent such delays delay the commencement or completion of construction of the Tenant Improvements (referred to herein as "Tenant Delay(s)"); or (b) Substantial Completion of the Tenant Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage, restrictive governmental laws or regulations, declarations, quarantines or containments, pandemics, epidemics and governmental regulations imposed in connection therewith, breaches of cybersecurity, inability to procure materials not related to the price thereof, or delays in processing approvals by a governmental body or other



similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)").

## 12.2 Limitations.

(a) Notice. No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless, within forty-eight (48) hours of the Landlord becoming aware of the event giving rise to such claim, Landlord provides Tenant with written notice in compliance with the Lease specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction, or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred, commencing as of the date Tenant received such notice from Landlord.

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

(c) Concurrent Delays. Tenant Delays and Force Majeure Delays shall be recognized hereunder only if they are not concurrent with any other Tenant Delay or Force Majeure Delay that is effective hereunder. For example, if fourteen (14) calendar days of Tenant Delays and six (6) calendar days of Force Majeure Delays occur during the same fourteen (14) calendar day period, then the date of Substantial Completion would be extended by only fourteen (14) calendar days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, then the date of Substantial Completion would be extended by twenty (20) calendar days.

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

(e) Work Scope Precedence. In case of conflicts or discrepancies between or among this Landlord Work Letter, plans, and specifications, plans shall supersede specifications for quantity, specifications shall supersede plans for quality, and this Landlord Work Letter shall supersede both plans and specifications.

**13. Tenant Remedies.** If Landlord (i) fails to obtain the building permit to construct the Tenant Improvements within a reasonable time following completion of construction drawings, taking all factors into consideration, or (ii) a general contractor has not commenced construction of Tenant Improvements within ninety (90) calendar days of Landlord's receipt of the final governmental building permits granting Landlord the right to perform the Tenant Improvements in the Premises, or (iii) Substantial Completion has not occurred within one hundred and eighty (180) days after the date of Substantial Completion established in the Construction Schedule, as amended and reasonably approved pursuant to Section 5.6, and with such period expanded by that number of days any Tenant required construction materials are delayed in delivery to the Building (collectively, an "Unexcused Delay"), then Tenant may, at its option:

13.1 Cancel the Lease upon thirty (30) calendar days' written notice to Landlord; or

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

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

(b) Base Rent shall be reduced by Landlord's TI Allowance used by County for constructing the Tenant Improvements (such amount to be reduced by the amount expended for Tenant Improvements to the date Tenant exercises such remedy), including any financing charges for such capital and Tenant's total construction management expense for constructing the Tenant Improvements in the amount of five percent (5%) of the TI Cost (collectively, "Landlord Recovered TI Costs"). The rent reduction schedule shall be as mutually agreed to between the parties or, if no such agreement is made, Tenant's Landlord Recovered TI Costs shall be fully amortized in equal monthly amounts over five (5) years and deducted from the Base Rent payable under the Lease.

Any default by Landlord under the terms of this Work Letter shall constitute a Landlord Default under the Lease and shall entitle Tenant to exercise all remedies set forth in the Lease.

#### **14. Representatives.**

14.1 Tenant Representative. Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Work Letter only, is Tenant's Address for Work Letter Notice as set forth in Section 1.2 of the Lease.

14.2 Landlord Representative. Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on behalf of Landlord as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Work Letter only, is Landlord's Address for Work Letter Notice as set forth in Section 1.2 of the Lease.

**15. Elevator Usage During Move-In.** In the event that the use of the freight elevators and/or hoists is not sufficient to meet Tenant's requirements during the early entry period set forth in Section 4.3 of the Lease, (a) Landlord shall cause to be made operational a temporary construction elevator and hoist, or (b) Tenant shall have priority usage of two (2) passenger elevators in the elevator bank that services the Premises in order to assist Tenant in the installation of Tenant's fixtures, furniture and equipment. Any elevator usage provided under this Section 15 shall be at no cost to Tenant.

**16. Construction Meetings.** During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, unless Tenant directs otherwise, at a time and place that is mutually convenient. An initial construction meeting shall

be held within seven (7) calendar days after the date the Contractor is selected. Contractor shall provide minutes of each construction meeting to Tenant within a reasonable time thereafter, but not later than three (3) calendar days after the date of the construction meeting.


**17. Delivery.** Delivery of all plans and drawings referred to in this Work Letter shall be either by commercial messenger service, personal hand delivery or Landlord can set up a web-based download, unless otherwise agreed by Landlord and Tenant.

**18. Miscellaneous.** This Landlord Work Letter sets forth the entire understanding and agreement between the Parties with respect to the subject matter of this Landlord Work Letter. This Landlord Work Letter may be amended only in a writing signed by both Parties. Any notice to a party for a breach of this Landlord Work Letter must be delivered in writing per the terms as set forth in Section 30.6 of the Lease. This Landlord Work Letter shall be construed as if jointly drafted by the parties. This Landlord Work Letter will not be effective unless and until signed by both Parties. Neither party may assign this Landlord Work Letter or its rights or obligations hereunder without the other party's prior written consent. This Landlord Work Letter will be binding upon, enforceable by and inure to the benefit of the Parties and each of their successors and permitted assigns. Provisions contained in this Landlord Work Letter shall prevail in case of conflict over the terms of the Lease. This Landlord Work Letter is hereby incorporated into and made part of the Lease. All the terms and conditions of the Lease remain in full force and effect, except as expressly indicated otherwise in this Landlord Work Letter. This Landlord Work Letter will become effective as of the Effective Date and shall continue in effect, except to the extent it is amended or terminated in accordance with terms of the Lease.

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

LANDLORD:

Sonnenblick Del Rio Norwalk LLC, a Delaware  
Limited Liability Company

By:   
Name: Nelson Del Rio  
Title: Co-Manager  
Date Signed: \_\_\_\_\_

TENANT:

COUNTY OF LOS ANGELES,  
a body corporate and politic

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date Signed: \_\_\_\_\_



## **ADDENDUM A To Landlord's Work Letter**

### **BASE BUILDING IMPROVEMENTS**

Landlord has constructed (or will construct) the Building to include the following:

(a) the Building shell and exterior, including perimeter window systems and mullions in good condition. If building has not been constructed or is still under construction, no tenant improvements work shall commence until building has been signed off by the City having jurisdiction and Certificate of Occupancy has been received.

(b) Must also include including mechanical, electrical, sprinkler, plumbing, Fire life safety, Premises perimeter zone electric in-duct heating, air conditioning, ventilation and structural systems within the Building core, stubbed out to the face of the core wall at locations determined by Landlord;

(c) toilet rooms per applicable code, including necessary plumbing fixtures, ceramic tile floors, accessories, ceilings and lighting, with running hot and cold water;

(d) Appropriate covering of the exposed side of all exposed core walls, core and perimeter columns and the interior exposed side of all exterior building wall areas except at and under windows. Also included:

(e) public stairways;

(f) passenger and freight elevators;

(g) parking facilities;

(h) ground floor lobby;

(i) finished elevator lobbies (with carpet, lights, finished walls and ceiling);

(j) exterior plazas and landscaping;

(k) loading dock and/or area;

(l) at least one water bottle filling station/drinking fountain available in the Building on the floor of the Premises;

(m) electrical/telephone closet with not less than seven (7) watts per square foot of rentable area of normal power in the floor electrical closet;

(n) conduit access sufficient for Tenant's electrical wiring (no additional improvement to increase conduit access will be furnished by Landlord unless there is not sufficient riser space as required for a 1.5" diameter signal cable from the Building main telecommunication vault to the telephone closets on the 3<sup>rd</sup> floor of the main Building and 1<sup>st</sup> floor of the Annex Building, in which case Landlord, at no cost to Tenant and without deduction from Landlord's TI Allowance, shall cause such riser space to be made available to Tenant, and provided further that Tenant shall be responsible for the cost for removing the riser floor seal at each floor and the patching of each seal after installation of Tenant's cable);

(o) two (2) 208/120 and one (1) 480/277 Volt (VAC) panels connected to the Building power system;

(p) mechanical equipment room with ducted mechanical exhaust system;

(q) concrete floors with troweled finish ready for tenant's floor finish, level to specified tolerances and designed to support a minimum live load of fifty (50) pounds per square foot and a partition load of twenty (20) pounds per square foot;

(r) standard window coverings;

(s) primary VAC duct for cooling to loop from the mechanical equipment room around the building core and if required by code, Landlord shall install in-duct electric heat boxes for the perimeter zone of the Premises, at Landlord's sole cost and expense, with such heat boxes connected to the Tenant's sub-metered electric panel and the cost of operation of such heat boxes shall be a Tenant expense.

(t) cold air loops located within the Premises;

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

(v) primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution;

(w) access at panels in the service core for distribution of Building requirements electrical power (initially 120/208 V for power and 277V for fluorescent lighting) up to the limits permitted under applicable law at the time the Building receives the initial temporary certificate of occupancy for the Building;

(x) Appropriate coverings on the service core walls, columns and sills in the Premises;

(y) Demolition and removal of any existing improvements or equipment situated within the Premises, unless the Final Plans show that such improvements and/or equipment will remain in the Premises;

(z) paint Building's elevator Lobby on the east and west sides of Premises A and shampoo carpet and replace any damaged carpet squares approved by Landlord and in coordination with the Tenants assigned CEO Project Manager;

(aa) install an outdoor covered queuing area adjacent to the north side of Premises B for use by Tenant's clients, which may necessitate the redesign of the existing planter(s), seating, and landscaping pursuant to a mutually agreed design and location.

(bb) install full height demising walls, as needed;

(cc) Install four (4) new windows on the South side exterior wall of Premises B in substantially the same form as shown on the attached Addendum D hereto. Tenant shall have the right to specify the exact placement of the new windows within the six bays indicated in the





diagram, subject to any engineering restrictions (none known at this time). Tenant shall also have the right to request the installation of an additional window, if needed at Tenant's expense; and

(dd) any work required within the Premises, Buildings, Parking Lot and/or common areas, for code compliance shall include but not limited to ADA, Fire Life Safety, and Title 24.



**ADDENDUM B To Landlord's Work Letter**

**TENANT IMPROVEMENTS**

Tenant improvements shall include:

- (a) Tenant ceilings and lighting;
- (b) Floor finish in the Premises (except elevator lobbies and public corridors on multi-tenant floors and toilet rooms);
- (c) Interior finishes of any kind within the Premises (except elevator lobbies and public corridors on multi-tenant floors and core area toilet rooms);
- (d) Interior partitions, doors and hardware within the Premises;
- (e) Terminal boxes and electric in duct heat coils or air distribution devices and systems to or within the Premises, with such heat boxes connected to the Tenant's sub-metered electric panel and the cost of operation of such heat boxes shall be a Tenant expense;
- (f) Tenant's furniture, fixtures and equipment, including telephones, computers and cabling therefor;
- (g) Distribution of electrical services, plumbing services and sprinklers from the core to or within Premises, and domestic hot water heater and associated hot water piping, if any;
- (h) Any and all signs for Tenant and the power therefor;
- (i) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms and extinguishers;
- (j) Additional and/or above standard electrical capacity including any supplemental VAC, installed for the Tenant's server room; and
- (k) Fiber optic access.

**ADDENDUM C To Landlord's Work Letter**

**PRELIMINARY AND FINAL TI COST SUMMARY**

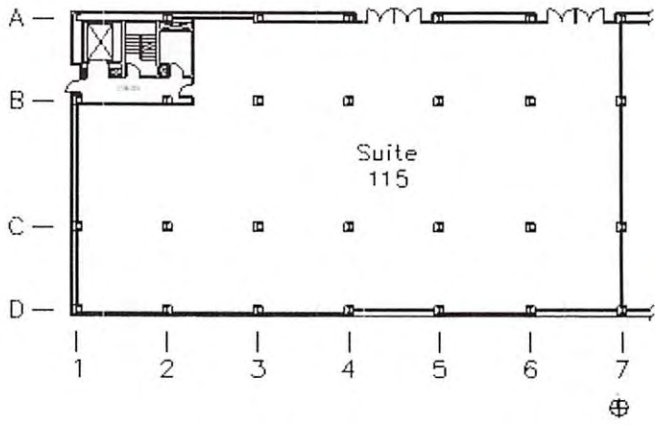
\_\_\_ Preliminary TI Cost Summary  
\_\_\_ Final TI Cost Summary

Lease No. \_\_\_\_\_  
Address \_\_\_\_\_

Cost Category	
Architecture and Engineering Contract	\$
Plan Check Fees & Permits	\$
General Contractor	\$
(Profit)	\$
(Overhead)	\$
Furniture	\$
Other (Specify)	\$
Total TI Costs	\$



ADDENDUM D To Landlord's Work Letter



12440 E. Imperial Hwy, Norwalk, CA  
Suite 115  
04/17/23

Annex Building



## BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

<b>CLUSTER AGENDA REVIEW DATE</b>	6/26/2024	
<b>BOARD MEETING DATE</b>	7/23/2024	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input checked="" type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>	
<b>DEPARTMENT(S)</b>	Aging and Disabilities	
<b>SUBJECT</b>	10-year lease for 5,680 square feet of office space and 15 on-site parking spaces at 441 East Carson Street, Suites J/K/L, Carson, 90745	
<b>PROGRAM</b>	Senior 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:	
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable	
<b>DEADLINES/ TIME CONSTRAINTS</b>	N/A	
<b>COST &amp; FUNDING</b>	Total cost: \$4,986,000	Funding source: 100% NCC
	TERMS (if applicable): The proposed lease will have an annual rent and TI cost of \$394,000 for the first year, where the landlord will be responsible for all operating expenses and maintenance to the building. The County will be responsible for utilities and janitorial services within the Premises.	
	Explanation: Sufficient funding to cover the proposed rent for the first year of the proposed lease term is included in the Fiscal Year 2024-25 Rent Expense budget and will be billed back to AD. AD has sufficient funding in its Fiscal Year 2024-25 Operating Budget to cover the proposed rent for the first year. Future funding for the costs associated with the proposed lease will be addressed through the annual budget process for AD.	
<b>PURPOSE OF REQUEST</b>	Approval of the recommended actions will authorize and provide use of office space for Aging & Disabilities.	
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	The proposed 10-year lease is for occupancy at the subject property for approximately 5,680 square feet of office space and 15 on-site parking spaces which will enable the Department to use the space for a Senior Center and relocate from its existing location at 14112 Kingsley Dr., Gardena because it has outgrown the space required for the services.	
<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"

July 23, 2024

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

Dear Supervisors:

**TEN-YEAR LEASE  
AGING & DISABILITIES DEPARTMENT  
441 EAST CARSON STREET, SUITES J, K, L, CARSON  
(SECOND DISTRICT) (3 VOTES)**

**SUBJECT**

Approval of a proposed new ten-year lease for 5,680 square feet of office space, and 15 on-site parking spaces for the Aging & Disabilities Department (AD) Senior Center.

**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 Tung's Investment Group, Inc., a California corporation (Landlord), for approximately 5,680 square feet of office space, and 15 on-site parking spaces located at 441 East Carson Street, Suites J, K, L, Carson (Premises) to be occupied by AD. This proposes a lease for a term of ten years. The estimated maximum first year base rental cost is \$229,000, with a one-month rent abatement of about \$19,000, will equal \$210,000. The estimated total proposed lease cost is \$4,986,000 over the ten-year term. The rental costs will be funded 100 percent by net County cost (NCC) that is already included in AD's existing budget. AD will not be requesting additional NCC for this action.

3. Authorize the Chief Executive Officer, or her designee, to reimburse the Landlord up to \$767,000 for the County's tenant improvement (TI) contribution, if paid in lump sum or \$922,000 if amortized over five years at 7.5 percent interest per annum.
4. Authorize the Director of AD, or her designee, to contract with and direct the Internal Services Department (ISD), in coordination with the Chief Executive Officer, or her designee, for the acquisition and installation of telephone, data, and low-voltage systems and vendor installation (Low-Voltage Items) at a total cost not to exceed \$1,466,000 paid in a lump sum. The cost for the Low-Voltage Items is in addition to the rental costs and the County's TI contribution payable to the Landlord.
5. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the terms of the proposed lease, and to take actions necessary and appropriate to implement the proposed lease, including, without limitation, exercising any early termination rights.

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

AD's Senior Center and Adult Protective Services (APS) programs are currently co-located with a County Mental Health Center located at 14112 South Kingsley Drive, Gardena. All three programs have outgrown the current space. Once the programs have secured suitable alternate locations and are built out, the existing lease will be terminated because the existing location does not meet the needs of the programs.

AD's Senior Center is a multipurpose service center that provides a wide range of direct, bilingual services to the community, with a special focus on South Bay area seniors in the Asian and Pacific Islander community. The Senior Center offers social and recreational activities such as fitness and wellness programs, congregate meals, volunteer opportunities, and educational workshops. General support services are available to assist with form completion, general translations, and information about other County resources. Additional programs include the Emergency Food Assistance Program, which provides pantry and produce to individuals and low-income families, and APS. APS is a state mandated crisis intervention program responsible for investigating situations of neglect, abuse, or unsafe living involving dependent adults and elders. These services are designed to support the well-being, independence, and quality of life of older adults in the community.

There are 50 AD employees located in the Premises and onsite coverage is needed to provide services to constituents who visit the site each day and participate in AD's programs. Due to the direct services and the group activities at the Senior Center, there are no plans for teleworking or hoteling.

AD selected the Premises due to its location within AD's service area, which is in the South Bay region of the County. Also, the proposed Premises is located on the ground floor and not within a traditional office building making it easier for constituents to access said services. In addition, the proposed premises is near freeway access and near public transportation such as LA Metro, Long Beach Transit, and Carson Circuit. The Premises provides adequate space for AD to expand and continue their programs while being easily accessible to the community it serves.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan North Star 2 - "Foster Vibrant and Resilient Communities" - provides that our investments in the lives of County residents are sustainable only when grounded in strong communities. We want to be the hub of a network of public-private partnering agencies supporting vibrant communities.

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

The proposed lease supports the above goals and objective by providing AD with adequate space in the appropriate service area.

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

### **FISCAL IMPACT/FINANCING**

The estimated maximum first year base rental cost is \$229,000, with a one-month rent abatement of around \$19,000, will equal approximately \$210,000, which includes 15 on-site parking at no additional cost. The aggregate cost associated with the proposed lease over the entire 10-year term, including rent abatement, TI costs, and Low-voltage costs is \$4,986,000 as shown on Enclosure B. The proposed lease costs will be funded 100 percent by NCC that is already included in AD's existing budget. AD will not be requesting additional NCC for this action.

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



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

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

- The annual rental rate will be \$40.20 per square foot, per year and is subject to annual increases based on the Consumer Price Index with a minimum of 2 percent per annum and capped at 3 percent per annum.
- The Landlord will provide one-month of rent abatement to be applied toward the first month of the lease term.
- Total TI costs are expected to be \$1,050,800. The Landlord will provide \$284,000 (\$50 per square foot) base TI allowance.
- The County will reimburse the Landlord up to \$766,800 (\$135 per square foot) as the County's lump sum TI contribution. If the Landlord advances the County's TI contribution, this amount will be amortized over five years with interest at 7.5 percent for a fully amortized amount not to exceed \$922,000.
- The County will pay \$1,466,000 for the lump sum cost of the Low-Voltage Items.
- The Landlord is responsible for the operating and maintenance cost of the building, and the County is responsible for utilities and janitorial costs. The County is not subject to the building's operating expense increases.
- There are 15 reserved parking spaces included in the base rent at no additional cost.
- A ten-year initial term with an option to extend the proposed lease for an additional five years with nine months' prior written notice, at fair market rent. If all options are exercised, the total term of the proposed lease would be 15 years.
- The proposed lease includes a Right of First Offer to the County to lease additional premises (Suite I and Suite M).
- The County has the right to terminate the proposed lease any time after 96 months, with 180 days' prior written notice subject to payment of a termination fee not to exceed \$56,800.
- Holdover at the proposed lease expiration is permitted on the same lease terms and conditions except the monthly base rent during the holdover period will be at the base rent at the time of the proposed lease expiration.

- The proposed lease will be effective upon approval by the Board and full execution of the proposed lease, but the term and rent will commence 30 days after substantial completion of the TIs by the Landlord and acceptance of the Premises by the County.

The Chief Executive Office (CEO) issued a flyer soliciting proposals for available space from landlords, brokers, and other owner representatives, for this space need, through the Board's Executive Office website and Real Estate's County website. None of the responses received were suitable for AD's needs as the responses were for space in a traditional office building or were at high rental rates. The CEO conducted a market search of available office space for lease but was unable to identify any sites that could accommodate this requirement more economically. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$39.95 and \$61.79 per square foot, per year. The base annual rental rate of \$40.20 per square foot, per year for the proposed lease represents a rate that is within the market range for the area. We were unable to identify any sites that could accommodate this requirement more economically. We recommend the Premises as the most suitable to meet the County's space requirements.

Co-working space is not suitable for this requirement due to the public-facing nature of AD's programs.

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

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

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

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

## **ENVIRONMENTAL DOCUMENTATION**

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

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

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

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

Respectfully submitted,

FESIA A. DAVENPORT  
Chief Executive Officer

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

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Aging and Disabilities  
Internal Services

**AGING AND DISABILITIES DEPARTMENT  
441 EAST CARSON STREET, SUITE J, K, L, CARSON**

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

1. <u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? <sup>2</sup>			X
B	Does lease co-locate with other functions to better serve clients? <sup>2</sup> <b>The primary function is a Senior Center</b>		X	
C	Does this lease centralize business support functions? <sup>2</sup> <b>The primary function is a Senior Center</b>		X	
D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>114 sq. ft per person due to type of program at the site</b>		X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? <sup>2</sup> <b>2.69/1,000</b>		X	
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?	X		
2. <u>Capital</u>				
A	Is it a substantial net County cost (NCC) program?	X		
B	Is this a long-term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report enclosed as Enclosure C?			X
G	Was build-to-suit or capital project considered?			X
3. <u>Portfolio Management</u>				
A	Did department use CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?			X
D	Why was this program not co-located?			
	1. ____ The program clientele requires a "stand alone" facility.			
	2. <u>X</u> No suitable County occupied properties in project area.			
	3. <u>X</u> No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. ____ The Program is being co-located.			
E	Is lease a full-service lease? <sup>2</sup> <b>County is responsible for utility and janitorial costs.</b>		X	
F	Has growth projection been considered in space request?	X		
G	<sup>1</sup> Has the Dept. of Public Works completed seismic review/approval?	X		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98				
<sup>2</sup> If not, why not?				

ENCLOSURE B

**OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS**

441 Carson St., Carson  
Aging & Disabilities Department

<b>Basic Lease Assumptions</b>											
Leased Area (sq.ft.)	5,680										
	<b>Per RSF</b>	<b>Per RSF</b>									
	<b>Per Month (\$)</b>	<b>Per Year (\$)</b>									
Base Rent	\$3.35	\$40.20									
Term	120 months/10 years										
Annual Rent Adjustments	CPI cap at 3%										
Parking	# of Spaces										
	15										
Tenant Improvement Costs (Reimbursable)	<b>Lump Sum</b>	<b>Amortized Cost</b>	<b>Difference</b>								
	\$766,800	@ 7.5% IR, 5	\$155,106								
Low Voltage Costs (TESMA Labor & Materials)	<b>Lump Sum</b>										
	\$ 1,465,164										

	1 <sup>st</sup> Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year	Total 10 Years Rental Costs
Annual Base Rent Costs <sup>(1)</sup>	\$228,336	\$235,186	\$242,242	\$249,509	\$256,994	\$264,704	\$272,645	\$280,824	\$289,249	\$297,927	<b>\$2,618,000</b>
Rent Abatement (1 month)	(\$19,028)										<b>(\$20,000)</b>
<b>Total Paid to Landlord</b>	<b>\$209,308</b>	<b>\$235,186</b>	<b>\$242,242</b>	<b>\$249,509</b>	<b>\$256,994</b>	<b>\$264,704</b>	<b>\$272,645</b>	<b>\$280,824</b>	<b>\$289,249</b>	<b>\$297,927</b>	<b>\$2,599,000</b>
TI Allowance (Reimbursable)	\$184,381	\$184,381	\$184,381	\$184,381	\$184,381	\$184,381	\$184,381	\$184,381	\$184,381	\$184,381	<b>\$922,000</b>
<b>Total Costs Paid to Landlord</b>	<b>\$393,689</b>	<b>\$419,567</b>	<b>\$426,623</b>	<b>\$433,890</b>	<b>\$441,375</b>	<b>\$264,704</b>	<b>\$272,645</b>	<b>\$280,824</b>	<b>\$289,249</b>	<b>\$297,927</b>	<b>\$3,521,000</b>
Low Voltage Costs	\$1,465,164										<b>\$1,466,000</b>
<b>Total Annual Lease Costs</b>	<b>\$1,858,853</b>	<b>\$419,567</b>	<b>\$426,623</b>	<b>\$433,890</b>	<b>\$441,375</b>	<b>\$264,704</b>	<b>\$272,645</b>	<b>\$280,824</b>	<b>\$289,249</b>	<b>\$297,927</b>	<b>\$4,986,000</b>

<sup>(1)</sup> County shall pay separately for its utility and janitorial costs. This is a new lease and historical cost data is not available.

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

**AGING AND DISABILITIES DEPARTMENT  
SPACE SEARCH – 3 MILE RADIUS  
441 EAST CARSON STREET, CARSON**

Name	Address	OwnershipType
Harbor-F-9 Trailer (Annex)	1000 W Carson St. Torrance 90502	Owned
Harbor-N-16	1000 W Carson St. Torrance 90502	Owned
Harbor-D-5 Annex	1000 W Carson St. Torrance 90502	Owned
Harbor-N-33 Annex	1000 W Carson St. Torrance 90502	Owned
Harbor-D-4.5	1000 W Carson St. Torrance 90502	Owned
Animal Control #3 - Administration Building	216 W Victoria St. Carson 90248	Owned
Harbor-F-4.5	1000 W Carson St. Torrance 90502	Owned
Harbor-D-2.5	1000 W Carson St. Torrance 90502	Owned
Harbor-N-21	1000 W Carson St. Torrance 90502	Owned
Harbor - Public Health Programs Building N - 22	1000 W Carson St. Torrance 90502	Owned
Harbor - Medical Records Office F - 8	1000 W Carson St. Torrance 90502	Owned
Harbor-J-4	1000 W Carson St. Torrance 90502	Owned
Harbor-N-33	1000 W Carson St. Torrance 90502	Owned
Harbor-D-5.5	1000 W Carson St. Torrance 90502	Owned
DMH - Wellness Center	21732 S Vermont Ave, Torrance 90502	Leased
Harbor-D-3.5	1000 W Carson St. Torrance 90502	Owned
Harbor - REI Administration Building N - 14	1124 W Carson St. Torrance 90502	Owned

## FACILITY LOCATION POLICY ANALYSIS

**Proposed lease:** Lease for the Department of Aging and Disabilities – 441 East Carson Street, Suites J/K/L, Carson – Second District.

**A. Establish Service Function Category – Senior Center**

**B. Determination of the Service Area – Concentration of clients in the South Bay region of the County**

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

- Need for proximity to service area and population: Continued need for operation in the South Bay region of the County.
- Need for proximity to existing County facilities: N/A
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services, i.e., LA Metro local bus routes, Long Beach Transit System, Carson Circuit.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no alternative existing County buildings that meet AD's space needs.
- Compatibility with local land use plans: The City of Carson has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.
- Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed lease over the entire term is \$4,986,000.

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

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 \$39.95 and \$61.79 per square foot, per year. The base annual rental rate of \$40.20 per square foot, per year for the proposed lease represents a rate that is within the market range for the area. We were unable to identify any sites that could accommodate this requirement more economically. We recommend the Premises as the most suitable to meet the County's space requirements.

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

The proposed lease will provide adequate and efficient office space for 50 employees and clients consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.



**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE**

**LEASE AGREEMENT**

**COUNTY OF LOS ANGELES - Tenant  
TUNG'S INVESTMENT GROUP, INC. – Landlord**

**441 EAST CARSON STREET  
SUITE J, K, and L  
CARSON, CALIFORNIA, 90745**

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## **EXHIBITS**

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

COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ between TUNG'S INVESTMENT GROUP, INC., a California corporation ("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:

<p>(a) Landlord's Address for Notices:</p>	<p>Tung's Investment Group, Inc. c/o Charles Dunn Real Estate Services, Inc. 800 W 6th St, Suite 600 Los Angeles, CA 90017 Attn: Henry Van Moyland Email: hvanmoyland@charlesdunn.com</p> <p>With copy to: victor@tgroupre.com</p>
<p>(b) Tenant's Address for Notices:</p>	<p>County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate</p> <p>With a copy to:</p> <p>County of Los Angeles Office of the County Counsel 648 Kenneth Hahn Hall of Administration 500 West Temple Street, Suite 648 Los Angeles, CA 90012-2713 Attention: Property Division</p>
<p>(c) Premises:</p>	<p>Approximately <u>5,680</u> rentable square feet, designated as Suites J, K, and L, in the Building (defined below), as shown on <u>Exhibit A</u> attached hereto.</p>

(d) Building:	The Building located at 441 East Carson Street, Carson, California, which is currently assessed by the County Assessor as APN 7334-018-044 (collectively, the "Property");
(e) Term:	Ten (10) years, commencing thirty (30) days after the date of Tenant's Acceptance of the Premises, as defined in Section 4.1 (the "Commencement Date"), and terminating at midnight on the day before the tenth (10th) annual anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
(f) Estimated Commencement Date:	The Estimated Commencement Date shall be 15 months from the later of the date of 1) mutual execution of the Lease or 2) Tenant's delivery of the complete Space Plan in accordance with Article 5 of the Work Letter to Landlord.
(g) Irrevocable Offer Expiration Date: (see Section 33)	July 31, 2024
(h) Base Rent:	\$3.35 per rentable square foot per month  (i.e., \$19,028.00 per month or \$228,336.00 per year)  Such amount is increased annually as provided in Section 5.2 hereof.
(i) Early Termination (see Section 4.4)	Any time after the ninety-sixth month of the Term hereof upon One Hundred and Eighty (180) days' notice, subject to Tenant paying any remaining balance of the unamortized portion of Landlord's TI Allowance on a straight-line, no interest basis, if any.
(j) Rentable Square Feet in the Premises:	5,680 rentable square feet
(k) Initial Departmental Use:	Aging & Disabilities Department, subject to Section 6.

(l) Parking Spaces:	Fifteen (15) exclusive reserved spaces (i.e., 2.69 parking spaces/1,000 SF) in the Building's parking lot at no additional charge to Tenant. Landlord shall designate and stripe Tenant's parking as "Reserved Parking" and Tenant, at its option and expense, shall have the right, subject to prior notice, to have Landlord install any additional signage identifying Tenant's reserved parking spaces.
(m) Tenant's Hours of Operation:	7 a.m. to 7 p.m. Monday through Friday, and 9 a.m. to 2 p.m. on Saturdays, excluding holidays recognized by the County of Los Angeles.
(n) Asbestos Report:	A report dated March 6, 2024, prepared by AIH Laboratory.
(o) Seismic Report	A report dated November 27, 2023, prepared by the Department of Public Works.
(p) Disabled Access Survey	A report dated November 2018 prepared by Gabriel Argueta CASp Services has been provided to Tenant.

1.2 Defined Terms Relating to Landlord's Work Letter

(a) Landlord's TI Allowance:	\$284,000.00 (\$50.00 per rentable square foot)
(b) Tenant's TI Contribution:	\$766,800.00 (\$135.00 per rentable square foot)
(c) Tenant's TI Contribution Amortization Rate and Change Authorization Amortization Rate:	Fixed seven and one-half percent (7.5%) per annum for five (5) years.
(d) Estimated Monthly Payments Attributable to Total TI Costs in Excess of Landlord's TI Allowance	\$15,365.10 per month, ending on the 60th month of the Original Term.
(e) Tenant's Work Letter Representative:	Tenant's assigned Project Manager
(f) Landlord's Work Letter Representative:	Victor Tung
(g) Landlord's Address for Work Letter Notices:	Tung's Investment Group, Inc. c/o Charles Dunn Real Estate Services, Inc.



	800 W 6th St, Suite 600 Los Angeles, CA 90017
(h) Tenant's Address for Work Letter Notices:	County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate
1.3 <u>Exhibits to Lease</u>	Exhibit A - Floor Plan of Premises Exhibit B - Commencement Date Memorandum and Confirmation of Lease Terms Exhibit C - HVAC Standards Exhibit D - Intentionally Omitted Exhibit E - Subordination, Non-Disturbance and Attornment Agreement Exhibit F - Tenant Estoppel Certificate Exhibit G - Community Business Enterprises Form Exhibit H - Memorandum of Lease Exhibit I - Landlord's Work Letter

**2. PREMISES**

2.1 Lease of Premises

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

2.2 Measurement of Premises

Tenant shall have the right, at Tenant's cost, and prior to the Commencement Date Lease to field-measure and verify the exact footage of the Premises by an experience third-party space accountant or architect. 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 Retail Properties, ANSI/BOMA Z65.5-2020, 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 of the Premises be reasonably determined by a certified space accountant to be more than 2% less than the rentable square footage stated above, then Tenant shall have the right to have the rentable square footage adjusted to the amount determined after submitting the measurement report and request for adjustment to the Landlord. Landlord shall be given the opportunity to have its own third-party space accountant or architect review, verify and dispute the determination by the Tenant's space accountant or architect. If there is an adjustment of the rentable area of the Premises, then the Base Rent, & Landlord's TI Allowance and other provisions that are based on the size of the Premises in Sections 1.1 and 1.2 shall be adjusted and 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 or the Landlord's TI Allowance if the measured square footage exceeds the amount represented by Landlord.

### **3. COMMON AREAS**

Tenant may use the following areas ("Common Areas") in common with Landlord and any other tenants, occupants, and invitees of the Building and the Property: public areas that are designated as Common Areas of the Property, which include walkways, landscaped areas, courtyards, 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 and the Property. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Area established by Landlord.

All Common Areas of the Property are subject to the exclusive control of the Landlord. Landlord shall maintain and manage the Common Areas in a clean and safe manner. Landlord reserves the right from time to time during the Term of the Lease to (1) increase, reduce or change the number, type, height, layout, size, location and use of any improvements, buildings and facilities in the Common Areas, (2) construct new improvements, buildings and facilities in the Common Areas, (3) remove existing improvements, buildings and facilities on the Property, including the right to change the parking plan, parking ratios and the Common Areas (but such changes to parking may not be made unless Tenant continues to have access to the same number of reserved parking spaces granted to Tenant under Paragraph 1.1(l), even though the locations of such spaces may be changed by Landlord), (4) change the tenant mix or uses of the Property, (5) increase, reduce or change the size, height or layout of the Building on the Property, provided, however, that Landlord shall not materially and adversely affect Tenant's use of the Premises or its rights of access and parking. Landlord may employ and discharge all personnel hired a connection with the Common Areas. Landlord may maintain security services for the Common Areas, but Tenant acknowledges that the rental payable to Landlord by Tenant does not include the cost of guard service or any other security measures for the Premises or the Property and that the Landlord has no obligation whatsoever to provide the same. Subject to Section 21 of this Lease, Landlord may (1) use and allow others to use the Common Areas non-exclusively for any purpose, (2) regulate the parking at the Property by the Tenant and other occupants, including their respective employees, invitees and customers, (3) establish, modify and enforce non-discriminatory rules and regulations for the Common Areas, and (4) close the Common Areas when necessary to make repairs, changes or alterations to the Common Areas or to prevent the acquisition of public rights in the Common Areas, provided, however, that Landlord shall not materially and adversely affect Tenant's use of the Premises or its rights of access and parking and not unreasonably interfere with Tenant's business.

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

#### **4.1 Term**

The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within thirty (30) days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the

Commencement Date by executing a Commencement Date Memorandum and Confirmation of Lease Terms in the form attached hereto as Exhibit B. The term "Tenant's Acceptance of the Premises" as used in this Lease shall mean the date upon which the Tenant Improvements and the Premises are "Substantially Complete" (as defined below), Tenant has inspected the Premises which shall occur within ten (10) business days of Landlord's written notice that the Tenant Improvements have been Substantially Completed, and Tenant has accepted the Tenant Improvements and the Premises in writing, such acceptance shall not be unreasonably withheld, refused or delayed. 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 (except minor punch list items which Landlord shall thereafter promptly complete);
- (b) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease and Landlord's Work Letter (if any), including the installation of modular furniture systems, if so required (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises;
- (c) Landlord has obtained a certificate of occupancy for the Building, or a temporary certificate of occupancy 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.

#### 4.2 Termination Right For Delay of Commencement Date

If the Substantial Completion of the Tenant Improvements has not occurred within ninety (90) days after the Estimated Commencement Date, and such 90 day period is subject to extensions based on any Tenant Delays or Force Majeure Delays, as provided in Landlord's Work Letter executed concurrently herewith and attached hereto as Exhibit I and incorporated herein by reference (and such date is referred to as the "Section 4.2 Deadline"), then Tenant may thereafter at any time before the Commencement Date occurs, provide Landlord with written notice of its intent to terminate this Lease. If Landlord does not Substantially Complete the Tenant Improvements by the Section 4.2 Deadline and still fails to Substantially Complete the Tenant Improvements within thirty (30) days of the written notice of intent to terminate under this provision, then the Tenant may 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. However, Tenant shall not be entitled to exercise this right to terminate under this provision in the event that Tenant has occupied the Premises for the purpose of conducting business under Section 4.3 below. Landlord also has the right to extend the Section 4.2 Deadline, by giving written notice to Tenant, and such extension shall be a maximum of sixty (60) additional days. In order to exercise the right to such extension, Landlord shall provide Tenant with a credit for the daily amount of Base Rent for each day of such

extension. The credit for any partial calendar month during the Term shall be prorated in proportion to the number of days within such calendar month.

#### 4.3 Early Entry

Tenant and Tenant's vendors shall be entitled to enter the Premises not less than thirty (30) days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures, and equipment in the Premises ("Early Entry"). Such early entry shall be subject to all provisions hereof, but shall not advance the Termination Date, and Tenant shall not pay Base Rent nor any other charges for such early entry period. Tenant shall exercise the Early Entry rights in a manner that will not unreasonably interfere with the Landlord's construction of the Tenant Improvements. During the Early Entry period Tenant shall be subject to all the terms and conditions of this Lease with the exception of having to pay Base Rent for Premises until following 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 one hundred and eighty days (180) days prior written notice, executed by Tenant's Chief Executive Officer or his/her designee. In the event Tenant exercises its Early Termination option, the unamortized portion of the Landlord's TI Allowance, if any, shall be reimbursed to Landlord calculated on a straight line, no interest basis and due upon the date of termination which shall not exceed \$56,799.68.

#### 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 and as adjusted in Section 5.2 below, (a) within fifteen (15) days after the Commencement Date, and (b) by 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 accrued Base Rent to Landlord until fifteen (15) business days after Landlord provides such information and shall then pay Landlord such outstanding amount. Base Rent for any partial calendar month during the Term shall be prorated in proportion to the number of days during the Term within such calendar month.

5.2. Base Rent Adjustments

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

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

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

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

(d) Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI Formula result in an increase less than two percent (2%) or greater than three percent (3%) per year of the Base Rent payable in the month preceding the applicable adjustment. In no event shall the Base Rent be adjusted by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year of the Lease.

5.3 Rent Abatement

The Base Rent for the first (1<sup>st</sup>) month of the Term of this Lease shall be abated.

6. USES

Landlord agrees that the demised Premises, together with all appurtenances thereto, shall be used by the Tenant for the government department set forth in Section 1.1 for administrative office and public facing uses. Landlord will approve a change of use to any other County Department the County designates, unless such Department's use may cause an adverse impact to the Property; including but not limited to, Department of Social Services, or for other governmental purposes, or other lawful purposes that do not

materially adversely interfere with other uses in the Building, during Tenant's Hours of Operation, after Tenant's Hours of Operation, and on weekends and holidays.

**7. HOLDOVER**

If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease', such occupancy shall be a tenancy which is terminable only upon ninety (90) days written notice from Landlord or sixty (60) days written notice from Tenant's Chief Executive Officer or his/her designee at the last monthly Base Rent payable under this Lease, plus any other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease, including any future Base Rent Adjustments.

**8. COMPLIANCE WITH LAW**

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

**9. DAMAGE OR DESTRUCTION**

9.1 Damage

Within 14 days of its occurrence, Tenant shall notify Landlord of any damage or accident occurring on the Premises. 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 use commercially reasonable efforts, but in any event within forty-five (45) days from Tenant's notification to Landlord, 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 based on the percentage and to the extent that the Premises are rendered unusable by Tenant by such damage.

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 two hundred forty (240) 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, based upon the percentage and to the extent the Premises are rendered unusable by the Tenant from the date the Premises or portion thereof 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 damage or 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 damage or 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 pursue said repair and restoration work to completion within forty-five (45) days after Tenant's notification, 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) CASp Inspection:

In accordance with California Civil Code Section 1938, Landlord hereby states that 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 has provided Tenant with a copy of the CASp inspection report and a current disability access inspection certificate for the Premises prior to the execution of this Lease.

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



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

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

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

## 10.2 Landlord Obligations

- (a) Landlord shall keep and maintain the Property in good condition and repair (reasonable wear and tear excepted) and promptly make repairs to and perform maintenance upon and replace as needed:
- i. the structural elements of the Building and the Premises, including without limitation, all permanent exterior and interior walls, floors and ceilings, foundations, roof, concealed plumbing, stairways, concealed electrical systems;
  - ii. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Premises;
  - iii. the Common Areas;
  - iv. exterior windows of the Building;
  - v. 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, reasonable wear and tear excepted.
  - vi. 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, and

- (b) Subject to Tenant's Obligations in 10.3, Landlord, at its sole cost and expense, shall perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to, or replacements of:
  - i. the floor covering
  - ii. interior partitions;
  - iii. doors, door frames and hardware;
  - iv. the interior side of demising walls (which may require spot painting from time to time); emergency exit signage and battery replacement;
  - v. HVAC equipment for the Premises, dedicated to the mechanical rooms housing Tenant's computer servers and related equipment, installed as part of the Tenant Improvement, and
  - vi. Light fixtures, bulbs, tubes and ballasts.
- (c) Landlord shall, to the best of its ability, provide all reports, maintenance records, or other documentation as may be requested from time to time.

### 10.3 Tenant Obligations

Without limiting Landlord's repair and maintenance obligations, Tenant shall, at Tenant's sole expense, be responsible for (i) the cost of repairing any area of the Property damaged by Tenant or by Tenant's agents, employees, invitees, contractors or visitors, and (ii) the repair of Tenant's personal property, trade fixtures, including all 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 Tenant and 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 commence 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 notice period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten (10) business days after written notice, then Tenant shall be entitled to deduct from Base Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 15.

- (b) Notwithstanding any provisions of this Lease to the contrary, Tenant, acting through the County's Chief Executive Office, may request that the Landlord perform, supply and administer any repairs, maintenance, building services and/or alterations that are the responsibility of the Tenant, not to exceed \$5,000, as part of a separate purchase order issued by the County on Tenant's behalf and reimbursed by Tenant. Any improvements by Landlord shall be subject to (i) the Work Letter provisions regarding selection and bidding of contractors, Landlord-Tenant coordination and audit rights, and Tenant's remedies found in said Work Letter; and (ii) compliance with County Internal Services Department Purchasing Policy and Procedure No. A-0300, effective November 22, 2016, delivered to Landlord and incorporated by reference herein. This Section shall not apply to any Tenant Improvements as defined in Section 24. If Tenant elects to contract through Landlord, Landlord shall be entitled to a 10% administrative fee.

## 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 in the area and not less than the standard set forth in Exhibit C attached hereto. In addition, if, as part of the Tenant Improvements, a separate dedicated HVAC system was installed for the mechanical room housing the Tenant's computer servers, then Landlord shall furnish HVAC at all times (i.e., twenty-four (24) hours per day, seven (7) days per week, three hundred sixty-five (365) days per year) to the mechanical room housing Tenant's computer servers and related equipment.

(b) Electricity

Landlord shall furnish to the Premises the amount of electric current provided for in the Landlord's Work Letter (if applicable) but in any event not less than seven (7) watts of electric current (connected load) per square foot of rentable square feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or sub-panels of the Premises necessary for Tenant to utilize such capacity in the Premises.

(c) Water

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

(d) Janitorial

Tenant shall be responsible for its Janitorial Services for the Premises.

(e) Access

Landlord shall furnish to Tenant's employees and agents access to the 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 Property, and subject to temporary closures due to casualty, damages, repairs and maintenance ("Closures"), provided Landlord (i) provides Tenant with ten (10) business days prior written notice to such Closures, (ii) performs such work after Tenant's Hours of Operation, and (iii) make commercially reasonable efforts to not interfere with Tenant's business operations. Landlord shall provide four (4) keys to the Premises upon the Commencement Date but any additional keys shall be at Tenant's cost. Tenant shall have the right to make copies of the keys for its employees use.

(f) Pest Control

Landlord at its sole cost and expense shall provide any and all pest control services to the Common Areas.

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, common area power and lighting, trash removal service, fire/life safety systems, charges associated with the HVAC (other than electric and gas which are separately metered), and other utility rents and charges accruing or payable in connection with the Premises (excluding electric and gas which are Tenant's responsibility) and the Common Areas during the Term of this Lease or any renewal, extension, or holdover thereof, whether the same are pro-rated or measured by submeters. 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. Notwithstanding anything to the contrary herein, during the Term of this Lease or any renewal, extension, or holdover thereof, Tenant agrees to pay, at its sole cost, when due, all charges for its electrical and gas use directly to the public utility provider pursuant to a separate meter installed and maintained by Landlord for the Term of the Lease.

## **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. Landlord is not subject to personal property taxes.

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

## **13. LANDLORD ACCESS**

Tenant shall permit Landlord and its agents to enter the Premises during Tenant's Hours of Operation upon prior written notice only for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Premises, Base Rent shall be prorated based upon the percentage of the Premises rendered unusable and not used by Tenant ("Closure"), unless such Closure is caused as a result of an Alteration as provided for under Section 17. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency and notify Tenant immediately thereafter.

## **14. TENANT DEFAULT**

### **14.1 Default**

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

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

#### 14.2 Termination

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

#### 14.3 No Effect on Indemnity

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

### 15. LANDLORD DEFAULT

#### 15.1 Remedies

In addition to the provisions for Landlord's default provided by Sections 9.4, 10.4, 19, 21.2 and 32.3, Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within five (5) 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 five (5) 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 after five (5) days written notice to Landlord advising Landlord that if the Landlord Default is not cured within five (5) day period, then Tenant shall have the following described remedies (which may be elected by written notice to the Landlord) 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 reasonable attorney' fees) plus interest at the rate of ten percent (10%) per annum from the installments of Base Rent next falling due;
- (b) to pursue the remedy of specific performance;
- (c) to seek money damages for loss arising from the 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

Except for a transfer or use by another department of the County as stated in Section 6, Tenant may not assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises without first obtaining Landlord's prior consent provided however, no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto which Landlord shall not unreasonably withhold its consent 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.

### **17.2 End of Term**

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

## **18. CONDEMNATION**

### **18.1 Controlling Terms**

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

### **18.2 Total Taking**

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

### **18.3 Partial Taking**

If any portion, but not all, of the Premises or the Common Areas is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to



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

#### 18.4 Restoration

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

#### 18.5 Award

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

#### 18.6 Waiver of Statute

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

### 19. **INDEMNIFICATION**

#### 19.1 Landlord's Indemnity

The Landlord shall indemnify, defend and hold harmless the Tenant from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including reasonable attorney and expert witness fees) (collectively referred to as "Claims"), 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. The foregoing provision shall not be construed to make Landlord responsible for loss, damage, liability or expense from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees, or invitees.

#### 19.2 Tenant's Indemnity

The Tenant shall indemnify, defend and hold harmless the Landlord, from and against any and all liability, loss, injury or damage, including (but not limited to) demands, claims, actions, fees, costs and expenses (including reasonable attorney and expert witness fees) arising from or connected with the Tenant's repair, maintenance and other acts and omissions arising from and/or relating to the Tenant's use of the Premises. The foregoing provision shall not be construed to make Tenant responsible for loss, damage, liability or expense from injuries to third parties caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, or invitees.

### 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 5 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 or connected with the Landlord's acts, errors, and omissions arising from and/or relating to the Landlord's operations on and/or its ownership of the Premises. Tenant's additional insured status shall apply with respect to liability and defense of suits arising out of the Landlord's acts or omissions, whether such liability is attributable to the Landlord or to the Tenant. The full policy limits and scope of protection also shall apply to the Tenant as an additional insured, even if they exceed the Tenant's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable, providing it satisfies the Required Insurance provisions herein.

(c) 'Cancellation of or Changes in Insurance

Landlord shall provide 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, such approval shall not be unreasonably withheld.

(f) Landlord's Insurance Shall Be Primary

Landlord's insurance policies, with respect to any claims related to the Common Areas and 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 waive 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 their insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.

- (h) Deductibles and Self-Insured Retentions ("SIRs")
- (i) Landlord's policies shall not obligate the Tenant to pay any portion of any Landlord deductible or SIR.
- (j) Claims Made Coverage

If any part of the Required Insurance is written on a per occurrence basis, any policy retroactive date shall precede the start date of this Lease. Landlord understands and agrees it shall maintain such coverage until the date of the closing of any sale of the Building by Landlord to a third party.

- (k) 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.

- (l) Separation of Insureds

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

### 20.3 Insurance Coverage Types And Limits

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

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

General Aggregate:	\$ 3 million
Products/Completed Operations Aggregate:	\$ 2 million
Personal and Advertising Injury:	\$ 2 million
Each Occurrence:	\$ 2 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.

Business Personal Property – Special Form, Replacement Cost providing coverage on all of Tenant's personal property, trade fixtures, equipment, telecommunications systems, the modular furniture systems, and the Tenant's Outdoor Seating Area items, with full replacement costs coverage, including flood and ordinance or law coverage.

## 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:	\$ 5 million
Products/Completed Operations Aggregate:	\$ 5 million
Personal and Advertising Injury:	\$ 3 million
Each Occurrence:	\$ 3 million

Landlord shall be permitted to maintain such coverage pursuant to an umbrella or excess polic(ies) of insurance.

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

Be written for the full replacement cost of the Property, with a deductible no greater than \$250,000 or 5% of the Property value, whichever is less. Insurance proceeds shall be payable to the Landlord and Tenant, as their interests may appear.

## 21. PARKING

### 21.1 Tenant's Rights

Tenant shall have the right to the number of exclusive reserved parking spaces and unreserved parking spaces set forth in Section 1.1, without charge, for the Term of this Lease. No tandem parking shall be required or allowed, and Tenant shall be entitled to full in/out privileges at all times. Landlord shall be required to designate and stripe Tenant's parking as "Reserved Parking" and Tenant, at its option and expense, shall have Landlord install any additional signage identifying Tenant's reserved parking spaces at the Building. 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 Property.

In order to make sure that the other tenants of the Property are not adversely impacted by Tenant's use, Tenant shall not use more than its reasonable share of parking spaces at the Property at any time. Landlord may implement rules and procedures to prevent Tenant or any other tenant from using more than their reasonable share of parking spaces at the Property. If Tenant plans to host an event that will require more than 30 non-exclusive spaces, Tenant agrees to notify Landlord and also make rideshare of off-site parking arrangements to avoid adverse impact to other tenants and their visitors' access to parking at the Property.

## 21.2 Remedies

Landlord acknowledges that it is a material term of this Lease that Tenant receives the number of the parking spaces to which it is entitled under Section 1.1(l) of 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 18 in the event of casualty or condemnation) and, if such parking spaces are not restored to Tenant within five (5) business days after Landlord's receipt of written notice from Tenant, 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 Indemnity

Landlord shall indemnify, protect, defend (by counsel reasonably 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 as a direct result of, or in connection with a Hazardous Materials Condition discovered on, under or about the Premises and/or the Building and Common Area that was NOT released, brought onto, caused or contributed to by any intentional or unintentional act or omission on the part of Tenant or any subtenant, employee, officer, director, manager, agent, contractor, customer, or invitee of 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.

Tenant shall indemnify, protect, defend (by counsel reasonably acceptable to Landlord, but a licensed attorney retained by Tenant's insurance company shall be deemed acceptable) and hold harmless Landlord from and against any and all claims, judgments, causes of action, damage, penalties, fines, costs, liabilities, losses and expenses arising as a direct result of, or in connection with a Hazardous Materials Condition that was on, under or about the Premises and/or the Building and Common Areas and released, brought onto, caused or contributed to by any intentional or unintentional act or omission on the part of Tenant or any subtenant, employee, officer, director, manager, agent, contractor, customer, or invitee of 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. Tenant shall promptly deliver to Landlord a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of a Hazardous Material Condition in the Building or the Premises or the Common Areas. Tenant's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Tenant under this Section shall constitute a material default under this Lease.

## 23. ESTOPPEL CERTIFICATES

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



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

**24. TENANT IMPROVEMENTS**

Prior to the Commencement Date, Landlord shall construct the Tenant Improvements in the manner set forth in Landlord's Work Letter executed by Landlord and Tenant concurrently herewith. Any unused portion of Landlord's TI Allowance shall be applied toward Base Rent next due.

**25. LIENS**

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

**26. SUBORDINATION AND MORTGAGES**

**26.1 Subordination and Non-Disturbance**

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

**26.2 Existing Deeds of Trust**

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

**26.3 Notice of Default**

If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail and requests copies of any notice of default that Tenant serves upon Landlord, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee or beneficiary a copy of any notice of default that Tenant serves upon Landlord which could permit Tenant to terminate this Lease, along with an additional ten (10) days within which to cure such default.

**27. SURRENDER OF POSSESSION**

Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant may (but shall not be required to) remove, at its own

expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

**28. SIGNAGE**

Tenant shall be allowed building standard signage on the monument sign and building exterior, at Tenant's sole cost and expense, subject to reasonable review and approval by Landlord. Tenant shall be permitted to install signs at the Premises that conform with any and all applicable laws and ordinances.

**29. QUIET ENJOYMENT**

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

**30. GENERAL**

30.1 Headings

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

30.2 Successors and Assigns

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

30.3 Brokers

Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than Cushman & Wakefield, Inc ("Tenant's Agent") and Beta Agency ("Landlord's Agent") and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any other broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. The terms of any commissions due shall be pursuant to a separate commission agreement by and among Landlord, Landlord's Agent and Tenant's Agent.

30.4 Entire Agreement

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

30.5 Severability

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

30.6 Notices

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

30.7 Governing Law and Venue

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

30.8 Waivers

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

30.9 Time of Essence

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

30.10 Consent

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

30.11 Community Business Enterprises

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

### 30.12 Memorandum of Lease

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

### 30.13 Counterparts; Electronic Signatures

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

## 31. AUTHORITY

Only the County's Board of Supervisors ("Board of Supervisors") has the authority, by formally approving and/or executing this Lease, to bind Tenant to the terms included herein. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease, and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by Tenant. Tenant shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Office of the

County (the "Chief Executive Office") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an early termination notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

## **32. ACKNOWLEDGEMENT BY LANDLORD**

Landlord acknowledges that it is aware of the following provisions:

### **32.1 Consideration of GAIN Program Participants**

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

### **32.2 Solicitation of Consideration**

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

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

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

### **32.3 Landlord Assignment**

(a) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

- (b) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease, or any portion thereof, as security for the Landlord's obligation to repay any monetary obligation, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.
- (c) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the Tenant. Notwithstanding the foregoing, the Tenant hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (commercial mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.
- (d) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the Tenant may impose damages in an amount equal to the greater of \$500,000 or 10% of the aggregate principal portion of all rental payments payable by the Tenant during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the Tenant may exercise or pursue any other right or remedy it may have under this Lease or applicable law.
- (e) Landlord shall give Tenant written notice and a copy of each and every assignment, transfer, hypothecation or encumbrance of Landlord's interest in this Lease and any instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least thirty (30) days prior to the effective date thereof.).
- (f) Landlord shall not furnish any information concerning Tenant or the subject matter of this Lease (including, but not limited to offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the Tenant) to any person or entity, other than Landlord's consultants, advisors, attorneys, employees, agent and personnel who are required to effectuate the terms of the Lease, except with Tenant's prior written consent. Landlord shall indemnify, defend and hold Tenant and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section 32.3.

- (g) The provisions of this Section 32.3 shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns, whether so expressed or not.

#### 32.4 Smoking in County Facilities.

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

#### 33. IRREVOCABLE OFFER

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

#### 34. RIGHT OF FIRST OFFER TO LEASE ADDITIONAL PREMISES.

- (a) Provided that no material Default has occurred and is continuing under the Lease, if at any time prior to the last twelve (12) months of the Term, if the space located contiguous to the Premises at 441 E Carson St Ste I Carson, CA 90745 ("Suite I") and or 441 E Carson St Ste M Carson, CA 90745 ("Suite M") become available for lease by the Landlord to third parties (collectively the "Additional Premises"), the Landlord shall first give written notice to Tenant of the expected date the existing tenant or occupant expects to return possession of the Premises to the Landlord and the rental rate, the anticipated Commencement Date, and all other material terms which Landlord is willing to lease the Additional Premises and that will apply to the availability of the available Additional Premises ("Landlord's Lease Notice"). This Landlord's Lease Notice is only required in the event that business in Suite I or Suite M will close and only if possession of such space will be returned to the Landlord, and such notice is not required in the event that the existing leases end, but Landlord elects to enter into an agreement for a renewal or extension, through an amendment or a new lease with the existing tenants or their assignees, subtenant, licenses, or a third party the purchases the business assets or equipment in such space. Landlord's Lease Notice shall constitute an offer to lease the available Additional Premises referenced in the Landlord's Lease Notice to Tenant for a Term that will expire upon the expiration of the Lease Term in this Lease. Tenant shall have twenty (20) business days after receipt of Landlord's Lease Notice to accept such offer, provided notification of acceptance with such offer is subject to approval by the Board of Supervisors' no later than four (4) months from date of notification of acceptance to Landlord. Tenant shall accept such offer, if at all, only by delivery to Landlord of Tenant's irrevocable written commitment to lease the Additional Premises at the rental rate and upon the terms and conditions contained in Landlord's Lease Notice (the "Expansion Commitment") Tenant confirms that the Landlord typically offers space at the Property based on a Net Net Net Lease, with the tenants paying operating expenses separate from Base Rent so the terms contained in the Landlord's Lease Notice will take into account such differences in terms and if Tenant desires to not accept the terms set forth in the Landlord's Lease Notice and desires to negotiate changes to those terms, then the rights under this provision shall end.
- (b) If Tenant delivers to Landlord the Expansion Commitment within such twenty (20) business day period, all (but not part) of either Suite I and/or Suite M shall be leased to Tenant commencing on the earlier of (a) the date Tenant first uses the Additional Premises for the Permitted Use; or (b) thirty (30) days after Landlord provides Tenant with possession of the Additional Premises and continuing for a period of time coterminous with the remaining Term, including any options to extend the Term. Tenant shall lease the Additional Premises upon the same terms, conditions and covenants as are contained in the Lease except that (i) the Base Rent for the Additional Premises shall be at the rate set forth in Landlord's Lease Notice, and (ii) any terms and conditions set forth in Landlord's Lease Notice that are inconsistent with the terms and conditions of the Lease shall control.
- (c) Except as otherwise set forth in the Landlord's Lease Notice, possession of the Expansion Premises shall be delivered to the Tenant on an "as-is" basis. Landlord shall prepare, and Landlord and Tenant shall execute and deliver a written agreement modifying and supplementing the Lease and specifying that the Expansion Premises are part of the Premises and, except as otherwise specified in Landlord's Lease Notice, subject to all of the terms and conditions of the Lease.



- (d) Time is of the essence with respect to the exercise by Tenant of its rights granted hereunder. In the event Tenant fails to deliver to Landlord Tenant's Expansion Commitment within the twenty (20) business day period prescribed above, all rights of Tenant to lease the Available Additional Premises shall terminate and Landlord shall have no further obligation to notify Tenant of any proposed leasing of the Additional Premises, and Landlord shall thereafter have the unconditional right to lease the Available Additional Premises to third parties or to accept offers from third parties to lease the Additional Premises without further obligation to Tenant. The rights granted to Tenant under this Section 34 shall not apply to any sales or similar transfers of the Additional Premises. This provision is a one-time right and once the Landlord provides the Landlord's Lease Notice for Suite I or Suite M, no further notices are required if space becomes available in the future.

**35. OPTION TO EXTEND.**

- (a) Option Terms. Provided that no material Default has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have one (1) option to renew this Lease for an additional period of five (5) years (the "First Extension Term").
- (b) Exercise of Option. Tenant must exercise its options to extend this Lease by:
- (i) giving Landlord written notice of its intention to do so (its "Notice of Intent") no later than nine (9) months, nor earlier than twelve (12) months, prior to the end of the initial Term.
  - (ii) after the Agreed Market Rental Value has been determined as provided below, and after the Board of Supervisors has approved the exercise of the option to renew, by giving written notice of its election to exercise such option ("Option Exercise Notice") no later than thirty (30) days after the determination of the Agreed Market Rental Value, as provided below. It is understood that Tenant will not have been deemed to have exercised its option unless the Board of Supervisors has approved and given the Option Exercise Notice, which must be given within thirty (30) days of the determination of the Agreed Market Rental Value, as provided below. If the Tenant has served the Notice of Intent, but the time period for the Board of Supervisors to serve the Option Exercise Notice due to a dispute related to the Market Rental Value, then Tenant's continued occupancy shall be governed by the holdover provision under Section 7 of this Lease, and not under this Option provision, unless the Option is thereafter properly executed. If Tenant fails to serve the Notice of Intent by the deadline referenced in Section 35(a), Landlord will promptly provide written notice of the missed deadline under this Option ("Option Reminder"), and Tenant shall be granted an additional period of ten (10) business days after service of such written notice from Landlord, in which to give Landlord the Notice of Intent indicating its election to exercise such renewal option. Failure by Tenant to provide the Notice of Intent within ten (10) business days after service of the Option Reminder and/or the failure to timely serve the Option Exercise Notice, shall be a waiver by the Tenant to exercise the Option to extend the Term and without any further notice, act, or agreement, this Lease will terminate as of the then-applicable expiration date, and neither Landlord nor Tenant will have any further obligation or liability under this

Lease arising or continuing from and after such expiration date, subject, however, to the provisions that expressly survive termination of this Lease.

- (c) Terms and Conditions of the Extension Terms. The Extension Term shall be on all the terms and conditions of this Lease, except that the Base Rent during Extension Terms shall be equal to one hundred percent (100%) of Market Rental Value for the Premises as of the commencement of the applicable Extension Term, but the Base Rent shall not be less than three percent (3%) nor more than five percent (5%) increase from the expiring Base Rent at the expiration of the initial Term ("Agreed Market Rental Value") to be determined as set forth below.
- (d) Agreement on Extension Terms. Landlord and Tenant shall have ninety (90) days after Landlord receives the Notice of Intent in which to agree on the Base Rent, escalations, abatement, tenant improvements and any other tenant inducements then being offered to renewing tenants leasing space in the Carson/Suburban Long Beach sub-market during the Extension Term. Base Rent during the Extension Term(s) shall be the Agreed Market Rental Value of the Premises calculated as of the date Tenant gives its Notice of Intent with respect to its first and second options to extend, respectively.
- (e) Market Rental Value. The term "Market Rental Value" shall be the rental rate that comparable Premises in the Carson/Suburban Long Beach sub-market in which the Premises is located would command for the same term as the Extension Term on the open market at the time Tenant provides its Notice of Intent, as determined jointly by Landlord and Tenant. For purposes hereof, the term "comparable Premises" shall mean premises in a Building similar in size and location to the Building, including any improvements installed in the Premises. In determining the Market Rental Value, appropriate consideration shall be given to Tenant's creditworthiness, the annual amount per rentable square foot that Landlord has accepted in current transactions between non-affiliated parties from new, non-expansion, non-renewal and non-equity tenants of comparable creditworthiness for comparable premises for a comparable use for a comparable period of time, the annual rental rates per square foot, the standard of measurement by which the rentable square footage is measured, the ratio of rentable square feet to usable square feet, the type of expenses included in Base Rent of the Lease (since this Lease includes operating expense recoveries as part of Base Rent), the type of operating expenses and escalation clause are in comparable leases (e.g., whether increases in additional rent are included and/or determined on a net or gross basis, and if gross, whether such increases are determined according to a base year or a base dollar amount expense stop), the extent of Tenant's liability under the Lease, parking rights and obligations, signage rights, abatement provisions reflecting free rent and/or no rent during the period of construction or subsequent to the commencement date as to the space in question, brokerage commissions, if any, which would be payable by Landlord in similar transactions, length of the lease term, size and location of the Building being leased, and other general applicable conditions of tenancy for such comparable transactions.
- (f) Opinions. Landlord shall submit its opinion of Market Rental Value to Tenant within fifteen (15) business days after Landlord's receipt of the Notice of Intent, and Tenant shall respond thereto within ten (10) days thereafter by either (a) accepting Landlord's opinion of Market Rental Value (in which case, such Market Rental Value shall be used to determine Base Rent during the Extension Term) or (b)

submitting Tenant's opinion of Market Rental Value. If Landlord and Tenant cannot agree upon the Market Rental Value of the Premises within fifteen (15) business days thereafter, then Landlord and Tenant within ten (10) business days shall each submit to each other their final written statement of Market Rental Value ("Final Statement"). If the parties are still unable to agree, then within ten (10) business days thereafter Landlord and Tenant shall together appoint one real estate appraiser (who shall be a Member of the American Institute of Real Estate Appraisers) (or, if both Landlord and Tenant agree, a certified property manager and appraiser with ten (10) years' experience) who will determine whether Landlord's or Tenant's Final Statement of Market Rental Value is the closest to the actual (in such appraiser's opinion) Market Rental Value of the Premises. If Landlord and Tenant cannot mutually agree upon an appraiser within said ten (10) day period, Tenant may apply to the Presiding Judge of the Superior Court for Los Angeles County, requesting said Judge to appoint the M.A.I. qualified appraiser. The appraiser so appointed shall promptly determine whether Landlord's or Tenant's Final Statement of Market Rental Value is the closest to the actual (in such appraisers' opinion) Market Rental Value of the Premises, and such Final Statement of Market Rental Value shall be the Agreed Market Rental Value used in determining Base Rent during the Extension Term. The fees and expenses of the appraiser shall be borne equally by Landlord and Tenant. The appraiser appointed or selected pursuant to this Section shall have at least ten (10) years' experience appraising leases for commercial properties in Los Angeles County.

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

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

LANDLORD:

TUNG'S INVESTMENT GROUP, INC., a  
California corporation

By: 

Name: Victor Tung

Its: Authorized Signatory

TENANT:

COUNTY OF LOS ANGELES,  
a body corporate and politic

FESIA A. DAVENPORT  
Chief Executive Officer

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

John T. Cooke

Assistant Chief Executive Officer


ATTEST:

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

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

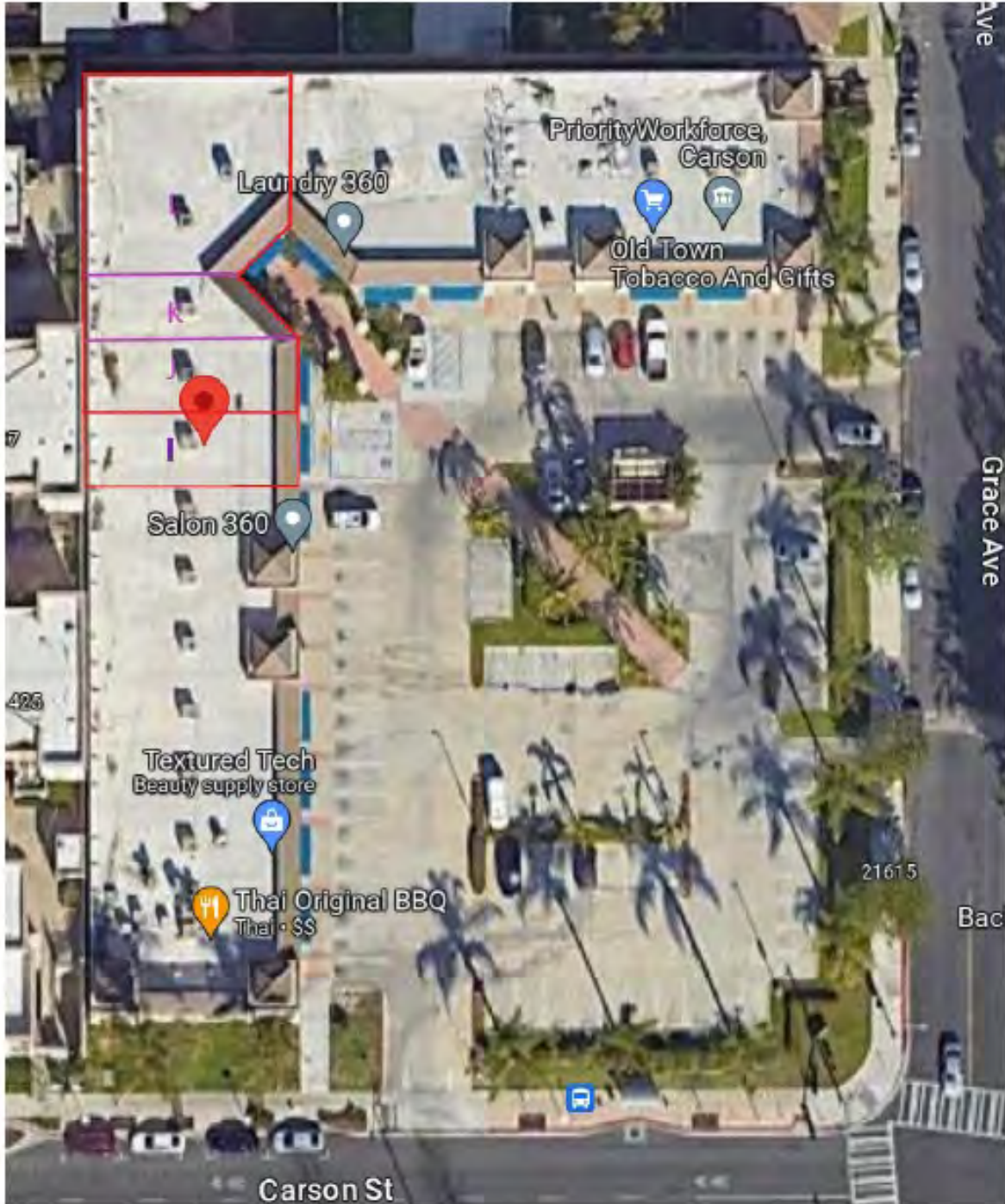
APPROVED AS TO FORM:

DAWYN R. HARRISON  
County Counsel

By:   
Senior Deputy

**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 TUNG'S INVESTMENT GROUP, INC., a California corporation ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 441 East Carson Street, Suite J, K, and L, Carson, California, 90745 ("Premises"),

Landlord and Tenant hereby acknowledge as follows:

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

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

- 5) Base Rent per month is \_\_\_\_\_.
- 6) The Base Index month is \_\_\_\_\_.
- 7) The Base Index is \_\_\_\_\_.
- 8) 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

TUNG'S INVESTMENT GROUP, INC., a  
California corporation

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

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

## **EXHIBIT C**

### **HEATING, VENTILATION AND AIR CONDITIONING**

Landlord shall supply cooling, ventilating and heating with the 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. All HVAC ducts cleaned as needed but no less than every five (5) years.



**EXHIBIT D**

INTENTIONALLY OMITTED

**EXHIBIT E**

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

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:** )  
)  
County of Los Angeles )  
Chief Executive Office )  
Real Estate Division )  
320 W. Temple Street, 7th Floor )  
Los Angeles, California 90012 ) **Space above for Recorder's Use**

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

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

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

Factual Background

- A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.
- B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").
- C. Tenant and Borrower (as "Landlord") entered into a lease dated \_\_\_\_\_ (the "Lease") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "Premises").
- D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a non-disturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

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

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

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

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

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

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

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

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

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

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

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

To Lender: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Borrower: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

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

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BORROWER: [*Insert name of Landlord*]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LENDER: [*Insert name of Lender*],

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

STATE OF CALIFORNIA )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

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

personally appeared \_\_\_\_\_,  
Name of Signer(s)

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

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

WITNESS my hand and official seal.

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

**EXHIBIT F**

**TENANT ESTOPPEL CERTIFICATE**

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_

Re:   Date of Certificate:           \_\_\_\_\_

      Lease Dated:                    \_\_\_\_\_

      Current Landlord:            \_\_\_\_\_

      Located at:                     \_\_\_\_\_

      Premises:                      \_\_\_\_\_

      Commencement Date of Term: \_\_\_\_\_

      Expiration Date:               \_\_\_\_\_

      Current Rent:                  \_\_\_\_\_

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

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

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

      (b)    The current Rent is set forth above.

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

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

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

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

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

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

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

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

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

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

COUNTY OF LOS ANGELES,  
a body corporate and politic

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**EXHIBIT G**

**COMMUNITY BUSINESS ENTERPRISE FORM**

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

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

1. Firm Name: \_\_\_\_\_

2. Address: \_\_\_\_\_

3. Contact Person/Telephone Number: \_\_\_\_\_

4. Total number of employees in the firm: \_\_\_\_\_

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

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

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

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

**EXHIBIT H**

**MEMORANDUM OF LEASE**

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

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

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

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**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:

TUNG'S INVESTMENT GROUP, INC., a  
California corporation

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  
County Counsel

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

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

STATE OF CALIFORNIA )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

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

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

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

WITNESS my hand and official seal.

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

**EXHIBIT I**

**LANDLORD'S WORK LETTER**

**LANDLORD'S WORK LETTER**

**For**

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

**COUNTY OF LOS ANGELES - Tenant**

**TUNG'S INVESTMENT GROUP, INC. - Landlord**

**441 EAST CARSON STREET**

**SUITE J, K, and L**

**CARSON, CALIFORNIA, 90745**

## LANDLORD'S WORK LETTER

This Work Letter supplements the Lease Agreement (the "Lease") dated \_\_\_\_\_, 20\_\_\_\_, executed concurrently herewith, by and between TUNG'S INVESTMENT GROUP, INC., a California corporation, as Landlord, and COUNTY OF LOS ANGELES, a body corporate and politic, as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings as described to them in the Lease.

The parties hereby agree as follows:

1. **Basic Work Letter Information.** The following terms as used herein shall have the meanings provided in this Section unless otherwise specifically modified by provisions of this Work Letter.

- |   |  |
|---|--|
| (a) <u>Total TI Costs</u>   | \$1,050,800.00 (i.e., \$185.00 per rentable square foot of the Premises)   |
| (i) <u>Landlord's TI Allowance</u>  | \$284,000.00 (i.e., \$50.00 per rentable square foot of the Premises)  |
| (ii) <u>Tenant's TI Contribution</u>  | \$766,800.00 (i.e., \$135.00 per rentable square foot of the Premises)   |
| (b) <u>TI Amortization Rate and Change Authorization Amortization Rate:</u> | Fixed seven and one-half percent (7.5%) per annum to be paid over the first five (5) years of the Term.  |
| (c) <u>Tenant's Work Letter Representative</u>                              | An assigned staff person of the Chief Executive Office-Real Estate Division  |
| (d) <u>Landlord's Work Letter Representative</u>                            | Victor Tung or an assigned staff person of the Landlord  |
| (e) <u>Landlord's Address for Work Letter Notices</u>                       | Tung's Investment Group, Inc.<br>c/o Charles Dunn Real Estate Services, Inc.<br>800 W 6 <sup>th</sup> St, Suite 600<br>Los Angeles, CA 90017<br>Email: victor@tgroupre.com & hvanmoyland@charlesdunn.com |
| (f) <u>Tenant's Address for Work Letter Notices</u>                         | County of Los Angeles<br>Chief Executive Office - Real Estate Division<br>320 West Temple Street, 7th Floor<br>Los Angeles, CA 90012<br>Attention: Director of Real Estate                               |

(g) Addenda

Addendum A: Base Building Improvements  
Addendum B: Tenant Improvements  
Addendum C: Form of Preliminary and Final TI Cost Summary

## 2. Construction of the Building.

2.1 Base Building Improvements. Landlord has constructed or shall construct the base building improvements described on Addendum A hereto (the "Base Building Improvements") as a part of the Building. If the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, such changes or additions shall not be considered Tenant Improvements (as defined below) unless such changes or additions are specifically described in Addendum B hereto.

### 2.2 Additional Costs Not Total TI Costs.

(a) If the Building as initially constructed does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the Americans with Disabilities Act of 1990 (ADA), and/or earthquake safety codes, and Landlord incurs increased design or construction costs that it would not have incurred if the Building had been in compliance with such codes, then such costs shall not be included in the calculation of Total TI Costs (as defined below), and Tenant shall have no financial responsibility for such costs.

(b) Any work that Landlord must undertake to cause the Premises to comply with the access requirements of the ADA or to make existing building systems, including but not limited to electrical service and HVAC equipment, fully operational shall be at Landlord's sole cost and expense. Total TI Costs shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease, including all expenses associated with curing any "Sick Building Syndromes", (ii) code compliance work required for the fire sprinkler system including pump house, main lines or other portion of the fire sprinkler system located outside of the Premises, however, any modification or upgrade of the fire sprinkler system located within the Premises (as opposed to outside of the Premises) required to accommodate the Tenant Improvements shall be included as part of the Tenant Improvement Costs, (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere, (iv) utility costs incurred during construction, (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease, nor (v) supervision or overhead costs of Landlord.

(c) Landlord shall be solely responsible for all costs and expenses necessary to increase and / or maintain permitted structural floor loading in order to accommodate Tenant's libraries, file rooms, unusual live loads and other such uses, as indicated in the Final Plans.

(d) Intentionally Deleted. See Section 2.2 of the Lease.

2.3 Base Building Plans. Landlord has delivered to Tenant complete and accurate "as built" plans and specifications for the Building in an AutoCAD 2015 (or later version) and Adobe PDF electronic format via USB flash drive and set-up of a web-based download link. If Tenant incurs additional costs because such plans and specifications are incomplete or inaccurate, then any delay caused thereby shall not be a Tenant Delay (as defined below), but shall be deemed



to be a delay caused by Landlord, and Landlord shall pay for any increased costs caused by such delay.

**2.4 Survey.** Where 'as-built' plans are missing, Landlord must perform a survey of existing space, which shall include existing floor plans and mechanical, electrical, and plumbing systems. The survey shall be at Landlord's sole cost and expense. Landlord shall submit such survey to the Tenant such that the initial Space Plan (as defined in Section 5.1) can be modified to conform to the existing conditions. Selection of Architect Landlord shall not proceed with any bid solicitation for architectural services until final space plan is furnished to the Landlord. Once Landlord receives the Space Plan from Tenant, Landlord shall promptly solicit at least three (3) proposals from qualified licensed architects familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings (as defined below). Landlord shall select an architect, subject to Tenant's acceptance, which shall not be unreasonably conditioned, delayed, or withheld, and which acceptance (or rejection for reasonable reasons) shall be granted within five (5) calendar days after Landlord has submitted the name of the selected architect to Tenant, together with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until Tenant accepts an architect (the "Architect"), and Tenant's written acceptance has been delivered to and received by Landlord.

**3. Selection of Contractor.** The Final Plans (as defined below) and a proposed construction contract accepted by Tenant shall be submitted to a sufficient number of qualified contractors, selected by Landlord, so that a minimum of three (3) bids are received. Each contractor shall be requested to submit a sealed fixed price contract bid price (on an American Institute of Architects (AIA) form) to construct the Tenant Improvements depicted on the Final Plans. Landlord shall select the most qualified bidder offering the lowest price after adjustments for inconsistent assumptions, and Landlord shall submit all bids, along with Landlord's recommendation, to Tenant for Tenant's review and acceptance. Following Tenant's acceptance, Landlord shall enter into a construction contract (the "Construction Contract") with the lowest qualified bidder (the "Contractor") to construct the Tenant Improvements, consistent with the terms of the accepted bid or bids.

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

**4.1 Preparation of Space Plan.** Concurrently with the execution of this Lease, Tenant shall submit to Landlord specifications for the Premises, which shall include a space plan, and when available, low voltage and furniture plans and , shall depict, without limitation, all demising walls, corridors, entrances, exits, doors, and interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room (collectively, the "Space Plan").

**4.2 Preparation and Review of Working Drawings.** Within thirty (30) days after the date the Space Plan is submitted to Landlord or 2) Tenant has provided Landlord its written acceptance of the Architect (the "Plan Submission Date"), Landlord shall instruct the Architect to commence preparation of working drawings (the "Working Drawings"), which shall (a) be consistent with the Space Plan and the Preliminary TI Cost Summary (as defined below), (b) be compatible with the design, construction and equipment of the Building, (c) comply with all applicable laws, (d) be capable of physical measurement and construction, (e) contain all information required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and (f) include all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected

ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times provided that a schedule to submit the Working Drawings is provided to, and approved by, the Tenant. Landlord shall provide Tenant the Working Drawings, or such portion thereof as has been submitted, for Tenant's review and acceptance. Landlord shall be solely responsible for ensuring that the Working Drawings fully comply with all applicable building codes and cover any expenses that result from the errors, omissions or inconsistencies in the Architect's Instruments of Service.

4.3 Preparation and Review of Engineering Drawings. Landlord shall cause the Architect to coordinate with the Engineer and to integrate all engineering drawings prepared by the Engineer, including but not limited to complete mechanical, electrical, and plumbing plans ("Engineering Drawings"), into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review and acceptance.

4.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has accepted the Engineering Drawings, Landlord shall cause the Architect to integrate the accepted Working Drawings with the accepted Engineering Drawings (collectively "Final Plans") and deliver the Final Plans to Tenant for Tenant's review in an AutoCAD 2015 (or later version) and Adobe PDF electronic format via USB flash drive and set-up a web-based download link. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements), power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements. Landlord's review of the Space Plan, Working Drawings, Engineering Drawings, and Final Plans shall be at Landlord's sole cost and expense.

4.5 Tenant's Plan Review and Acceptance. Tenant shall accept or reject the Working Drawings, the Engineering Drawings and the Final Plans within twenty-one (21) calendar days after Tenant receives the applicable plans and drawings from Landlord. If Tenant rejects any such plans or drawings, then Tenant shall notify Landlord thereof, specifying in detail the reason for such rejection, in which case Landlord shall revise the applicable plans or drawings and deliver revised plans or drawings to Tenant within twenty-one (21) calendar days after receipt of Tenant's rejection notice. This procedure shall be repeated until the applicable plans are accepted by Tenant and such acceptance shall not be unreasonably withheld, conditioned or delayed. Tenant's acceptance of the Working Drawings, Engineering Drawings and/or the Final Plans shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements, which shall be Landlord's sole responsibility.

4.6 Schedule. Within twenty-one (21) calendar days of the Plan Submission Date, Landlord shall submit to Tenant an estimated construction schedule ("Preliminary Schedule"), subject to review by Tenant, which shall not be unreasonably conditioned, delayed, or withheld, setting forth the completion dates of certain project milestones, including but not limited to completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of the Construction Contract, construction commencement date, interim schedule milestone dates, and the estimated date of Substantial Completion. The schedule shall be

apportioned by construction activity and include time required for the completion of each portion of the work. As the construction continues, Landlord shall amend the construction schedule as needed to reflect any changes to the projected dates, and Landlord shall promptly submit the revised construction schedules to Tenant. If the amended construction schedule identifies delays to the project's critical path, the Landlord shall provide a revised schedule

4.7 Submittals. The Landlord shall submit to Tenant any Shop Drawings, Product Data Sheets / Samples or similar submittals required by the Final Plans in coordination with the construction schedule and with reasonable promptness, so as not to cause any delay in the construction of the Tenant Improvements. The purpose of Shop Drawings, Product Data, Samples and similar submittals is to demonstrate the way by which the Contractor proposes to construct a design concept expressed in the Final Plans. "Shop Drawings" include drawings, diagrams, schedules and other data specially prepared by the Contractor or a subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Tenant Improvements. "Product Data Sheets / Samples" include illustrations, summary performance charts, instructions, brochures, diagrams, manufacturer specifications and other information furnished by the Landlord to illustrate materials or equipment for some portion of the Tenant Improvements. "Samples" are physical examples that illustrate materials, equipment or workmanship for some portion of the Tenant Improvements. The Contractor shall construct no portion of the Tenant Improvements for which the Final Plans require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been reviewed and accepted by the Architect.

## **5. Landlord's TI Cost Summary and Payment of Total TI Costs.**

5.1 Cost Summary. Within thirty (30) calendar days after the Plan Submission Date, Landlord shall submit to Tenant a preliminary cost summary for the Tenant Improvements in a format similar to Addendum C attached hereto (the "Preliminary TI Cost Summary"), which must not exceed the sum of Landlord's TI Allowance and Tenant's TI Contribution. The Preliminary TI Cost Summary shall be revised into final form within ten (10) days after the date that the Contractor is selected and will be referred to herein as the "Final TI Cost Summary". Tenant shall have fourteen (14) calendar days after the date of receipt of the Final TI Cost Summary to accept or reject the Final TI Cost Summary, including but not limited to any Contractor overhead, profit and/or general conditions costs included therein, provided, however, that any proposed increase to Tenant's TI Contribution shown on the Final TI Cost Summary shall not be effective unless approved in a separate written agreement executed by Landlord and Tenant. Tenant's failure to accept or reject the Final TI Cost Summary in writing within such period shall be deemed to be rejected. Construction of the Tenant Improvements shall not begin until Tenant accepts the Final TI Cost Summary in writing. If Tenant rejects the Final TI Cost Summary due to matters related to cost and the Final TI Cost Summary is fifteen percent (15%) or more higher in cost than projected in the Preliminary TI Cost Summary, then, at Tenant's request, Landlord shall cause the Architect and the Engineer to redesign the Tenant Improvements, at Landlord's sole expense, to comply with the Preliminary TI Cost Summary, and any delay caused by the necessity to rebid or redesign the Tenant Improvements shall not be considered a Tenant Delay. If Tenant rejects the Preliminary TI Cost Summary or the Final TI Cost Summary, the parties shall promptly confer to resolve all issues relating thereto. If after such consultation, the parties cannot agree on the Preliminary TI Cost Summary or the Final TI Cost Summary and it still exceeds the sum of the Landlord's TI Allowance and Tenant's TI Contribution, then Landlord may elect to pay for any shortfall or Tenant may elect to terminate the Lease and this Work Letter by delivering written termination notice to Landlord, whereupon all monies previously paid to Landlord shall be promptly refunded to Tenant, and the parties shall have no further obligations under the Lease or this Work Letter.

5.2 Landlord's TI Allowance and Tenant's TI Contribution. All improvements required by the Final Plans, as further described in Addendum B hereto, and any and all modular furniture described in the Modular Specifications (as defined below) shall be referred to herein, collectively, as "Tenant Improvements" or "TI." Costs of Tenant Improvements shall include costs for furniture, soft costs, and any other costs approved in writing by Tenant (collectively "Total TI Costs"), all of which must not exceed the sum of Landlord's TI Allowance, Tenant's TI Contribution, and the cost of any Change Authorizations (as defined below) that are approved in writing by both parties. Landlord shall be solely responsible for any delay or increased cost in completing the Tenant Improvements, unless caused by a Change Authorization from Tenant. Except as otherwise provided herein, all Total TI Costs shall be paid by Landlord and deducted from Landlord's TI Allowance. If the Total TI Costs exceed Landlord's TI Allowance, then Tenant may authorize Landlord to pay the overage in an amount not exceeding Tenant's TI Contribution. Thereafter, Tenant shall pay such overage to Landlord as provided in Section 6.3 below.

5.3 Method of Payment. Tenant shall be obligated to pay Landlord that portion of Tenant's TI Contribution used to pay for any Total TI Costs in excess of Landlord's TI Allowance thirty (30) calendar days after all of the following conditions have been met: (i) Tenant Improvements are Substantially Complete (as defined in the Lease); (ii) Landlord has provided Tenant with all documentation substantiating all Tenant Improvements' expenses, including without limitation, receipts, invoices, proof of payment, unconditional lien releases and approved changed orders; and (iii) Tenant has reconciled all Tenant Improvements' costs to determine and confirm the total Tenant Improvements amount spent and the amount of Tenant's TI Contribution owed to Landlord. At Tenant's election, such payment may be made (a) in a lump sum, or (b) in equal monthly payments, amortized over the initial five (5) years of the term of the Lease at the TI Amortization Rate. Tenant may, at any time during the Term, prepay all or any portion of the Total TI Costs in excess of the Landlord's TI Allowance and pay any remaining amount in equal monthly payments, amortized over the remaining term of the Lease at the TI Amortization Rate.

5.4 Base Rent Credit for Unused Portions of Landlord's TI Allowance. If the Total TI Costs are less than the Landlord's TI Allowance, then the amount of any unused portion of the Landlord's TI Allowance shall be applied as a credit against the next installment(s) of Base Rent due under the Lease.

## **6. Construction of Tenant Improvements.**

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

6.2 Bids. Unless waived by Tenant in writing, any major contractors, subcontractors and material suppliers providing labor and/or materials for the Tenant Improvements shall be selected only after a minimum of two (2) bids have been solicited from responsible and qualified persons. The bids shall include an itemized list of all materials and labor and shall include all additional costs, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Landlord shall also obtain a minimum of three (3) bids from responsible and qualified bidders for the purchase and installation of Tenant's office furniture system, if applicable, in accordance with Section 9.1 below.

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

6.4 Commencement of Construction. Landlord shall commence construction of the Tenant Improvements within twenty-one (21) calendar days after Tenant's acceptance of the Contractor pursuant to Section 4 and Tenant's acceptance of the Final Cost Summary pursuant to Section 6.1 hereof. Contractor shall obtain the building permit for the Tenant Improvements prior to the commencement of construction. Thereafter, Landlord shall diligently proceed to construct and complete all Tenant Improvements in a good and workmanlike manner, subject only to any cessation that may be caused by Force Majeure Delays (as defined below).

6.5 Construction. Construction of the Tenant Improvements will be subject to the following terms and conditions:

(a) Notice of Nonresponsibility. Landlord and the Contractor shall cooperate with Tenant in posting a notice or notices of nonresponsibility by Tenant in compliance with California Civil Code Section 8444.

(b) Decorating Decisions. All design and programming, space planning and interior decorating services, such as selection of wall paint colors and/or wall coverings, furniture, fixtures, flooring and base, and any other decor selection efforts required by Tenant, shall be provided by Landlord at Landlord's expense in accordance with Tenant's Space Plan. Landlord shall consult with Tenant with respect to all such decorating services and decisions.

(c) Warranties. Landlord warrants that the Tenant Improvements shall be free from any defects in workmanship and materials for a period of not less than two (2) years from the date of Substantial Completion (as defined in the Lease). Landlord shall require each contractor and subcontractor to provide warranties of like duration in all construction contracts relating to the Tenant Improvements and, upon Tenant's request, Landlord shall assign to Tenant any such warranties relating to the Tenant Improvements. Patent defects in the Tenant Improvements shall be brought to Landlord's attention promptly. Latent or hidden defects in the Tenant Improvements shall be brought to Landlord's attention promptly upon Tenant's becoming aware of such defects. Landlord, at Landlord's sole cost and expense, shall promptly cause such defects to be repaired following receipt of notice thereof, and Tenant shall have the same rights with respect thereto as set forth herein for all other punch-list items.

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

(e) Compliance with Laws. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including but not limited to all provisions of the California Labor Code. **Without limiting the generality of the foregoing, construction of the Tenant Improvements shall comply with all applicable laws and regulations, including but not limited to the provisions of the California Labor Code relating to the payment of prevailing wages on public works**



projects, unless the work is otherwise exempt therefrom pursuant to the California Labor Code. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly wage rate and details pertinent thereto for each craft, classification, or type of workman or mechanic needed for the construction of the Tenant Improvements. Particulars of the current prevailing wage scale, as approved by the Board of Supervisors, which are applicable to the work, are filed with the Clerk of the Board of Supervisors and must be posted at the site. Notwithstanding the foregoing or any language to the contrary contained herein, the payment of prevailing wages according to the current prevailing wage scale and compliance with applicable prevailing wage statutes shall be required where there is a Tenant's TI Contribution made towards the Total TI Costs of the Tenant Improvements to be performed.

(f) Access During Construction. Tenant shall have the right to conduct site visits to observe progress of the Tenant Improvements during the course of construction. Additionally, pursuant to Section 4.3 of the Lease, Tenant shall be entitled to enter the Premises at least thirty (30) calendar days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Landlord and Tenant shall use reasonable good faith efforts to coordinate the work of their respective contractors to achieve timely completion of the Tenant Improvements and Tenant's installation work.

6.6 Completion/Close Out. The Premises shall not be considered Substantially Complete until the Tenant Improvements have been completed in accordance with the Final Plans and Section 4.1 of the Lease, subject only to the completion of minor punch-list items that will not interfere with Tenant's use and occupancy of the Premises for Tenant's permitted and intended use under the Lease. Upon Substantial Completion of the Tenant Improvements, Landlord shall notify Tenant in writing and, within fourteen (14) calendar days of Tenant's receipt of such notice, Landlord and Tenant shall conduct a "walk-through" inspection of the Premises and prepare a punch-list of known or apparent deficiencies or incomplete work required to be corrected or completed by Landlord. Landlord, at Landlord's sole cost and expense, shall cause all punch-list items to be repaired or completed as soon as possible, but in no event later than thirty (30) days following the walk-through inspection. If Landlord fails to complete any of the punch-list items within such 30-day period, then Tenant, in addition to its other rights and remedies under the Lease, after giving ten (10) days written notice to Landlord, shall have the right, but not the obligation, to cause such punch-list items to be completed, with the cost thereof plus ten percent (10%) for Tenant's overhead and supervision to be deducted from the next installment(s) of rent or other amounts payable by Tenant under the Lease.

6.7 Conformed Plans. Within sixty (60) days after Substantial Completion of the Tenant Improvements and Landlord's receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans ("as-builts") incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such "as-built" or "record documents" shall be submitted in an AutoCAD 2015 (or later version) format, along with one complete set of plans and specifications Adobe PDF electronic format via USB flash drive and set up of a web-based download link.

7. Requests for Change. Tenant and Landlord may request changes, additions, deletions or substitutions in the Final Plans (each, a "Request for Change"), provided that the requesting party must submit a written request to the other party and that Requests for Change will not be effective unless approved in writing by both Tenant and Landlord (a "Change Authorization");. Only the County's Chief Executive Officer or his/her designee is authorized to execute Change

Authorizations on behalf of Tenant. If Tenant requests any changes or substitutions to the Tenant Improvements after the Final Plans and the Final TI Cost Summary have been accepted ("Tenant-Requested Changes"), then any additional costs related thereto in excess of Landlord's TI Allowance shall be paid by Tenant, provided that Tenant executes a written Change Authorization prior to the performance of the applicable work. Tenant shall be obligated to pay Landlord for the Tenant Request for Change as part of Tenant's portion of Tenant's TI Contribution used to pay for any Total TI Costs in excess of Landlord's TI Allowance as defined in Section 6.3. Landlord shall be solely responsible for the cost of any Change Authorizations or other Requests for Change that are not Tenant-Requested Changes or approved by the Chief Executive Officer or his/her designee. Landlord shall submit to the Chief Executive Officer or his/her designee with each Request for Change: (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Change Authorizations previously executed, and (iii) an estimate of the number of days by which the construction time will be increased or shortened if the Request for Change is approved. Each Change Authorization must be signed and dated by tenant department, Landlord and the Chief Executive Officer or his/her designee in order to be effective.

## **8. Furniture System.**

8.1 Tenant shall deliver to Landlord within fourteen (14) calendar days after the date of full execution of this Work Letter, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, Landlord and /or Landlord's architect shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors. The bid package shall be broken down into separate line items for material, delivery, installation, and sales tax, and each furniture item shall be broken down by unit price, quantities, description and specification. Prior to submission for bids, Landlord shall review the bid package with Tenant, and Tenant shall have the right to accept or reject the bid package. In the event the bid package was rejected then the Landlord & Tenant shall revise the scope of the bid package and resubmit. In the event the bid package was approved, then Landlord shall order and enter into a contract for the purchase and installation of the modular furniture set forth in the Modular Specifications and install the same within the Premises, all of which shall be a Total TI Cost, payable by Landlord and/or Tenant as provided in Section 6.2 and Section 6.3 hereof. Tenant's acceptance of any bid package shall not be deemed to be a representation by Tenant as to the adequacy or correctness of any specifications contained therein.

8.2 Alternatively, Tenant may elect to finance the cost of modular furniture through lease-purchase financing with a third-party lender ("Creditor"). If Tenant elects to enter into a lease-purchase financing of any furniture (individually or collectively, "Personal Property") through a Creditor, Landlord expressly agrees as follows:

(a) The Personal Property shall not become part of the real property, but shall remain personal property removable by the Creditor and its assigns, provided that any damage to the Building or the Premises caused by such removal shall be repaired by Creditor.

(b) Landlord must receive written notice from Creditor of any plan by Creditor to remove the Personal Property from the Building.

(c) This Section 9.2 shall be binding on the representatives, successors and assigns of all parties hereto and shall inure to the benefit of the successors-in-interest to all parties hereto.

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

**9. Total TI Costs Adjustment and Right to Audit.** Within twenty-one (21) calendar days of the issuance of a Certificate of Occupancy for the Premises or a final sign-off by the County of Los Angeles, whichever occurs first, Landlord shall provide to Tenant a statement showing (a) all Total TI Costs in reasonable detail and sorted into the same line items as the Final TI Cost Summary, and (b) the amount of Total TI Costs that is in excess of Landlord's TI Allowance and payable hereunder by Tenant to Landlord. Upon approval of such statement by Tenant, payments by either party pursuant to the Lease and this Work Letter shall be adjusted as appropriate based upon such statement. Tenant shall have the right to audit the Total TI Costs for two years after the date of Tenant's Acceptance of the Premises. If the audit shows that Tenant is entitled to a reduction in payments made by Tenant to the Landlord pursuant to this Work Letter, then Tenant shall provide Landlord with a copy of the audit summary, and inform Landlord if Tenant wants Landlord to pay Tenant the amount of any over-payment made by Tenant within thirty (30) calendar days or if Tenant will apply such amount as a credit against the next installment(s) of Base Rent due under the Lease, and any future payments owed by Tenant shall be adjusted as appropriate based upon the audit results. Landlord shall require the Contractor to include audit provisions in all subcontracts which allow Tenant to audit the subcontractors' books and records with respect to the Tenant Improvements.

**10. Telephone/Computer Room and Equipment.** Landlord shall complete the telephone equipment room(s), including permanent power and HVAC, in compliance with the Space Plan, Low-Voltage Plan and specifications provided by Tenant, at least thirty (30) calendar days prior to the Estimated Commencement Date. During this thirty (30) day period, the Landlord shall not be responsible for the security and protection of any telephone/data equipment delivered to the site prior to the Estimated Commencement Date.

**11. Delay.**

11.1 Tenant Delays and Force Majeure Delays. Except as set forth in this Section 12, Tenant shall not be charged as a result of any delay in the construction of Tenant Improvements, Subject to the provisions of Section 12.2, the Estimated Commencement Date set forth in the Lease shall be extended one (1) day for each day that: (a) Tenant fails or refuses to give authorizations or approvals within the time periods required herein, but only to the extent such delays delay the commencement or completion of construction of the Tenant Improvements (referred to herein as "Tenant Delay(s)"); or (b) Substantial Completion of the Tenant Improvements is delayed by acts of god, lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)").

11.2 Limitations.

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



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

(c) Concurrent Delays. Tenant Delays and Force Majeure Delays shall be recognized hereunder only if they are not concurrent with any other Tenant Delay or Force Majeure Delay that is effective hereunder. For example, if fourteen (14) calendar days of Tenant Delays and six (6) calendar days of Force Majeure Delays occur during the same fourteen (14) calendar day period, then the Estimated Commencement Date would be extended by only fourteen (14) calendar days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, then the Estimated Commencement Date would be extended by twenty (20) calendar days.

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

(e) Work Scope Precedence. In case of conflicts or discrepancies between or among this Landlord Work Letter, plans, and specifications, plans shall supersede specifications for quantity, specifications shall supersede plans for quality, and this Landlord Work Letter shall supersede both plans and specifications.

**12. Tenant Remedies**. If Landlord fails to obtain the building permit to construct the Tenant Improvements within a reasonable time, taking all factors into consideration, or if the Tenant Improvements have not been completed within sixty (60) calendar days after the Estimated Commencement Date or any extensions thereof as provided for in the Lease (Section 4.2), then Tenant may, at its option:

12.1 Cancel the Lease upon thirty (30) calendar days' written notice to Landlord; or

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

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

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

Any default by Landlord under the terms of this Work Letter beyond the expiration of all applicable notice and cure periods shall constitute a Landlord Default under the Lease and shall entitle Tenant to exercise all remedies set forth in the Lease.

**13. Representatives.**

13.1 Tenant Representative. Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Work Letter only, is Tenant's Address for Work Letter Notice as set forth in Section 1.2 of the Lease.

13.2 Landlord Representative. Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on behalf of Landlord as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Work Letter only, is Landlord's Address for Work Letter Notice as set forth in Section 1.2 of the Lease.

**14. INTENTIONALLY DELETED.**

**15. Construction Meetings.** During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, if needed, unless Tenant directs otherwise, at a time and place that is mutually convenient. An initial construction meeting shall be held within seven (7) calendar days after the date the Contractor is selected. If requested, Contractor shall provide minutes of each construction meeting to Tenant within a reasonable time thereafter, but not later than three (3) calendar days after the date of the construction meeting.


**16. Delivery.** Delivery of all plans and drawings referred to in this Work Letter shall be either by commercial messenger service, personal hand delivery or Landlord can set up a web-based download, unless otherwise agreed by Landlord and Tenant.

**17. Miscellaneous.** This Landlord Work Letter sets forth the entire understanding and agreement between the Parties with respect to the subject matter of this Landlord Work Letter. This Landlord Work Letter may be amended only in a writing signed by both Parties. Any notice to a party for a breach of this Landlord Work Letter must be delivered in writing per the terms as set forth in Section 30.6 of the Lease. This Landlord Work Letter shall be construed as if jointly drafted by the parties. This Landlord Work Letter will not be effective unless and until signed by both Parties. Neither party may assign this Landlord Work Letter or its rights or obligations hereunder without the other party's prior written consent. This Landlord Work Letter will be binding upon, enforceable by and inure to the benefit of the Parties and each of their successors and permitted assigns. Provisions contained in this Landlord Work Letter shall prevail in case of conflict over the terms of the Lease. This Landlord Work Letter is hereby incorporated into and made part of the Lease. All the terms and conditions of the Lease remain in full force and effect, except as expressly indicated otherwise in this Landlord Work Letter. This Landlord Work Letter will become effective as of the Effective Date and shall continue in effect, except to the extent it is amended or terminated in accordance with terms of the Lease.

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

LANDLORD:

TUNG'S INVESTMENT GROUP, INC., a California corporation

By:   
Name: Victor Tung  
Title: Authorized Signatory  
Date Signed: \_\_\_\_\_

TENANT:

COUNTY OF LOS ANGELES,  
a body corporate and politic

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date Signed: \_\_\_\_\_

## **ADDENDUM A To Landlord's Work Letter**

### **BASE BUILDING IMPROVEMENTS**

Landlord has constructed (or will construct) the Building to include the following:

(a) Building shell and exterior, including perimeter window systems and mullions in good condition. If building has not been constructed or is still under construction, no tenant improvements work shall commence until building has been signed off by the City having jurisdiction and Certificate of Occupancy has been received.

(b) Must also include including mechanical, electrical, sprinkler, plumbing, Fire life safety, heating, air conditioning, ventilation and structural systems within the Building core, stubbed out to the face of the core wall at locations determined by Landlord;

(c) New toilet rooms per code, including necessary plumbing fixtures, new toilet partitions, lavatories, ceramic tile floors, sinks, "touchless" faucets, soap dispensers, hand dryers, accessories, ceilings and lighting, with running hot and cold water;

(d) Drywall or lath and plaster covering the exposed side of all exposed core walls, core and perimeter columns and the interior exposed side of all exterior building wall areas except at and under windows. Also included:

(e) public stairways;

(f) passenger and freight elevators;

(g) parking facilities;

(h) ground floor lobby;

(i) finished elevator lobbies (with carpet, lights, finished walls and ceiling);

(j) exterior plazas and landscaping;

(k) loading dock and/or area;

(l) water bottle filling stations/drinking fountains at the core;

(m) electrical/telephone closet with not less than seven (7) watts per square foot of rentable area of normal power in the floor electrical closet;

(n) conduit access sufficient for Tenant's electrical wiring (no additional improvement to increase conduit access will be furnished by Landlord unless there is not sufficient riser space as required for a 1.5" diameter signal cable from the Building main telecommunication vault to the telephone closets on the first (1<sup>st</sup>) floor, in which case Landlord, at no cost to Tenant and without deduction from Landlord's TI Allowance, shall cause such riser space to be made available to Tenant, and provided further that Tenant shall be responsible for the cost for removing the riser floor seal at each floor and the patching of each seal after installation of Tenant's cable);

(o) two (2) 200 AMP and one (1) 400 AMP 208/120 panels connected to the Building power system;

(p) concrete floors with troweled finish ready for tenants floor finish, level to specified tolerances and designed to support a minimum live load of fifty (50) pounds per square foot and a partition load of twenty (20) pounds per square foot;

(q) Rooftop HVAC Units (RTU's) necessary to meet Tenant's HVAC specifications as described in the Lease,

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

(s) primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution;

(t) Demolition and removal of any existing improvements or equipment situated within the Premises, unless the Final Plans show that such improvements and/or equipment will remain in the Premises.

(u) Prior to Tenant taking occupancy, Landlord at its sole cost and expense, shall have its 3rd party HVAC subcontractor certify the HVAC system is sufficient and air balanced to meet the County's performance specifications pursuant to the terms of the Lease;

(v) Landlord is to ensure that the roof and exterior windows are watertight.

(w) Landlord shall finish all parking areas for Tenant's parking in accordance with ADA code compliance, and ensure all lights in the parking area are in good working order.

(cc) Landlord shall install and maintain the planting along the perimeter of the building, and properly maintain the landscaping throughout the term of the lease, including any option periods.

(dd) The Building and Premises shall comply with Americans with Disabilities Act, as well as correct any deficiencies found in the accessibility report pursuant to Section 1.1 (p) of the Lease;

(ee) Landlord shall make available data (internet) and telecommunication fiber connectivity within the Building's main point of entry. Tenant shall pay for such internet services within the Premises.

## **ADDENDUM B To Landlord's Work Letter**

### **TENANT IMPROVEMENTS**

Tenant improvements shall include:

- (a) Tenant ceilings and lighting;
- (b) Floor finish in the Premises (except elevator lobbies and public corridors on multi-tenant floors and toilet rooms);
- (c) Interior finishes of any kind within the Premises, including window coverings;
- (d) Interior partitions, doors and hardware within the Premises;
- (e) Terminal boxes and reheat coils or other HVAC or air distribution devices to or within the Premises;
- (f) Tenant's furniture (including the modular furniture purchase and installation), fixtures and equipment that are part of the Tenant Improvements, but Tenant is responsible for all work related to the installation of Tenant's personal property, and equipment, including telephones, computers and cabling therefor;
- (g) Distribution of HVAC ducting within the Premises, electrical services, plumbing services and sprinklers from the core to the Premises, and domestic hot water heater and associated hot water piping;
- (h) Any improvements and HVAC systems or equipment if Tenant elects to have a dedicated computer and service room installed as part of the Tenant Improvement;
- (i) Any and all signs for Tenant and the power therefor;
- (j) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms and extinguishers, and modification to fire sprinkler distribution within the Premises, based on the Final Plans;
- (k) Additional and/or above standard electrical capacity;
- (l) Fiber optic access points (but Tenant to handle telecommunications systems in the Premises on its own; and
- (m) Work that is not part of the Base Building Improvement that Tenant requests as part of the approval of the Final Plans.

**ADDENDUM C To Landlord's Work Letter**

**PRELIMINARY AND FINAL TI COST SUMMARY**

\_\_\_ Preliminary TI Cost Summary  
\_\_\_ Final TI Cost Summary

Lease No. \_\_\_\_\_  
Address \_\_\_\_\_

Cost Category	
Architecture and Engineering Contract	\$
Plan Check Fees & Permits	\$
General Contractor	\$
(Profit)	\$
(Overhead)	\$
(Contingency)	\$
Furniture	\$
Other (Specify)	\$
Total TI Costs	\$

## BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

<b>CLUSTER AGENDA REVIEW DATE</b>	6/26/2024	
<b>BOARD MEETING DATE</b>	8/6/2024	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input checked="" type="checkbox"/> 2 <sup>nd</sup> <input 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>	10-year lease for 13,468 square feet of office space and 56 on-site parking spaces at 879 West 190 <sup>th</sup> Street, Suite 720, Gardena, 90248	
<b>PROGRAM</b>	Coastal API MHC	
<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:	
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable	
<b>DEADLINES/ TIME CONSTRAINTS</b>		
<b>COST &amp; FUNDING</b>	Total cost: \$7,448,000	Funding source: 100% State and Federal funds
	TERMS (if applicable): The proposed lease will have an annual first year cost of \$2,203,000, where the landlord will be responsible for all operating expenses, including utilities, janitorial, repair and maintenance to the building.	
	Explanation: The TIs for the proposed lease are expected to be completed in Fiscal Year 2025-26. Future funding for the costs associated with the proposed lease will be addressed through the annual budget process for DMH.	
<b>PURPOSE OF REQUEST</b>	Approval of the recommended actions will authorize use of office space for DMH.	
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	The proposed 10-year lease is for occupancy at the subject property for approximately 13,468 square feet of office space and 56 on-site parking spaces which will enable the Department to use the space for the Coastal API Mental Health Center and relocate from its existing location at 14112 Kingsley Dr., Gardena because it has outgrown the space required for the services.	
<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	





**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"

August 8, 2024

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

Dear Supervisors:

**TEN-YEAR LEASE USING  
COMMERCIAL PAPER NOTES TO FUND TENANT IMPROVEMENTS  
DEPARTMENT OF MENTAL HEALTH  
879 WEST 190TH STREET, SUITE 720, GARDENA  
(SECOND DISTRICT) (3 VOTES)**

**SUBJECT**

Approval of a proposed new ten-year lease for 13,468 square feet of office space, and 56 on-site parking spaces for the Department of Mental Health's (DMH) Coastal Asian Pacific Islander Family Mental Health Center (API MHC) and authorization of the issuance of taxable commercial paper notes (Notes) through the Los Angeles County Capital Asset Leasing Corporation Lease Revenue Note Program (Note Program) to provide financing for the tenant improvement (TI) costs.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed lease is exempt from the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and in the record of the project.
2. Find that the issuance of Notes through the Note Program to finance TI costs is not subject to CEQA because they are activities that are excluded from the definition of a project for the reasons stated in this Board letter and in the record of the project.
3. Authorize the Chief Executive Officer, or her designee, to execute the proposed lease with Omninet Pacific Pointe LP, a Delaware limited partnership (Landlord),

for approximately 13,468 square feet of office space, and 56 on-site parking spaces located at 879 West 190th Street, Suite 720, Gardena (Premises) to be occupied by DMH. This proposes a lease for a term of ten years. The estimated maximum first year base rental cost is \$461,000, but with a two-month rent abatement of about \$77,000, will be approximately \$384,000. The estimated total proposed lease cost is \$7,448,000 over the ten-year term. The rental costs will be funded 100 percent by State and Federal funds that is already included in DMH's existing budget. DMH will not be requesting additional net County cost for this action.

4. Authorize the Chief Executive Officer, or her designee, to reimburse the Landlord up to \$1,819,000 for the County's TI contribution, to be paid in lump sum.
5. To finance the County's TI contribution, establish TI Project No. 57255 for the lease at 879 West 190th Street, Gardena, CA, 90248.
6. Authorize the issuance of Notes through the Note Program in the amount not to exceed \$1,819,000 for the TI costs. Also, approve an amount not to exceed \$181,900 to be funded by the benefiting department, for interest due to the Landlord until County payment is received.
7. Authorize the Director of DMH, or her designee, to contract with and direct MCM Integrated in coordination with the Chief Executive Officer, or her designee for the acquisition and installation of telephone, data, and low-voltage systems and vendor installation (Low-Voltage Items) at a total cost not to exceed \$425,000 paid in a lump sum. The cost for the Low-Voltage Items is in addition to the rental costs and the County's TI contribution payable to the Landlord.
8. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the terms of the proposed lease, and to take actions necessary and appropriate to implement the terms of the proposed lease, including, without limitation, exercising any early termination rights.

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

DMH is currently co-located at 14112 South Kingsley Drive in Gardena with Aging & Disabilities' Senior Center and Adult Protective Services. All three programs have outgrown the current space. Once the programs have secured suitable alternate locations and are built out, the existing lease will be terminated because the existing location does not meet the needs of the programs.

DMH's Coastal API MHC is a directly operated outpatient mental health services program that provides direct, comprehensive, mental health services to the community, with a

special focus on families and individuals with cultural and linguistic needs. Services provided include psychiatric evaluation and assessment, individual, group, and family therapy, medication management, case management, benefits establishment and crisis intervention. Other programs at this facility include the Full-Service Partnership Program and the Recovery, Resilience and Reintegration Services, both of which provide intensive, field based mental health services based on the acuity level of the clients' service need.

There are 60 DMH employees and clinicians plus four security guards assigned to the proposed Premises. This is a public-facing program and on-site coverage is needed to ensure the delivery of services. Approximately 100 clients visit the Premises each day for mental health services and medication appointments. Due to these in-person visits from patients who see clinicians, and the direct services provided at the facility, there are no immediate plans for teleworking or hoteling.

The proposed Premises was selected for its central location within DMH's service area, which has a high concentration of clients. The Premises easily accessible by public transportation routes such as LA Metro, Gtrans (Gardena Transit), and Torrance Transit, and provides sufficient space and parking for DMH employees and clients.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan North Star 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 2 – Strengthen connection between service priorities and asset decisions and Key Objective No. 4 – Guide Strategic Decision-Making.

The proposed lease supports the above goals and objective by providing DMH with the necessary office and clinic space to continue providing services within their service area.

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

## **FISCAL IMPACT/FINANCING**

The estimated maximum first year base rental cost is \$461,000 which includes 56 on-site parking spaces at no additional cost. The aggregate cost associated with the proposed lease over the entire term, including two months of rent abatement, TI costs, and Low-Voltage Items is \$7,448,000 as shown in Enclosure B. The proposed lease costs will be fully funded by State and Federal funds that is already included in DMH's existing budget. DMH will not be requesting additional net County cost for this action.

Traditionally, the County borrows the TI dollars from the landlord at interest rates in the range of 9 to 10 percent. The Note Program serves as an alternative funding mechanism to finance the TI costs in place of the TI funding provided by the landlord. For budgetary and planning purposes, the County assumes an interest of 9 percent for the Note Program. However, the interest rate of the Notes will be based on the market conditions at the time of issuance. It is anticipated that the department can borrow the TI dollars at a lower rate than that offered by the landlord, and thereby achieve a cost savings.

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

The Notes will be issued to fund TI costs after completion of the TI project, tenant department takes occupancy of the leased space, and reconciliation of project expenditures. After the Landlord is reimbursed for the TI, DMH would begin to repay the Note costs, which include principal, interest, administrative fees, and insurance. The Notes will have a final repayment date not to exceed five years from the date of issuance and a minimum of 20 percent principal borrowing repayment is required annually. The redemption must be incorporated in DMH's annual budget. The Chief Executive Office (CEO) will coordinate with the tenant department to determine the amount of available cash to repay all or a portion of the outstanding Notes, and incorporate the planned redemptions in the budget no later than May 15<sup>th</sup> of each year for redemption of the outstanding Notes to be completed by June 30<sup>th</sup> of each year.

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

Should the Note Program be used to pay TIs, sufficient funds would be appropriated through the budget process in the TI project number under J50 to allow for the lump sum payment to the Landlord. Sufficient funds for the proposed lease and County TI

reimbursement costs, including repayment amounts for the Note Program or repayment to the Landlord, as applicable, would be appropriated in the Rent Expense budget and will be billed back to DMH.

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

The TIs for the proposed lease are expected to be completed in Fiscal Year 2025-26. Future funding for the rental costs and other costs associated with the proposed lease will be addressed through the annual budget process for DMH.

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

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

- The annual rental rate will be \$34.20 per square foot, per year and is subject to annual increases based on the Consumer Price Index capped at 3 percent per annum.
- The Landlord has agreed to two months of rent abatement. DMH has the option to convert all or any portion of its rental abatement towards an increase in the base TI allowance.
- Total TI costs are expected to be \$2,492,000. The Landlord will provide \$673,400 (\$50 per square foot) base TI allowance.
- The County will reimburse the Landlord up to \$1,819,000 (\$135 per square foot) as the County's lump sum TI contribution.
- The County will pay up to \$425,000 for the lump sum cost of the Low-Voltage Items.
- The Landlord is responsible for all operating and maintenance costs of the building and all utilities and janitorial costs. The County has no responsibility for any operating and maintenance costs.
- There are 56 on-site parking spaces included in the base rent at no additional cost.
- A ten-year initial term with an option to extend the lease for an additional five years with nine months' prior written notice, at fair market rent. If all options are exercised, the total term of the proposed lease would be 15 years.

- The County has the right to terminate the proposed lease any time after 96 months, with 180 days' written notice subject to payment of a termination fee equal not to exceed \$178,000.
- Holdover at the proposed lease expiration is permitted on the same terms and conditions except the monthly base rent during the holdover period will be at the base rent at the time of the proposed lease expiration subject to the regular annual increases.
- The proposed lease will be effective upon approval by the Board and full execution of the proposed lease, but the term and rent will commence on the first day of the month, 30-days after substantial completion of the TIs by the Landlord and acceptance of the Premises by the County.

The CEO issued a flyer soliciting proposals for available space from landlords, brokers, and other owner representatives, for this space need, through the Board's Executive Office website and Real Estate's County website. None of the responses received were suitable for Departments needs due to insufficient parking and located outside the service area. The CEO conducted a market search of available office space for lease but was unable to identify any sites that could accommodate this requirement more economically. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$36 and \$40.20 per square foot, per year. The base annual rental rate of \$34.20 per square foot, per year for the proposed lease represents a rate that is below the market range for the area. We were unable to identify any sites that could accommodate this requirement more economically. We recommend the proposed Premises as the most suitable to meet the County's space requirements.

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

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

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

County Counsel has reviewed the enclosed proposed lease and has approved it as to form. The lease is authorized by Government Code Section 25351, which allows the

County to enter into leases and agreements for the leasing of buildings, as necessary, to carry out the work of the county government.

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

### **ENVIRONMENTAL DOCUMENTATION**

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

Using the Note Program to finance the TIs is not subject to CEQA because they are activities that are excluded from the definition of a project by section 21065 of the Public Resources Code and section 15378 of the State CEQA Guidelines. The proposed action to establish TI project numbers and authorize the issuance of short-term Notes is organizational and an administrative activity of government that will not result in indirect or direct physical changes to the environment pursuant to section 15378(b)(5).

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

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

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

The Honorable Board of Supervisors  
August 8, 2024  
Page 8

Respectfully submitted,

FESIA A. DAVENPORT  
Chief Executive Officer

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

Enclosures

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



**DEPARTMENT OF MENTAL HEALTH  
879 WEST 190<sup>TH</sup> STREET, GARDENA**

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

1. <u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? <sup>2</sup> This is a mental health center		X	
B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>	X		
C	Does this lease centralize business support functions? <sup>2</sup>	X		
D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>224 sq. ft per person (based on 60 staff); the premises provides for private interview rooms, conference rooms and a public lobby</b>		X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? <sup>2</sup> <b>56 space is a 4.16 parking ratio</b>		X	
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? <sup>2</sup>	X		
2. <u>Capital</u>				
A	Is it a substantial net County cost (NCC) program)		X	
B	Is this a long-term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report enclosed as Enclosure C?			X
G	Was build-to-suit or capital project considered? <sup>2</sup>			X
3. <u>Portfolio Management</u>				
A	Did department use CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?			X
D	Why was this program not co-located?			
	1. ____ The program clientele requires a "stand alone" facility.			
	2. <u>X</u> No suitable County occupied properties in project area.			
	3. <u>X</u> No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. ____ The Program is being co-located.			
E	Is lease a full-service lease? <sup>2</sup>	X		
F	Has growth projection been considered in space request?	X		
G	<sup>1</sup> Has the Dept. of Public Works completed seismic review/approval?	X		
<sup>1</sup> As adopted by the Board of Supervisors 11/17/98				
<sup>2</sup> If not, why not?				

**OVERVIEW OF THE PROPOSED BUDGETED LEASE COSTS**

879 W. 190th St., Gardena  
Department of Mental Health

**Basic Lease Assumptions**

Leased Area (sq. ft.)	13,468
	<b>Per RSF</b>
	<b>Per Month (\$)</b>
Base Rent	\$2.85
	<b>Per RSF</b>
	<b>Per Year (\$)</b>
Term	120 months/10 years
Annual Rent Adjustments	3.00%
	<b>Lump Sum</b>
Tenant Improvement Costs- Reimbursable	\$1,818,180
	<b>Lump Sum</b>
Low Voltage Costs	\$425,000

	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	10 <sup>th</sup> Year	Total 10 Year Rental Costs
Annual Base Rent Costs <sup>1</sup>	\$460,606	\$474,424	\$488,656	\$503,316	\$518,416	\$533,968	\$549,987	\$566,487	\$583,481	\$600,986	\$5,280,000
Rent Abatement <sup>2</sup>	(\$76,768)										(\$77,000)
Tenant Improvement Costs- Reimbursable	\$1,819,000										\$1,819,000
<b>Total Costs Paid to Landlord</b>	<b>\$2,202,838</b>	<b>\$474,424</b>	<b>\$488,656</b>	<b>\$503,316</b>	<b>\$518,416</b>	<b>\$533,968</b>	<b>\$549,987</b>	<b>\$566,487</b>	<b>\$583,481</b>	<b>\$600,986</b>	<b>\$7,023,000</b>
Low Voltage Costs	\$425,000										\$425,000
<b>Total Annual Lease Costs</b>	<b>\$2,627,838</b>	<b>\$474,424</b>	<b>\$488,656</b>	<b>\$503,316</b>	<b>\$518,416</b>	<b>\$533,968</b>	<b>\$549,987</b>	<b>\$566,487</b>	<b>\$583,481</b>	<b>\$600,986</b>	<b>\$7,448,000</b>

<sup>1</sup> Base Rent subject to Consumer Price Index (CPI) increases with a cap of 3 percent per annum.

<sup>2</sup> Tenant shall have 2 months of Rent Abatement.

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

**DEPARTMENT OF MENTAL HEALTH  
SPACE SEARCH – 5 MILE RADIUS  
879 WEST 190TH STREET, GARDENA**

Name	Address	OwnershipType
Harbor-F-9 Trailer (Annex)	1000 W Carson St. Torrance 90502	Owned
Harbor-N-16	1000 W Carson St. Torrance 90502	Owned
Harbor-D-5 Annex	1000 W Carson St. Torrance 90502	Owned
Harbor-N-33 Annex	1000 W Carson St. Torrance 90502	Owned
Harbor-D-4.5	1000 W Carson St. Torrance 90502	Owned
Animal Control #3 - Administration Building	216 W Victoria St. Carson 90248	Owned
Harbor-F-4.5	1000 W Carson St. Torrance 90502	Owned
Harbor-D-2.5	1000 W Carson St. Torrance 90502	Owned
Harbor-N-21	1000 W Carson St. Torrance 90502	Owned
Harbor - Public Health Programs Building N - 22	1000 W Carson St. Torrance 90502	Owned
Harbor - Medical Records Office F - 8	1000 W Carson St. Torrance 90502	Owned
Harbor-J-4	1000 W Carson St. Torrance 90502	Owned
Harbor-N-33	1000 W Carson St. Torrance 90502	Owned
Harbor-D-5.5	1000 W Carson St. Torrance 90502	Owned
DMH - Wellness Center	21732 S Vermont Ave, Torrance 90502	Leased
Harbor-D-3.5	1000 W Carson St. Torrance 90502	Owned
Harbor - REI Administration Building N - 14	1124 W Carson St. Torrance 90502	Owned

## FACILITY LOCATION POLICY ANALYSIS

**Proposed lease:** Lease for the Department of Mental Health – 879 West 190<sup>th</sup> Street, Suite 720, Gardena – Second District.

**A. Establish Service Function Category** – DMH provides direct, comprehensive mental health services to families and individuals.

**B. Determination of the Service Area** – Need for services within the South Bay region of the County.

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

- Need for proximity to service area and population: Continued need for operation in the South Bay region of the County for DMH programs.
- Need for proximity to existing County facilities: N/A
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services, i.e., LA Metro local bus routes, Gtrans (Gardena Transit), and the Torrance Transit line. The site is located within 0.5 miles of the 110 freeway and the 405 freeway.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no alternative existing County buildings available to meet DMH's needs.
- Compatibility with local land use plans: The City of Gardena has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.
- Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed lease over the entire term is \$7,448,000.

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

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 and \$40.20 per square foot, per year. The base annual rental rate of \$34.20 per square foot, per year for the proposed lease represents a rate that is below the market range for the area. We were unable to identify any sites that could accommodate this requirement more economically. We recommend the proposed Premises as the most suitable to meet the County's space requirements.

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

The proposed lease will provide adequate and efficient office space for 60 employees and clients consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.

**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE**

**LEASE AGREEMENT**

**COUNTY OF LOS ANGELES - Tenant  
OMNINET PACIFIC POINTE LP – Landlord**

**879 WEST 190<sup>TH</sup> STREET, SUITE 720  
GARDENA, CALIFORNIA 90248**

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## **EXHIBITS**

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

COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ between Omninet Pacific Pointe LP, a Delaware Limited Partnership ("Landlord"), and COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant" or "County").

Landlord and Tenant agree:

**1. BASIC LEASE INFORMATION**

1.1 Terms

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

<p>(a) Landlord's Address for Notices:</p>	<p>OMNINET PACIFIC POINTE, LP 9420 Wilshire Blvd, Fourth Floor Beverly Hills, CA 90212 Attention: Michael Danielpour Email: <a href="mailto:Michael@omninet.com">Michael@omninet.com</a></p> <p>With a copy to:</p> <p>Omninet Property Management, Inc. 9420 Wilshire Blvd, Fourth Floor Beverly Hills, CA 90212 Attention: Commercial Operations Email: maryr@omninet.com</p>
<p>(b) Tenant's Address for Notices:</p>	<p>County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate</p> <p>With a copy to:</p> <p>County of Los Angeles Office of the County Counsel 648 Kenneth Hahn Hall of Administration 500 West Temple Street, Suite 648 Los Angeles, CA 90012-2713 Attention: Property Division</p>
<p>(c) Premises:</p>	<p>Approximately 13,468 rentable square feet, designated as Suite 720, in the Building</p>

	(defined below) ("Premises"), as shown on <u>Exhibit A</u> attached hereto.
(d) Building:	The Building located at 879 West 190 <sup>th</sup> Street, Gardena, California 90248, which is currently assessed by the County Assessor as APN 6121-021-007, 6121-021-008, and 6121-021-021 (collectively, the "Property");
(e) Term:	Ten (10) years, commencing on the first day of the month following thirty (30) days after the date of Tenant's Acceptance of the Premises, as defined in Section 4.1 (the "Commencement Date"), and terminating at midnight on the day before the 10 <sup>th</sup> 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:	June 1, 2025
(g) Irrevocable Offer Expiration Date: (see Section 33)	September 1, 2024
(h) Base Rent:	\$2.85 per rentable square foot per month (i.e., \$38,383.80 per month or \$460,605.60 per year) and subject to annual adjustments as described in Section 5.3 below
(i) Early Termination Date (see Section 4.4)	Provided that Tenant is not then in default under this Lease, Tenant will have the one-time right to terminate this Lease upon delivering at least One Hundred and Eighty (180) days' prior written notice to Landlord at any time after the 8 <sup>th</sup> annual anniversary of the Commencement Date of this Lease, subject to Tenant paying the unamortized portion of the Landlord's TI Allowance on an interest rate of seven and one-half percent (7.5%) per annum. Such right may be exercised by Tenant on one hundred and eighty (180) days' prior written

	notice to Landlord and Tenant's compliance with the terms of Section 4.4 herein.
(j) Rentable Square Feet	13,468 Rentable Square Feet
(k) Initial Departmental Use:	Department of Mental Health with public intake, subject to Section 6.
(l) Parking Spaces:	56 unreserved parking spaces (i.e., 4.1 parking spaces/1,000 RSF) located in the Building's parking lot at no additional cost to the Tenant.
(m) Tenant's Hours of Operation:	6 a.m. to 8 p.m. Monday through Friday, and 9 a.m. to 1 p.m. on Saturdays
(n) Asbestos Report:	A report dated January 17, 2022 prepared by Hart Laboratory, Inc. a licensed California Asbestos contractor.
(o) Seismic Report	A report dated April 29, 2022 prepared by IDS Group.
(p) Disabled Access Survey	Those two (2) reports dated December 4, 2023 and prepared by CASp Experts LLC.

1.2 Defined Terms Relating to Landlord's Work Letter

(a) Landlord's TI Allowance:	\$673,400.00 (i.e., \$50.00 per rentable square foot of the Premises)
(b) Tenant's TI Contribution:	\$1,818,180.00 (i.e., \$135.00 per rentable square foot of the Premises)
(c) Tenant's TI Contribution Amortization Rate and Change Authorization Amortization Rate:	Not applicable
(d) Estimated Monthly Payments Attributable to Total TI Costs in Excess of Landlord's TI Allowance	Not applicable

(e) Tenant's Work Letter Representative:	An assigned staff person of the Chief Executive Office - Real Estate Division
(f) Landlord's Work Letter Representative:	William Molina or an assigned person of the Landlord
(g) Landlord's Address for Work Letter Notices:	Omninet Pacific Pointe, LP 9420 Wilshire Blvd, Fourth Floor Beverly Hills, CA 90212 Attention: Michael Danielpour  With a copy to:  Omninet Property Management, Inc. 9420 Wilshire Blvd, Fourth Floor Beverly Hills, CA 90212 Attention: Commercial Operations
(h) Tenant's Address for Work Letter Notices:	County of Los Angeles Chief Executive Office - Real Estate Division 320 West Temple Street, 7th Floor Los Angeles, CA 90012 Attention: Director of Real Estate
1.3 <u>Exhibits to Lease</u>	Exhibit A - Floor Plan of Premises Exhibit B - Commencement Date Memorandum and Confirmation of Lease Terms Exhibit C - HVAC Standards Exhibit D - Cleaning and Maintenance Schedule Exhibit E - Subordination, Non-Disturbance and Attornment Agreement Exhibit F - Tenant Estoppel Certificate Exhibit G - Community Business Enterprises Form Exhibit H - Memorandum of Lease Exhibit I - Landlord's Work Letter

## 2. PREMISES

### 2.1 Lease of Premises

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

### 2.2 Measurement of Premises

Tenant shall have the right at any time prior to the Commencement Date 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 Z65.1-2017, Method A, as promulgated by the Building Owners and Management Association ("BOMA") International, except that no penthouse mechanical room space shall be included in the measurement. A copy of such measurement report shall be delivered to Landlord. Landlord and Tenant hereby agree there will be no modification made to the Base Rent if the remeasured square footage exceeds or is less than the amount set forth in Section 1.1(c) above.

### **3. COMMON AREAS**

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

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

#### **4.1 Term**

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

- (a) The shell and core of the Building are complete and in compliance with all applicable laws and codes, and all of the building systems are operational to the extent necessary to service the Premises;
- (b) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease and Landlord's Work Letter (if any), including the installation of modular furniture systems, if so required (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises. Notwithstanding any contrary provision contained herein, the completion of the installation of Tenant's data (e.g., computer), telecom, telephone equipment and low voltage wiring and any other work which is Tenant's responsibility under this Lease (as opposed to Landlord's obligation) shall not be a condition precedent to the occurrence of Substantial Completion.

- (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

#### 4.2 Termination Right For Delay of Commencement Date

If the Commencement Date has not occurred within two hundred seventy (270) days following the date of Landlord's receipt of the final governmental building permits granting Landlord the right to perform the Tenant Improvements in the Premises, subject to extension for Tenant Delay(s) and/or Force Majeure Delays, and/or Change Authorizations, as provided in Landlord's Work Letter executed concurrently herewith, then Tenant may thereafter, at any time before the Commencement Date occurs, terminate this Lease effective upon the giving of at least ninety (90) days prior written notice to Landlord, and the parties shall have no further rights or obligations to one another hereunder.

#### 4.3 Early Entry

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

#### 4.4 Early Termination as of the Early Termination Date

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 one hundred and eighty days (180) days prior written notice, executed by Tenant's Chief Executive Officer or his/her designee. In the event Tenant terminates this Lease pursuant to this Section 4.4, Tenant shall pay Landlord the unamortized portion of the Landlord's TI Allowance with interest calculated at seven and one-half percent (7.5%) per annum. Such payment shall be made within thirty (30) days following the Early Termination Date and shall not exceed an amount equal to \$177,631.83.

#### 4.5 Intentionally Omitted

### 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 15 business days prior to the Commencement Date, Landlord must provide the Auditor-Controller (A-C) 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 Method of Payment and Required Information

The Tenant may, at its sole discretion, determine the most appropriate, efficient, secure, and timely form of payment for any amounts due under this Lease. Landlord further agrees that the default form of payment shall be Electronic Funds Transfer (EFT) or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller (A-C).

Subject to Section 5.1, the Landlord shall provide the A-C with electronic banking and related information for the Landlord and/or any other payee that the Landlord designates to receive payment pursuant to this Lease. Such electronic banking and related information includes, but is not limited to: bank account number and routing number, legal business name, valid taxpayer identification number or TIN, a working e-mail address capable of receiving remittance advices and other payment related correspondence, and any other information that the A-C determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.

Any provision of law, grant, or funding agreement requiring a specific form or method of payment other than EFT or direct deposit shall supersede this requirement with respect to those payments. Upon the Commencement Date or at any time during the duration of the Lease, a Landlord may submit a written request for an exemption to this requirement. Such request must be based on specific legal, business or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with the contracting department(s), shall decide whether to approve exemption requests.

## 5.3 Rent Abatement

The first (1st) and second (2<sup>nd</sup>) months Base Rent due for the Premises shall be abated following the Commencement Date as provided herein. Tenant shall have the option to convert all or any portion of its Rent Abatement toward an increase in the Landlord's TI Allowance by delivering written notice to Landlord prior to the Commencement Date.

## 5.3. Base Rent Adjustments

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

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

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

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

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

## 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, for any other governmental purposes, or other lawful purposes that do not materially adversely interfere with other uses in the Building, during Tenant's Hours of Operation, after Tenant's Hours of Operation, and on weekends and holidays.

## 7. HOLDOVER

If Tenant remains in possession of the Premises or any part thereof after the expiration of the term of this Lease, such occupancy shall be a tenancy which is terminable only upon ninety (90) days written notice from Landlord or thirty (30) days written notice from Tenant's Chief Executive Officer or his/her designee at the last monthly Base Rent payable under this Lease, plus any other charges payable under this Lease, and subject to all of the terms, covenants, and conditions of this Lease. If Landlord delivers a termination notice to Tenant as provided herein and Tenant fails to surrender the Premises to Landlord by the expiration of such ninety (90) day period, then no additional notice is required from Landlord prior to initiating legal proceedings.

## 8. COMPLIANCE WITH LAW

Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in

effect and binding upon Tenant or Landlord during the term hereof, including but not limited to the Americans with Disabilities Act ("ADA"), except if such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises.

## **9. DAMAGE OR DESTRUCTION**

### **9.1 Damage**

If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable, and the Premises may be restored to a complete architectural unit of equivalent 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 fifteen (15) 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 equivalent value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days for any reason, then Tenant may terminate this Lease by giving Landlord written notice within ten (10) days after Tenant's receipt of written notice from Landlord or its agents specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became unusable. If Tenant does not elect to terminate this Lease, then Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided that insurance proceeds are available to repair the damages.

### **9.3 Damage In Last Year**

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

- (a) Landlord shall have no obligation to restore the Premises;
- (b) Landlord may retain all insurance proceeds relating to such destruction, and

- (c) This Lease shall terminate as of the date which is thirty (30) days after such written notice of termination.

#### 9.4 Default By Landlord

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

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

### 10. REPAIRS AND MAINTENANCE

#### 10.1 Landlord Representations

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

(c) CASp Inspection:

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

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

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

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

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

(d) Landlord agrees to indemnify and hold harmless Tenant from all damages, reasonable costs, and expenses, which result from a material breach of

Landlord's representations contained in this Section 10.1, subject to the limitations set forth in this Lease.

## 10.2 Landlord Obligations

- (a) Landlord shall keep and maintain the Property in good condition and repair and promptly make repairs to and perform maintenance upon and replace as needed:
- i. the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, foundations, roof, concealed plumbing, stairways, concealed electrical systems and intra-building telephone network cables;
  - ii. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Building;
  - iii. the Common Areas;
  - iv. exterior windows of the Building;
  - v. elevators serving the Building; and,
  - vi. landscaping throughout the Building, the Building perimeter, and parking areas
- (b) Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to, or replacements of:
- i. the floor covering (if such floor covering is carpeting it shall be replaced as needed, but not less often than after five (5) years of use);
  - ii. interior partitions;
  - iii. doors, door frames and hardware;
  - iv. the interior side of demising walls (which shall be repainted as needed but not less often than every five (5) years);
  - v. signage;
  - vi. emergency exit signage and battery replacement;
  - vii. HVAC equipment dedicated to the mechanical rooms housing Tenant's computer servers and related equipment; and
  - viii. Light fixtures, bulbs, tubes and ballasts.

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

### 10.3 Tenant Obligations

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 seven (7) days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten (10) business days after written notice, then Tenant shall be entitled to deduct from Base Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 15.
- (b) Notwithstanding any provisions of this Lease to the contrary, Tenant, acting through the County's Chief Executive Office, may request that the Landlord perform, supply and administer any repairs, maintenance, building services and/or alterations that are the responsibility of the Tenant, not to exceed \$5,000, as part of a separate purchase order issued by the County on

Tenant's behalf. In such case, Tenant shall promptly reimburse Landlord for such costs within thirty (30) days after completion and Tenant's receipt of an applicable invoice, prior written approval from tenant and Landlord and all supporting documentation. Any improvements by Landlord shall be subject to (i) the Work Letter provisions regarding selection and bidding of contractors, Landlord-Tenant coordination and audit rights, and Tenant's remedies found in said Work Letter; and (ii) compliance with County Internal Services Department Purchasing Policy and Procedure No. A-0300, effective November 22, 2016, delivered to Landlord and incorporated by reference herein. This Section shall not apply to any Tenant Improvements as defined in Section 24.

## 11. **SERVICES AND UTILITIES**

### 11.1 Services

#### (a) 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. If Tenant desires HVAC after or before Tenant's Hours of Operation, then Tenant shall pay to Landlord for such usage the rate of \$50.00 per hour, per zone. Such charges shall be paid to Landlord within thirty (30) days after Landlord's delivery of an applicable invoice. In addition, Landlord shall furnish HVAC, at Tenant's expense, at all times (i.e., twenty-four (24) hours per day, seven (7) days per week, three hundred sixty-five (365) days per year) to the mechanical rooms housing Tenant's computer servers and related equipment. Landlord shall, as part of the work described in Landlord's Work Letter, install submeters in any and all mechanical rooms of the Premises which shall measure the amount of electricity consumed therein during hours other than Tenant's Hours of Operation. Landlord shall cause such sub-meters to be read on a monthly basis and Tenant shall pay to Landlord for the electricity consumed by the mechanical room(s) during hours other than Tenant's Hours of Operation within thirty (30) days after Landlord's delivery of an applicable invoice.

#### (b) Electricity

Landlord shall furnish to the floor on which the Premises is located the amount of electric current provided for in the Landlord's Work Letter (if applicable) but in any event not less than seven (7) watts of electric current (connected load) per square foot of rentable square feet in the Premises, for power and lighting and electric current for HVAC and Landlord shall provide the existing or new transformers or sub-panels on each floor for the Premises necessary for Tenant to utilize such capacity in the Premises; provided, however, any transformers or panels which may be required in order to accommodate Tenant's usage in the Premises of such seven (7) watts of electric current (connected load) shall be Tenant's sole cost and paid by Tenant as part of Tenant's TI Contribution,



(c) Elevators

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

(d) Water

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

(e) Janitorial

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

(f) Access

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

(g) Pest Control

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

(h) Utilities

Landlord agrees to pay, at its sole cost, when due, all charges for the use of the sewer, effluent treatment (when and if imposed by any governmental authority), all water, sprinkler standby charges, electricity, gas, heating and common area power and lighting, trash removal service, fire/life safety systems, charges associated with the HVAC, and other utility rents and charges accruing or payable in connection with the Premises and the Common Areas during the Term of this Lease or any renewal, extension, or holdover thereof, whether the same are pro-rated or measured by separate meters. In the event Landlord fails or refuses to pay any or all of such charges when due, Tenant may give Landlord ten (10) business 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.

(i) Landscaping

Landlord, at its sole cost and expense, shall maintain all landscaping.

(j) Security.

Landlord, at its sole cost and expense, shall be responsible for providing Building security. Tenant, at its sole cost and expense, shall be responsible for providing security within the Premises (as needed).

**12. TAXES**

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

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

**13. LANDLORD ACCESS**

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

**14. TENANT DEFAULT**

14.1 Default

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

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

#### 14.2 Termination

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

#### 14.3 No Effect on Indemnity

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

### 15. LANDLORD DEFAULT

#### 15.1 Remedies

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

- (a) to remedy such default or breach and deduct the costs thereof (including but not limited to attorney' fees) 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 notice and cure period, Tenant may cure any default after delivering written notice of such default to Landlord and where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition, or materially and adversely affect the operation of Tenant's business in the Premises. In such cases, Tenant may perform the necessary work through its Internal Services Department and deduct the cost of said work from the Base Rent next due.

### 15.4 Limitation of Liability

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

## 16. **ASSIGNMENT AND SUBLETTING**

### 16.1 Assignment and Subletting

Tenant may assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises without first obtaining Landlord's prior consent; provided, however, no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease. Notwithstanding the foregoing to the contrary, this Lease shall not be assigned to the Department of Corrections or Department of Probation to the extent such departments use the Premises for public facing purposes as opposed to administrative office use.

### 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 prior written notice of said sale or transfer to Tenant. In addition, Landlord shall provide the following information to Tenant, at Tenant's Address for Notice (set forth in

Section 1.1 hereof), as a condition of Tenant's obligation to pay Base Rent to the new owner:

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

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

## **17. ALTERATIONS AND ADDITIONS**

### **17.1 Landlord Consent**

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

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

### **17.2 End of Term**

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

## 18. CONDEMNATION

### 18.1 Controlling Terms

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

### 18.2 Total Taking

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

### 18.3 Partial Taking

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

### 18.4 Restoration

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

remain in effect, except that Base Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

18.5 Award

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

18.6 Waiver of Statute

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

**19. INDEMNIFICATION**

19.1 Landlord's Indemnity

The Landlord shall indemnify, defend and hold harmless the Tenant from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including reasonable 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 reasonable 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 or connected with the Landlord's acts, errors, and omissions arising from and/or relating to the Landlord's operations on and/or its ownership of the premises. Tenant's additional insured status shall apply with respect to liability and defense of suits arising out of the Landlord's acts or omissions, whether such liability is attributable to the Landlord or to the Tenant. The full policy limits and scope of protection also shall apply to the Tenant as an additional insured, even if they exceed the Tenant's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

(c) Cancellation of or Changes in Insurance

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

(d) Failure to Maintain Insurance

Landlord's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Lease, upon which County immediately may withhold payments due to Landlord, and/or suspend or terminate this Lease. County, at its sole discretion, may obtain damages from Landlord resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Landlord, deduct the premium cost from sums due to Landlord or pursue Landlord reimbursement.

(e) Insurer Financial Ratings

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

(f) Landlord's Insurance Shall Be Primary

Landlord's insurance policies, with respect to any claims related to the Common Areas and Premises, 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. Tenant's insurance policies shall be primary with respect to all of Tenant's personal property, furniture, fixtures and equipment located within the Premises.

(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.

(i) Per Occurrence Coverage

If any part of the Required Insurance is written on a per occurrence basis, any policy retroactive date shall precede the start date of this Lease. Landlord understands and agrees it shall maintain such coverage until the date of the closing of any sale of the Building by Landlord to a third party.

(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) Intentionally Omitted

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:	\$ 5 million
Products/Completed Operations Aggregate:	\$ 5 million
Personal and Advertising Injury:	\$ 3 million
Each Occurrence:	\$ 3 million

Landlord shall be permitted to maintain such coverage pursuant to an umbrella or excess polic(ies) of insurance.

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

### 21. PARKING

#### 21.1 Tenant's Rights

Tenant shall have the right to the number of unreserved parking spaces set forth in Section 1.1, without charge, for the Term of this Lease. Up to ten percent (10%) of such unreserved parking spaces may be tandem parking spaces. Tenant shall be entitled to full in/out privileges at all times. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all unreserved parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building. Landlord, at its sole expense, shall provide Tenant sixty (60) access cards or key fobs for Building and parking, if applicable.

## 21.2 Remedies

Landlord acknowledges that it is a material term of this Lease that Tenant receives all of the parking spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever other than an emergency or Landlord's performance of its repair and maintenance obligations, ten percent (10%) or more 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), and, if such parking spaces are not restored to Tenant within five (5) business days after Landlord's receipt of written notice from Tenant 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, 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 reasonable expenses arising at any time during or after the Term as a result of, or in connection with, the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas caused by Landlord or Landlord's other violation of laws relating to Hazardous Materials 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 in violation of applicable laws. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

#### 22.3 Tenant Indemnity

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

The indemnification provisions of this Section 22 shall survive the expiration or earlier termination of this Lease.

### 23. **ESTOPPEL CERTIFICATES**

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

### 24. **TENANT IMPROVEMENTS**

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

**25. LIENS**

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

**26. SUBORDINATION AND MORTGAGES**

26.1 Subordination and Non-Disturbance

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

26.2 Existing Deeds of Trust

The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Exhibit E attached hereto, within thirty (30) days after the Commencement Date, subject to any delay by Landlord's lender.

26.3 Notice of Default

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

**27. SURRENDER OF POSSESSION**

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

**28. SIGNAGE**

Tenant shall be allowed building standard signage on the directory located in the ground floor lobby of the Building and elevator lobbies of the floors of the Premises and suite signage, all of which shall be at a cost to be deducted from the Tenant's TI Costs. Tenant shall have the right to install, at a cost to be deducted from the Tenant's TI Costs, 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 within the Premises that conform with any and all applicable laws and ordinances.

**29. QUIET ENJOYMENT**

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

**30. GENERAL**

30.1 Headings

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

30.2 Successors and Assigns

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

30.3 Brokers

Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than Cushman & Wakefield of California, Inc. (the "Tenant's Agent") and CBRE (Landlord's Agent") and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. The terms of any commissions due shall be pursuant to a separate commission agreement between Landlord and Tenant's Agent.

30.4 Entire Agreement

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

30.5 Severability

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

30.6 Notices

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

30.7 Governing Law and Venue

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

30.8 Waivers

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

30.9 Time of Essence

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

30.10 Consent

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

30.11 Community Business Enterprises

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

30.12 Memorandum of Lease

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



### 30.13 Counterparts: Electronic Signatures

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

### 31. AUTHORITY

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

she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

### **32. ACKNOWLEDGEMENT BY LANDLORD**

Landlord acknowledges that it is aware of the following provisions:

#### **32.1 Consideration of GAIN Program Participants**

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

#### **32.2 Solicitation of Consideration**

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

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

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

#### **32.3 Landlord Assignment**

(a) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

(b) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease, or any portion thereof, as security for the Landlord's obligation to repay any monetary obligation, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void. It is hereby expressly agreed that a sale agreement which sets forth sale of the Building or an assignment agreement pursuant to which Landlord assigns its interest

in this Lease in connection with a sale of the Building do not constitute a Security Agreement under this Lease.

- (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) If Landlord shall be convicted by applicable Court of law of violating the provisions of Section 5951 of the California Government Code, such conviction, which is a requirement for Tenant to exercise its remedies pursuant to Section 5954 of the California Government Code, will constitute a material breach of this Lease, upon which Tenant shall have the right to exercise the remedy set forth in such Section 5954 of the California Government Code. In addition, in the event Landlord is convicted of violating Section 5951 of the California Government Code, 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, other than purchasers, lenders and prospective purchasers and lenders and all of their legal representatives and brokers on a need to know basis, 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.

- (h) Notwithstanding any contrary provision contained in this Lease, Landlord shall have the right at any time and from time to time, to refinance the Building or transfer Landlord's right, title and interest in and to the Building or Property without Tenant's consent.

#### 32.4 Smoking in County Facilities.

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

### 33. **IRREVOCABLE OFFER**

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

**34. OPTION TO EXTEND.**

(a) Option Term. Provided that no material Default has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have one (1) option to renew this Lease for an additional period of five (5) years (the "Extension Term").

(b) Exercise of Option. Tenant must exercise its option to extend this Lease by:

(i) giving Landlord written notice of its intention to do so (its "Notice of Intent") no later than nine (9) months, nor earlier than twelve (12) months, prior to the end of the initial Term, and

(ii) after Market Rental Value has been determined as provided below, and after the Board of Supervisors has approved the exercise of the option to renew, by giving written notice of its election to exercise such option. It is understood that Tenant will not exercise its option until after the Board of Supervisors has approved doing so, which will not be prior to the determination of the Market Rental Value, as provided below. If the Board of Supervisors has not approved the exercise of such option prior to ninety (90) days after the expiration of the Term of this Lease as then in effect, Tenant shall be entitled to holdover at the holdover rental rate as provided in this Lease. If Tenant fails to give written notice of its election to exercise the option to Landlord, Landlord will promptly provide written notice to Tenant that the Term shall not be extended unless Tenant responds within ten (10) business days in writing electing to exercise its renewal option, and Tenant shall respond by the expiration of such ten (10) business day period by delivering written notice of its election to exercise such renewal option or election not to exercise such renewal option. Tenant's failure to notify Landlord of its election to exercise such renewal option, within ten (10) business day after receipt of such written notice shall terminate this Lease as of the Expiration Date, and neither Landlord nor Tenant will have any further obligation or liability under this Lease arising or continuing from and after such Expiration Date, subject, however, to the provisions that expressly survive expiration or termination of this Lease.

(c) Terms and Conditions of the Extension Term. The Extension Terms shall be on all the terms and conditions of this Lease, except that the Base Rent during Extension Terms shall be equal to one hundred percent (100%) of Market Rental Value for the Premises as of the commencement of the Extension Term ("Adjusted Market Rental Value") to be determined as set forth below, including, but not limited to, the comparable rental rate, escalation, abatement, tenant improvement allowances (after first reasonably deducting the value of the existing improvements) then being offered to renewing tenants leasing space in the Gardena and 190<sup>th</sup> Street Corridor sub-market(s) ("Market").

Notwithstanding any contrary provision contained herein, during the Extension Term, Landlord shall have the right, but only in connection with Landlord's redevelopment of the Building or Property, to terminate this Lease, without cause and without payment of any penalty to Tenant, upon delivering at least twenty-four (24) months prior written notice to Tenant (and, accordingly, the Lease shall terminate as of the last day of such twenty-four (24) month period).

(d) Agreement on Base Rent. Landlord and Tenant shall have ninety (90) days after Landlord receives the Notice of Intent in which to agree on the Base Rent during the applicable Extension Term. Base Rent during the Extension Term(s) shall be the Adjusted

Market Rental Value of the Premises calculated as of the date Tenant gives its Notice of Intent with respect to its option to extend.

(e) Market Rental Value. The term "Market Rental Value" shall be the rental rate that comparable Premises in the Market in which the Premises is located would command for the same term as the Extension Term on the open market at the time Tenant provides its Notice of Intent. For purposes hereof, the term "comparable Premises" shall mean premises in a building similar in size and location to the Building in the Market, taking into account any improvements installed by or on behalf of Tenant in the Building, the fact that Tenant is not required to pay operating expenses, insurance or taxes for the Premises and the fact that Tenant is not required to pay for electricity, water, sewer, trash and janitorial utilities and services for the Premises. In determining the Market Rental Value, additional appropriate consideration shall be given to Tenant's creditworthiness, the annual amount per rentable square foot that Landlord has accepted in current transactions between non-affiliated parties from non-sublease, non-expansion, space for renewal and non-equity tenants of comparable creditworthiness for comparable premises for a comparable use for a comparable period of time, the annual rental rates per square foot, the standard of measurement by which the rentable square footage is measured, the ratio of rentable square feet to usable square feet, and the fact that Tenant is not required to pay operating expenses, insurance or taxes pursuant to this Lease, parking rights and obligations, signage rights, abatement provisions reflecting free rent, tenant improvements and any other tenant inducements then being offered to renewing tenants leasing space in the Market, however, the fact that brokerage commissions are or are not payable for such comparable transactions shall be excluded from such calculation.

(f) Opinion. Landlord shall submit its opinion of Market Rental Value to Tenant within fifteen (15) days after Landlord's receipt of the Notice of Intent, and Tenant shall respond thereto within ten (10) days thereafter by either (a) accepting Landlord's opinion of Market Rental Value (in which case, such Market Rental Value shall be used to determine Base Rent during the Extension Term) or (b) submitting Tenant's opinion of Market Rental Value. If Landlord and Tenant cannot agree upon the Market Rental Value of the Premises within fifteen (15) days thereafter, then Landlord and Tenant within five (5) days shall each submit to each other their final written statement of Market Rental Value ("Final Statement"). Within ten (10) days thereafter Landlord and Tenant shall together appoint one real estate appraiser (who shall be a Member of the American Institute of Real Estate Appraisers) (or, if both Landlord and Tenant agree, a certified property manager with ten (10) years' experience) who will determine whether Landlord's or Tenant's Final Statement of Market Rental Value is the closest to the actual (in such appraiser's opinion) Market Rental Value of the Premises. If Landlord and Tenant cannot mutually agree upon an appraiser within said ten (10) day period, Tenant may apply to the Presiding Judge of the Superior Court for Los Angeles County, requesting said Judge to appoint the M.A.I. qualified appraiser. The appraiser so appointed shall promptly determine whether Landlord's or Tenant's Final Statement of Market Rental Value is the closest to the actual (in such appraisers' opinion) Market Rental Value of the Premises, and such Final Statement of Market Rental Value shall be the Market Rental Value used in determining Base Rent during the Extension Term. The fees and expenses of the appraiser shall be borne equally by Landlord and Tenant. The appraiser appointed or selected pursuant to this Section shall have at least ten (10) years' experience appraising commercial properties in Los Angeles County.

(g) Amendment of Lease. Immediately after the Board of Supervisors approves the exercise of any option granted pursuant to this Section 34, and such option is exercised,

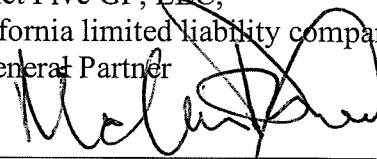
Landlord and Tenant shall execute an amendment to this Lease setting forth the new Base Rent in effect.

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

LANDLORD:

**OMNINET PACIFIC POINTE, LP,**  
**A Delaware limited partnership**

By: Omninet Five GP, LLC,  
A California limited liability company  
Its: General Partner

By:   
Name: Michael Danielpour  
Title: Manager of 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





**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 Omninet Pacific Pointe LP, a Delaware Limited Partnership ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 879 West 190<sup>th</sup> Street, Gardena, California ("Premises"),

Landlord and Tenant hereby acknowledge as follow:

- 1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on \_\_\_\_\_ ("Possession Date");
- 2) Tenant has accepted possession of the Premises and now occupies the same;
- 3) The Lease commenced on \_\_\_\_\_ ("Commencement Date");  
and
- 4) The Premises contains 13,468 rentable square feet of space.

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

OMNINET PACIFIC POINTE, LP,  
A Delaware limited partnership

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

By: Omninet Five GP, LLC,  
A California limited liability company  
Its: General Partner

By: \_\_\_\_\_  
Name: Michael Danielpour  
Title: Manager of General Partner

## **EXHIBIT C**

### **HEATING, VENTILATION AND AIR CONDITIONING**

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

## EXHIBIT D

### CLEANING AND MAINTENANCE SCHEDULE

#### A. DAILY (Monday through Friday)

1. Carpets vacuumed.
2. Composition floors dust-mopped.
3. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
4. Waste baskets, other trash receptacles emptied.
5. Chairs and waste baskets returned to proper position.
6. Fingerprints removed from glass doors and partitions.
7. Drinking fountains cleaned, sanitized and polished.
8. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
9. Bulb and tube replacements, as required.
10. Emergency exit signage and egress battery replacement (if applicable)
11. Graffiti expunged as needed within two working days after notice by Tenant
12. Floors washed as needed.
13. Standard kitchen/lunchroom/restroom supplies replenished, including, but, not limited to, paper supplies and soap.
14. Non-exclusive day porter service from 7:00 a.m. to 5:00 p.m., Monday through Friday

#### B. WEEKLY

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

#### C. MONTHLY

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

20. Picture moldings and frames dusted.
21. Wall vents and ceiling vents vacuumed.
22. Carpet professionally spot cleaned as required to remove stains.
23. Intentionally Omitted.

D. QUARTERLY

24. Light fixtures cleaned and dusted, but not less frequently than quarterly.
25. Intentionally Omitted.
26. Draperies or mini-blinds cleaned as required, but not less frequently than quarterly.
27. HVAC units serviced for preventative maintenance purposes, all filters changed.

E. SEMI-ANNUALLY

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

F. ANNUALLY

31. Furniture Systems and any other fabric or upholstered surfaces including chairs, couches, walls, etc., spot cleaned, or if determined to be necessary in Tenant's sole discretion, professionally cleaned in their entirety using a water extraction system.
32. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.
33. Touch-up paint all interior painted surfaces in a color and finish to match existing.

G. AS NEEDED

34. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
35. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.

36. Interior and exterior pest control inspections and remediation frequency is to be determined by a licensed exterminator.
37. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning:
  - i. heavy traffic areas cleaned as needed, with a minimum frequency of bi-monthly [six (6) times per year];
  - ii. moderate traffic areas cleaned as needed, with a minimum of once every six (6) months [two (2) times per year]; and
  - iii. clean light traffic areas a minimum of once per year.

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

38. All walls repainted and wall coverings replaced throughout the Premises. The paint finish should be eggshell or semi-gloss as directed by Tenant and in a color acceptable to Tenant. In no event will Landlord be required to repaint or replace wall coverings more than one (1) time in a five (5) year period (the "Occurrence") except for touch-up paint as provided in Paragraph 6.C. of this Exhibit E. The initial tenant improvements completed prior to Tenant's occupancy or as a condition to the renewal of the Lease shall not constitute an Occurrence for the purpose of determining the frequency of this work.
39. All HVAC ducts cleaned as needed, but no less than every five (5) years.

#### H. GENERAL

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



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

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

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

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

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

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

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

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

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

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



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

To Lender: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Borrower: Omninet Pacific Pointe, LP  
9420 Wilshire Blvd., 4<sup>th</sup> Floor  
Beverly Hills, CA 90212  
Attention: Michael Danielpour

With a copy to:

Omninet Property Management, Inc.  
9420 Wilshire Blvd., 4<sup>th</sup> Floor  
Beverly Hills, CA 90212  
Attention: Commercial Operations

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: OMNINET PACIFIC POINTE, LP,  
A Delaware limited partnership

By: Omninet Five GP, LLC,  
A California limited liability company  
Its: General Partner

By: \_\_\_\_\_  
Name: Michael Danielpour  
Title: Manager of General Partner

LENDER: [*Insert name of Lender*],

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

STATE OF CALIFORNIA )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

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

personally appeared \_\_\_\_\_,  
Name of Signer(s)

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

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

WITNESS my hand and official seal.

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

**EXHIBIT F**

**TENANT ESTOPPEL CERTIFICATE**

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_

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

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

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

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

(b) The current Rent is set forth above.

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

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

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

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

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

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

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

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

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

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

COUNTY OF LOS ANGELES,  
a body corporate and politic

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT G**

**COMMUNITY BUSINESS ENTERPRISE FORM**

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

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

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

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

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

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

2. Total Number of Ownership/Partners, Etc.: _____	<b>III. MINORITY/WOMEN-OWNED FIRM CERTIFICATION</b>		
3. Provide the percentage of ownership in each category.	All Employee s	Women	Is your firm currently certified as a minority owned business firm by the:
Black/African American			State of California? <input type="checkbox"/> Yes <input type="checkbox"/> No
Hispanic/Latin American			City of Los Angeles? <input type="checkbox"/> Yes <input type="checkbox"/> No
Asian American			Federal Government? <input type="checkbox"/> Yes <input type="checkbox"/> No
Portuguese American			

**Section D. OPTION TO PROVIDE REQUESTED INFORMATION**

American Indian/Alaskan Native			<input type="checkbox"/> We do not wish to provide the information required in this form.
All Others			Firm Name: _____
			Signature/Title: _____
			Date: _____

**EXHIBIT H**

**MEMORANDUM OF LEASE**

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

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

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

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**MEMORANDUM OF LEASE**

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

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

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



Dated: \_\_\_\_\_, 20\_\_.

LANDLORD:

OMNINET PACIFIC POINTE, LP,  
A Delaware limited partnership

By: Omninet Five GP, LLC,  
A California limited liability company  
Its: General Partner

By:

\_\_\_\_\_  
Name: Michael Danielpour  
Title: Manager of 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  
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 )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

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

Name of Signer(s)

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

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

WITNESS my hand and official seal.

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

**EXHIBIT I**

**LANDLORD'S WORK LETTER**

**LANDLORD'S WORK LETTER**

**For**

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

**COUNTY OF LOS ANGELES, as Tenant  
OMNINET PACIFIC POINTE LP, as Landlord**

**879 WEST 190<sup>TH</sup> STREET, SUITE 720  
GARDENA, CALIFORNIA 90248**

## LANDLORD'S WORK LETTER

This Work Letter supplements the Lease Agreement (the "Lease") dated \_\_\_\_\_, 2024, executed concurrently herewith, by and between Omninet Pacific Pointe LP, a Delaware Limited Partnership, as Landlord, and COUNTY OF LOS ANGELES, a body corporate and politic, as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

The parties hereby agree as follows:

1. **Basic Work Letter Information.** The following terms as used herein shall have the meanings provided in this Section unless otherwise specifically modified by provisions of this Work Letter.

- |   |  |
|---|--|
| (a) <u>Total TI Costs</u>   | \$2,491,580.00 (i.e., \$185.00 per rentable square foot of the Premises)   |
| (i) <u>Landlord's TI Allowance</u>  | \$673,400.00 (i.e., \$50.00 per rentable square foot of the Premises)  |
| (ii) <u>Tenant's TI Contribution</u>  | \$1,818,180.00 (i.e., \$135.00 per rentable square foot of the Premises)   |
| (b) <u>TI Amortization Rate and Change Authorization Amortization Rate:</u> | Not applicable   |
| (c) <u>Tenant's Work Letter Representative</u>                              | An assigned staff person of the Chief Executive Office-Real Estate Division  |
| (d) <u>Landlord's Work Letter Representative</u>                            | William Molina or an assigned staff person of the Landlord   |
| (e) <u>Landlord's Address for Work Letter Notices</u>                       | OMNINET PACIFIC POINTE, LP<br>9420 Wilshire Blvd, Fourth Floor<br>Beverly Hills, CA 90212<br>Email: williamm@omninet.com |

With a copy to:

OMNINET PACIFIC POINTE, LP  
9420 Wilshire Boulevard, Suite 400  
Beverly Hills, California 90212  
Attention: Michael Danielpour

And to:

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

(f) Tenant's Address for Work Letter Notices

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

(g) Addenda

Addendum A: Base Building  
Improvements  
Addendum B: Tenant Improvements  
Addendum C: Form of Preliminary and  
Final TI Cost Summary

## 2. Construction of the Building.

2.1 Base Building Improvements. Landlord has constructed or shall construct the base building improvements described on Addendum A hereto (the "Base Building Improvements") as a part of the Building. If the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, such changes or additions shall not be considered Tenant Improvements (as defined below) unless such changes or additions are specifically described in Addendum B hereto.

### 2.2 Additional Costs Not Total TI Costs.

(a) If the Building as initially constructed does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the Americans with Disabilities Act of 1990 (ADA), and/or earthquake safety codes, and Landlord incurs increased design or construction costs that it would not have incurred if the Building had been in compliance with such codes, then such costs shall not be included in the calculation of Total TI Costs (as defined below), and Tenant shall have no financial responsibility for such costs.

(b) Landlord must identify all noncompliant code related items utilizing an independent third-party expert at Landlord's sole cost and expense. Any work that Landlord must undertake to cause the Premises to comply with the access requirements of the ADA or to make existing building systems, including but not limited to electrical service and HVAC equipment, fully operational shall be at Landlord's sole cost and expense. Total TI Costs shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease, including all expenses associated with curing any "Sick Building Syndromes", (ii) code compliance work required for the existing fire sprinkler system including pump house, main lines or other portion of the existing fire sprinkler system located outside of the Premises, however, any modification or upgrade of the fire sprinkler system located within the Premises (as opposed to outside of the Premises) required to accommodate the Tenant Improvements shall be included as part of the Tenant Improvement Costs, (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere, (iv) utility costs incurred during construction, (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease, nor (v) supervision or overhead costs of Landlord.

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

(d) Tenant shall have the right at any time prior to the Commencement Date 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 Z65.1-2017, Method A, as promulgated by the Building Owners and Management Association ("BOMA") International, except that no penthouse mechanical room space shall be included in the measurement. A copy of such measurement report shall be delivered to Landlord. Landlord and Tenant hereby agree there will be no modification made to the Base Rent if the remeasured square footage exceeds or is less than the amount set forth in Section 1.1(c) of the Lease. The cost of such measurement shall be a Total TI Cost.

2.3 **Base Building Plans.** Landlord has delivered to Tenant complete and accurate "as built" plans and specifications for the Building in an AutoCAD 2015 (or later version) and Adobe PDF electronic format. If Tenant incurs additional costs because such plans and specifications are incomplete or inaccurate, then any delay caused thereby shall not be a Tenant Delay (as defined below), but shall be deemed to be a delay caused by Landlord, and Landlord shall pay for any increased costs caused by such delay.

2.4 **Survey.** Where 'as-built' plans are missing, Landlord must perform a survey of existing space, which shall include existing floor plans and mechanical, electrical, and plumbing systems. The survey shall be at Landlord's sole cost and expense. Landlord shall submit such survey to the Tenant such that the initial Space Plan (as defined in Section 5.1) can be modified to conform to the existing conditions.

3. **Selection of Architect and Engineer.** Landlord shall not proceed with any bid solicitation for architectural services until final space plan is furnished to the Landlord. Once Landlord receives the final space plan, Landlord shall promptly solicit at least three (3) proposals from qualified licensed architects and engineers familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings (as defined below). Landlord and Tenant shall receive the bids conterminously from each of the (3) bidders and shall meet within five (5) business days of receiving the bids to jointly review the bids. Landlord shall select an architect and an engineer, subject to Tenant's acceptance, which shall not be unreasonably withheld, and which acceptance (or rejection for reasonable reasons) shall be granted within five (5) business days after Landlord has submitted the name of the selected architect and the selected engineer to Tenant, together with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until Tenant accepts an architect (the "Architect") and an engineer (the "Engineer"), and Tenant's written acceptance has been delivered to and received by Landlord.

4. **Selection of Contractor.** The Final Plans (as defined below) and a proposed construction contract accepted by Tenant shall be submitted to a sufficient number of qualified contractors, selected by Landlord, so that a minimum of three (3) bids are received. Each contractor shall be requested to submit a sealed fixed price contract bid price (on an American Institute of Architects (AIA) form) to construct the Tenant Improvements depicted on the Final Plans. Landlord and Tenant shall receive the bids conterminously from each of the (3) bidders

and shall meet within five (5) business days of receiving the bids to jointly review the bids. Landlord shall select the most qualified bidder offering the lowest price after adjustments for inconsistent assumptions, and Landlord shall submit all bids, along with Landlord's recommendation, to Tenant for Tenant's review and acceptance. Following Tenant's acceptance, Landlord shall enter into a construction contract (the "Construction Contract") with the lowest qualified bidder (the "Contractor") to construct the Tenant Improvements, consistent with the terms of the accepted bid.

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

5.1 Preparation of Space Plan. Concurrently with the execution of this Lease, Tenant shall submit to Landlord specifications for the Premises, which shall include a space plan, and when available, low voltage and furniture plans and shall depict, without limitation, all demising walls, corridors, entrances, exits, doors, and interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room (collectively, the "Space Plan").

5.2 Preparation and Review of Working Drawings. Within thirty (30) days after the date the Space Plan is submitted to Landlord (the "Plan Submission Date"), Landlord shall instruct the Architect to commence preparation of working drawings (the "Working Drawings"), which shall (a) be consistent with the Space Plan and the Preliminary TI Cost Summary (as defined below), (b) be compatible with the design, construction and equipment of the Building, (c) comply with all applicable laws, (d) be capable of physical measurement and construction, (e) contain all information required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and (f) include all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times provided that a schedule to submit the Working Drawings is provided to, and approved by, the Tenant. Landlord shall provide Tenant the Working Drawings, or such portion thereof as has been submitted, for Tenant's review and acceptance. Landlord shall be solely responsible for ensuring that the Working Drawings fully comply with all applicable building codes and cover any expenses that result from the errors, omissions or inconsistencies in the Architect's Instruments of Service.

5.3 Preparation and Review of Engineering Drawings. As part of the Total TI Costs, Landlord shall cause the Architect to coordinate with the Engineer and to integrate all engineering drawings prepared by the Engineer, including but not limited to complete mechanical, electrical, HVAC, and plumbing plans ("Engineering Drawings"), into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review and acceptance.

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has accepted the Engineering Drawings, Landlord shall, as part of the Total TI Costs, cause the Architect to integrate the accepted Working Drawings with the accepted Engineering Drawings (collectively "Final Plans") and deliver the Final Plans to Tenant for Tenant's review in an AutoCAD 2015 (or later version) and Adobe PDF electronic format via a downloadable web-based link. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices,



construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements), power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements. Landlord's review of the Space Plan, Working Drawings, Engineering Drawings, and Final Plans shall be at Landlord's sole cost and expense and shall not be unreasonably withheld, conditioned, or delayed.

5.5 Tenant's Plan Review and Acceptance. Tenant shall accept or reject the Working Drawings, the Engineering Drawings and the Final Plans within twenty-one (21) calendar days after Tenant receives the applicable plans and drawings from Landlord. If Tenant rejects any such plans or drawings, then Tenant shall notify Landlord thereof, specifying in detail the reason for such rejection, in which case Landlord shall revise the applicable plans or drawings and deliver revised plans or drawings to Tenant within fourteen (14) calendar days after receipt of Tenant's rejection notice. This procedure shall be repeated until the applicable plans are accepted by Tenant. Tenant's acceptance of the Working Drawings, Engineering Drawings and/or the Final Plans shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements.

5.6 Schedule. Within thirty (30) calendar days of the Plan Submission Date, Landlord shall submit to Tenant a detailed baseline construction schedule, subject to acceptance by Tenant, which shall not be unreasonably withheld, setting forth the completion dates of certain project milestones, including but not limited to completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of the Construction Contract, construction commencement date, interim schedule milestone dates, and the date of Substantial Completion. The schedule shall be apportioned by construction activity and include time required for the completion of each portion of the work. As the construction continues, Landlord shall amend the construction schedule at least once each month to reflect any changes to the projected dates, and Landlord shall promptly submit the revised construction schedules to Tenant.

5.7 Submittals. The Landlord or Contractor shall submit to Tenant any Shop Drawings, Product Data Sheets / Samples or similar submittals required by the Final Plans in coordination with the construction schedule and with reasonable promptness, so as not to cause any delay in the construction of the Tenant Improvements. The purpose of Shop Drawings, Product Data, Samples and similar submittals is to demonstrate the way by which the Contractor proposes to construct a design concept expressed in the Final Plans. "Shop Drawings" include drawings, diagrams, schedules and other data specially prepared by the Contractor or a subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Tenant Improvements. "Product Data Sheets / Samples" include illustrations, summary performance charts, instructions, brochures, diagrams, manufacturer specifications (if available) and other information furnished by the Landlord or Contractor to illustrate materials or equipment for some portion of the Tenant Improvements. "Samples" are physical examples that illustrate materials, equipment or workmanship for some portion of the Tenant Improvements. The Contractor shall construct no portion of the Tenant Improvements for which the Final Plans require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been reviewed and accepted by the Architect.

**6. Landlord's TI Cost Summary and Payment of Total TI Costs.**

6.1 Cost Summary. Within twenty-one (21) calendar days after the Plan Submission Date, Landlord shall submit to Tenant a preliminary cost summary for the Tenant Improvements in a format similar to Addendum C attached hereto (the "Preliminary TI Cost Summary"), which must not exceed the sum of Landlord's TI Allowance and Tenant's TI Contribution. The Preliminary TI Cost Summary shall be revised into final form within ten (10) days after the date that the Contractor is selected and will be referred to herein as the "Final TI Cost Summary". Tenant shall have fourteen (14) calendar days after the date of receipt of the Final TI Cost Summary to accept or reject the Final TI Cost Summary, including but not limited to any Contractor overhead, profit and/or general conditions costs included therein; provided, however, that any proposed increase to Tenant's TI Contribution shown on the Final TI Cost Summary shall not be effective unless approved by a separate written agreement executed by Landlord and Tenant. Tenant's failure to accept or reject the Final TI Cost Summary in writing within such period shall be deemed to be rejected. Construction of the Tenant Improvements shall not begin until Tenant accepts the Final TI Cost Summary in writing, which approval shall not be unreasonably withheld, conditioned or delayed, and any delay by providing its approval of the Final TI Cost Summary shall extend the two hundred seventy (270) day time period set forth in Section 4.2 of the Lease on a day for day basis until Tenant provides its approval of the Final TI Cost Summary. If Tenant rejects the Final TI Cost Summary due to matters related to cost and the Final TI Cost Summary is ten percent (10%) or more higher in cost than projected in the Preliminary TI Cost Summary, then, at Tenant's request, Landlord shall cause the Architect and the Engineer to redesign the Tenant Improvements, at a cost to be deducted from Total TI Costs, to comply with the Preliminary TI Cost Summary, and any delay caused by the necessity to rebid or redesign the Tenant Improvements shall extend, on a day for day basis until the Tenant Improvements are redesigned and approved by Tenant, the two hundred seventy (270) day time period set forth in Section 4.2 of the Lease. If Tenant rejects the Preliminary TI Cost Summary or the Final TI Cost Summary, the parties shall promptly confer to resolve all issues relating thereto.

6.2 Landlord's TI Allowance and Tenant's TI Contribution. All improvements required by the Final Plans, as further described in Addendum B hereto, and any and all modular furniture described in the Modular Specifications (as defined below) shall be referred to herein, collectively, as "Tenant Improvements" or "TI." Costs of Tenant Improvements shall include costs for furniture, telecommunications equipment, if any, soft costs, and any other costs approved in writing by Tenant (collectively "Total TI Costs"), all of which must not exceed the sum of Landlord's TI Allowance, Tenant's TI Contribution, and the cost of any Change Authorizations (as defined below) that are approved in writing by both parties. Landlord shall be solely responsible for any delay or increased cost in completing the Tenant Improvements, except for delays or costs arising from Tenant Delays, Force Majeure or Change Authorizations as defined below. Except as otherwise provided herein, all Total TI Costs shall be paid by Landlord and deducted from Landlord's TI Allowance. If the Total TI Costs exceed Landlord's TI Allowance, then Tenant may authorize Landlord to pay the overage in an amount not exceeding Tenant's TI Contribution. Thereafter, Tenant shall pay such overage to Landlord as provided in Section 6.3 below.

6.3 Method of Payment. Tenant shall pay Landlord that portion of Tenant's TI Contribution used to pay for any Total TI Costs in excess of the Landlord's TI Allowance in a lump sum, within sixty (60) calendar days after all of the following conditions have been met: (i) Tenant Improvements are Substantially Complete (as defined in the Lease); and (ii) Landlord has provided Tenant with all documentation substantiating all Tenant Improvements' expenses, including, without limitation, receipts, invoices, proof of payment, unconditional lien releases and approved change orders, on a flow basis, so that Tenant may reconcile all Total TI Costs to

determine and confirm the total TI Costs spent and the amount of Tenant's TI Contribution owed to Landlord. Such payment shall be made in a lump sum.

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

## **7. Construction of Tenant Improvements.**

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

7.2 Bids. Unless waived by Tenant in writing, any major contractors, subcontractors and material suppliers providing labor and/or materials for the Tenant Improvements shall be selected only after a minimum of three (3) bids have been solicited from responsible and qualified persons. The bids shall include an itemized list of all materials and labor and shall include all additional costs, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Landlord shall also obtain a minimum of three (3) bids from responsible and qualified bidders for the purchase and installation of Tenant's office furniture system, if applicable, in accordance with Section 9.1 below.

7.3 Permits. As part of the Total TI Costs, Landlord shall obtain the approval of all applicable governmental authorities and all permits required for the Tenant Improvements, promptly after Tenant's acceptance of the Final Plans. Landlord shall obtain plan check approval prior to soliciting bids from contractors pursuant to Section 4 hereof. Landlord agrees to submit the Final Plans to plan check for approval within twenty-five (25) days after Tenant's acceptance of the Final Plans. Subject to Force Majeure, Change Authorizations and Tenant Delays, if Landlord does not timely submit the Tenant-accepted Final Plans by the expiration of such twenty-five (25) day period, Tenant shall deliver written notice of such failure to Landlord and if Landlord does not submit the accepted Final Plans to plan check within ten (10) days after receipt of Tenant's written notice, and if as a result of such failure to timely submit the accepted Final Plans to plan check, the Commencement Date does not occur within two hundred seventy (270) days following the date of Landlord's receipt of the final governmental building permit, then Tenant shall have the right to exercise the remedies set forth in Section 14 below.

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

7.5 Construction. Construction of the Tenant Improvements will be subject to the following terms and conditions:

(a) Notice of Nonresponsibility. Landlord and the Contractor shall cooperate with Tenant in posting a notice or notices of nonresponsibility by Tenant in compliance with California Civil Code Section 8444.

(b) Decorating Decisions. As part of the Total TI Costs, all design and programming, space planning and interior decorating services, such as selection of wall paint colors and/or wall coverings, furniture, fixtures, flooring and base, and any other decor selection efforts required by Tenant, shall be provided by Landlord in accordance with Tenant's Space Plan. Landlord shall consult with Tenant with respect to all such decorating services and decisions.

(c) Warranties. As part of the Total TI Costs, Landlord shall cause the Contractor to issue a warranty stating that the Tenant Improvements shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of Substantial Completion (as defined in the Lease); provided, however, Tenant may request that Contractor extend the one (1) year construction defect warranty for an additional one (1) year (for a total of two (2) years of construction defect warranty), in which case, Tenant shall pay, as part of the Tenant's TI Contribution, the cost charged by the Contractor for extending the construction defect warranty for an additional one (1) year. Landlord shall require each contractor and subcontractor to provide warranties of like duration in all construction contracts relating to the Tenant Improvements and, upon Tenant's request, Landlord shall assign to Tenant any such warranties relating to the Tenant Improvements. Patent defects in the Tenant Improvements shall be brought to Landlord's attention promptly. Latent or hidden defects in the Tenant Improvements shall be brought to Landlord's attention promptly upon Tenant's becoming aware of such defects. Landlord shall promptly cause such defects to be repaired following receipt of notice thereof, and Tenant shall have the same rights with respect thereto as set forth herein for all other punch-list items, subject to applicable warranties.

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

(e) Compliance with Laws. As part of the Total TI Costs, the Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including but not limited to all provisions of the California Labor Code. **Without limiting the generality of the foregoing, construction of the Tenant Improvements shall comply with all applicable laws and regulations, including but not limited to the provisions of the California Labor Code relating to the payment of prevailing wages on public works projects, unless the work is otherwise exempt therefrom pursuant to the California Labor Code. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly wage rate and details pertinent thereto for each craft, classification, or type of workman or mechanic needed for the construction of the Tenant Improvements. Particulars of the current prevailing wage scale, as approved by the Board of Supervisors, which are applicable to the work, are filed with the Clerk of the Board of Supervisors and must be posted at the site. Notwithstanding the foregoing or any language to the contrary contained herein, the payment of prevailing wages according to the current prevailing wage scale and compliance with applicable prevailing wage statutes shall be required where there is a**

**Tenant's TI Contribution made towards the Total TI Costs of the Tenant Improvements to be performed.**

(f) Access During Construction. Tenant shall have the right to conduct site visits to observe progress of the Tenant Improvements during the course of construction. Additionally, pursuant to Section 4.3 of the Lease, Tenant shall be entitled to enter the Premises upon delivery of written notice at least thirty (30) calendar days prior to the Commencement Date, for the sole purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Landlord and Tenant shall use reasonable good faith efforts to coordinate the work of their respective contractors to achieve timely completion of the Tenant Improvements and Tenant's installation work.

7.6 Completion/Close Out. The Premises shall not be considered Substantially Complete until the Tenant Improvements have been completed in accordance with the Final Plans and Section 4.1 of the Lease, subject only to the completion of minor punch-list items that will not interfere with Tenant's use and occupancy of the Premises for Tenant's permitted and intended use under the Lease. Upon Substantial Completion of the Tenant Improvements, Landlord shall notify Tenant in writing and, within ten (10) business days of Tenant's receipt of such notice, Landlord and Tenant shall conduct a "walk-through" inspection of the Premises and prepare a punch-list of known or apparent deficiencies or incomplete work required to be corrected or completed by Landlord. Landlord shall cause all punch-list items to be repaired or completed as soon as possible, but in no event later than thirty (30) days following the walk-through inspection, with the costs of such punch list items, if any, to be allocated to Landlord or Tenant, based on the party originally responsible for the cost of the item to be corrected. Any new or additional items added by Tenant to the punch list (which are not punch list items of deficiencies or incomplete work) shall be at Tenant's cost as part of Tenant's TI Contribution.

7.7 Conformed Plans. Within sixty (60) days after Substantial Completion of the Tenant Improvements and Landlord's receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans ("as-builts") incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such "as-built" or "record documents" shall be submitted in an AutoCAD 2015 (or later version) format, along with one complete set of plans and specifications Adobe PDF electronic format via USB flash drive and set up of a web-based download link.

8. Requests for Change. Tenant and Landlord may request changes, additions, deletions or substitutions in the Final Plans (each, a "Request for Change"), provided that the requesting party must submit a written request to the other party and that Requests for Change will not be effective unless approved in writing by both Tenant and Landlord (a "Change Authorization"). At the time a Request for Change, Landlord shall inform Tenant of the number of days of delay caused by the Change Authorization. The two hundred seventy (270) day period for Landlord to complete the work described in Section 4.2 of the Lease shall be extended on a day for day basis for each day of delay due to the Change Authorization and the Project Commencement Date shall be extended on a day for day basis for each day of delay due to the Change Authorization.

Only the County's Chief Executive Officer or his/her designee is authorized to execute Change Authorizations on behalf of Tenant. If Tenant requests any changes or substitutions to the Tenant Improvements after the Final Plans and the Final TI Cost Summary have been accepted ("Tenant Requested Changes"), then any additional costs related thereto in excess of Landlord's TI Allowance shall be paid by Tenant, provided that Tenant executes a written Change Authorization



prior to the performance of the applicable work. Tenant shall be obligated to pay Landlord for the Tenant Request for Change as part of Tenant's portion of Tenant's TI Contribution used to pay for any Total TI Costs in excess of Landlord's TI Allowance as defined in Section 6.3. Such costs shall be paid in a lump sum, within sixty (60) days as required under Section 6.3. Landlord shall be solely responsible for the cost of any Change Authorizations or other Requests for Change that are not Tenant-Requested Changes or approved by the Chief Executive Officer or his/her designee, except for requirements of governmental agencies to achieve Tenant's approved tenant improvements. Landlord shall submit to the Chief Executive Officer or his/her designee with each Request for Change: (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Change Authorizations previously executed, and (iii) an estimate of the number of days by which the construction time will be increased or shortened if the Request for Change is approved. Each Change Authorization must be signed and dated by tenant department, Landlord and the Chief Executive Officer or his/her designee in order to be effective.

## **9. Furniture System.**

9.1 Tenant shall deliver to Landlord within fourteen (14) calendar days after the date of full execution of this Work Letter, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, Landlord and /or Landlord's architect shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors. The bid package shall be broken down into separate line items for material, delivery, and sales tax, and each furniture item shall be broken down by unit price, quantities, description and specification. Prior to submission for bids, Landlord shall review the bid package with Tenant, and Tenant shall have the right to accept or reject the bid package. Landlord shall order the modular furniture set forth in the Modular Specifications and install the same within the Premises, all of which shall be a Total TI Cost, payable by Landlord and/or Tenant as provided in Section 6.2 and Section 6.3 hereof. Tenant's acceptance of any bid package shall not be deemed to be a representation by Tenant as to the adequacy or correctness of any specifications contained therein.

9.2 Alternatively, Tenant may elect to finance the cost of modular furniture through lease-purchase financing with a third-party lender ("Creditor"). If Tenant elects to enter into a lease-purchase financing of any furniture or telecommunications equipment (individually or collectively, "Personal Property") through a Creditor, Landlord expressly agrees as follows:

(a) The Personal Property shall not become part of the real property, but shall remain personal property removable by the Creditor and its assigns, provided that any damage to the Building or the Premises caused by such removal shall be repaired by Creditor.

(b) Landlord must receive written notice from Creditor of any plan by Creditor to remove the Personal Property from the Building.

(c) This Section 9.2 shall be binding on the representatives, successors and assigns of all parties hereto and shall inure to the benefit of the successors-in-interest to all parties hereto.

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

**10. Total TI Costs Adjustment and Right to Audit.** Within ten (10) business days of the issuance of a Certificate of Occupancy for the Premises or a final sign-off by the City of Los Angeles building inspector, whichever occurs first, Landlord shall provide to Tenant a statement showing (a) all Total TI Costs in reasonable detail and sorted into the same line items as the Final TI Cost Summary, and (b) the amount of Total TI Costs that is in excess of Landlord's TI Allowance and payable hereunder by Tenant to Landlord. Upon approval of such statement by Tenant, payments by either party pursuant to the Lease and this Work Letter shall be adjusted as appropriate based upon such statement. Tenant shall have the right to audit the Total TI Costs at any time until the fifth (5<sup>th</sup>) annual anniversary of the date of Tenant's Acceptance of the Premises (the "Audit Expiration Date") (and as of the Audit Expiration Date such audit right shall terminate and be of no further force or effect); provided, however, if this Lease shall be terminated prior to the Audit Expiration Date, then Tenant's audit right shall terminate as of the date of the termination of this Lease. If the audit shows that Tenant is entitled to a reduction in payments made by Tenant to the Landlord pursuant to this Work Letter, then Tenant shall provide Landlord with a copy of the audit summary for Landlord's review and confirmation. If Landlord confirms that Tenant is entitled to a reduction in the payment, then Landlord shall pay Tenant the amount of any over-payment made by Tenant within thirty (30) calendar days by business check. Landlord shall require the Contractor to include audit provisions in all subcontracts which allow Tenant to audit the subcontractors' books and records with respect to the Tenant Improvements.

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

**12. Delay.**

12.1 Tenant Delays and Force Majeure Delays and Change Authorization. Except as set forth in this Section 12, Tenant shall not be charged as a result of any delay in the construction of Tenant Improvements. Subject to the provisions of Section 12.2, the Estimated Commencement Date set forth in the Lease and the two hundred seventy (270) day period to complete the Tenant Improvements set forth in Section 4.2 of the Lease shall be extended one (1) day for each day that: (a) Tenant fails or refuses to give authorizations or approvals within the time periods required herein, but only to the extent such delays delay the commencement or completion of construction of the Tenant Improvements (referred to herein as "Tenant Delay(s)"); or (b) Substantial Completion of the Tenant Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage, delay in the issuance of building permits or other required governmental approvals, or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)") or (c) Landlord's performance of the work described herein is delayed due to a Change Authorization. Notwithstanding any contrary provision contained herein, any delay of Substantial Completion which is due to or results from delays caused by vendors retained by Tenant to perform work or services required for Substantial Completion, including without limitation, the installation of any of Tenant's any low voltage, telephone or data equipment, then such delays shall also constitute a Tenant Delay.

## 12.2 Limitations.

(a) Notice. No Tenant Delay, Change Authorizations, or Force Majeure Delay shall be deemed to have occurred unless, Landlord has provided Tenant with written notice within two (2) days of the event giving rise to such claim, in compliance with the Lease specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred, commencing as of the date Tenant received such notice from Landlord.

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

(c) Concurrent Delays. Tenant Delays and Force Majeure Delays shall be recognized hereunder only if they are not concurrent with any other Tenant Delay or Force Majeure Delay that is effective hereunder. For example, if fourteen (14) calendar days of Tenant Delays and six (6) calendar days of Force Majeure Delays occur during the same fourteen (14) calendar day period, then the Estimated Commencement Date would be extended by only fourteen (14) calendar days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, then the Estimated Commencement Date would be extended by twenty (20) calendar days.

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

(e) Work Scope Precedence. In case of conflicts or discrepancies between or among this Landlord Work Letter, plans, and specifications, plans shall supersede specifications for quantity, specifications shall supersede plans for quality, and this Landlord Work Letter shall supersede both plans and specifications.

**13. Tenant Remedies.** Subject to Section 8 and 12.1, if Landlord fails to obtain the building permit to construct the Tenant Improvements within a reasonable time, taking all factors into consideration, then Tenant may, at its option:

13.1 Cancel the Lease upon thirty (30) calendar days' prior written notice to Landlord;  
or

13.2 Upon thirty (30) calendar days' prior written notice to Landlord, assume the responsibility for constructing and/or completing the Tenant Improvements itself. If Tenant elects to construct or complete the Tenant Improvements itself, then:

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



Any default by Landlord under the terms of this Work Letter beyond the expiration of all applicable notice and cure periods shall constitute a Landlord Default under the Lease and shall entitle Tenant to exercise all remedies set forth in the Lease.

**14. Representatives.**

14.1 Tenant Representative. Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Work Letter only, is Tenant's Address for Work Letter Notice as set forth in Section 1.2 of the Lease.

14.2 Landlord Representative. Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on behalf of Landlord as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Work Letter only, is Landlord's Address for Work Letter Notice as set forth in Section 1.2 of the Lease.

**15. Elevator Usage During Move-In.** In the event that the use of the freight elevators and/or hoists is not sufficient to meet Tenant's requirements during the early entry period set forth in Section 4.3 of the Lease as part of the Total TI Costs, (a) Landlord shall cause to be made operational a temporary construction elevator and hoist, or (b) Tenant shall have priority usage of two (2) passenger elevators in the elevator bank that services the Premises in order to assist Tenant in the installation of Tenant's fixtures, furniture and equipment. With the exception of Tenant's usage of a temporary construction elevator and hoist, any existing elevator usage provided under this Section 15 shall be at no cost to Tenant.

**16. Construction Meetings.** During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, unless Tenant directs otherwise, at a time and place that is mutually convenient. An initial construction meeting shall be held within seven (7) calendar days after the date the Contractor is selected. Contractor shall provide minutes of each construction meeting to Tenant within a reasonable time thereafter, but not later than three (3) calendar days after the date of the next construction meeting.

**17. Delivery.** Delivery of all plans and drawings referred to in this Work Letter shall be either by commercial messenger service, personal hand delivery or Landlord can set up a web-based download, unless otherwise agreed by Landlord and Tenant.

**18. Miscellaneous.** This Landlord Work Letter sets forth the entire understanding and agreement between the Parties with respect to the subject matter of this Landlord Work Letter. This Landlord Work Letter may be amended only in a writing signed by both Parties. Any notice to a party for a breach of this Landlord Work Letter must be delivered in writing per the terms as set forth in Section 30.6 of the Lease. This Landlord Work Letter shall be construed as if jointly drafted by the parties. This Landlord Work Letter will not be effective unless and until signed by both Parties. This Landlord Work Letter will be binding upon, enforceable by and inure to the benefit of the Parties and each of their successors and permitted assigns. Provisions contained in this Landlord Work Letter shall prevail in case of conflict over the terms of the Lease. This Landlord Work Letter is hereby incorporated into and made part of the Lease. All the terms and conditions of the Lease remain in full force and effect, except as expressly indicated otherwise in

this Landlord Work Letter. This Landlord Work Letter will become effective as of the Effective Date and shall continue in effect, except to the extent it is amended or terminated in accordance with terms of the Lease.

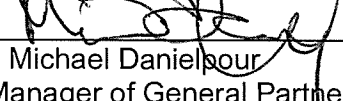
[Signatures on the following page.]

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

LANDLORD:

Omninet Pacific Pointe, LP,  
a Delaware Limited Partnership

By: Omninet Five GP, LLC,  
A California limited liability company  
Its: General Partner

By:   
Name: Michael Daniel  
Title: Manager of General Partner

TENANT:

**COUNTY OF LOS ANGELES,**  
a body corporate and politic

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date Signed: \_\_\_\_\_

## **ADDENDUM A To Landlord's Work Letter**

### **BASE BUILDING IMPROVEMENTS**

Landlord has constructed (or will construct) the Building to include the following:

(a) the Building shell and exterior, including perimeter window systems and mullions in good condition and shall ensure that the roof and exterior windows are watertight. If building has not been constructed or is still under construction, no tenant improvements work shall commence until building has been signed off by the City having jurisdiction and Certificate of Occupancy has been received.

(b) Landlord shall demise the Premises (as required) including any separation of mechanical, electrical, or plumbing, excluding any demising and separation work to separate the Premises;

(c) Must also include mechanical, electrical, sprinkler, plumbing, Fire life safety, heating, air conditioning, ventilation and structural systems within the Building core, stubbed out to the face of the core wall at locations reasonably determined by Landlord;

(d) Any demo required of the Premises in accordance with the Tenant's demo plan, unless the Final Plans show that such improvements and/or equipment will remain in the Premises.

(e) toilet rooms in the common areas per code, including necessary plumbing fixtures, ceramic tile floors, accessories, ceilings and lighting, with running hot and cold water; including but not limited to, new toilet partitions, lavatories, floor tile, counter tops, sinks, and "touchless" faucets, soap dispensers, and hand dryers (if needed) and in coordination with the Tenants assigned CEO Project Manager.

(f) Drywall or lath and plaster covering the exposed side of all exposed core walls, core and perimeter columns and the interior exposed side of all exterior building wall areas except at and under windows. Also included:

(g) public stairways;

(h) passenger and freight elevators;

(i) parking facilities

(j) ground floor lobby;

(k) Landlord shall (i) be responsible for delivering a finished elevator lobby on Tenant floor in compliance with code (carpet, lights, finished walls and ceiling) (as needed) and (ii) install new paint in the existing elevator lobby;

(l) Landlord shall (i) be responsible for any work required to construct or modify the existing common area corridor in connection with Tenant's Tenant Improvements to be in compliance with code.

- (m) loading dock and/or area;
- (n) water bottle filling stations/drinking fountains compliant with ADA at public lobbies and within the secured office area;
- (o) electrical/telephone closet with not less than seven (7) watts per square foot of rentable area of normal power in the floor electrical closet;
- (o) conduit access sufficient for Tenant's electrical wiring (no additional improvement to increase conduit access will be furnished by Landlord unless there is not sufficient riser space as required for a 1.5" diameter signal cable from the Building main telecommunication vault to the telephone closets on the 7<sup>th</sup> floor, in which case Landlord, at no cost to Tenant and without deduction from Landlord's TI Allowance, shall cause such riser space to be made available to Tenant, and provided further that Tenant shall be responsible for the cost for removing the riser floor seal at each floor and the patching of each seal after installation of Tenant's cable) and Landlord shall make available data (internet) and telecommunication fiber connectivity to the main point of entry (MPOE) room within the Building. Tenant shall pay for such internet services within the Premises.
- (p) One (1) 480/277 Volt (Volt Alternating Current) and two (2) 208/120 panels, including any transformer required to step down such power from 480 VAC to 208 VAC connected to the Building power system, ready for Tenant's use;
- (q) mechanical equipment room and existing ducting; provided, however, any new ducting for such mechanical exhaust system shall be Tenant's sole cost and paid by Tenant as part of Tenant's TI Contribution;
- (r) concrete floors with troweled finish ready for Tenant's floor finish, level to specified tolerances, including scraping of any existing glue, as needed, in connection with such levelling, and designed to support a minimum live load of fifty (50) pounds per square foot and a partition load of twenty (20) pounds per square foot;
- (s) existing primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution, as described in Section 2.2(b)(ii) above and in accordance with the cost allocation set forth therein;
- (t) primary HVAC duct for cooling and primary HVAC duct for heating (heating is for perimeter zone only) to loop from the mechanical equipment room around the building core with such existing primary HVAC duct to be in working order prior to any modification to accommodate Tenant's specific ducting requirements and provided, further that, the cost of modifying the existing hot and cold air loops and ducting for Tenant's Final Plans and any work needed to cause the existing primary HVAC duct to be in working order for Tenant's Final Plans shall be Tenant's sole cost and paid by Tenant as part of Tenant's TI Contribution;
- (u) primary fire sprinkler distribution, including existing secondary piping and existing sprinkler heads; provided, however, the cost of modifying the existing secondary piping and existing sprinkler heads shall be Tenant's sole cost and paid by Tenant as part of Tenant's TI Contribution;

(v) Drywall on the service core walls, columns and sills in the Premises, as needed.

(w) Demolition and removal of any existing improvements or equipment situated within the Premises, unless the Final Plans show that such improvements and/or equipment will remain in the Premises.

(x) Landlord shall deliver all exterior lights, including lights in the parking area, in good working order;

(y) Landlord shall maintain the planting along the perimeter of the Building and adjust the irrigation at planters to be away from the windows, and properly maintain the landscaping throughout the Term of the Lease, including any option periods;

(z) Landlord, at its sole expense, shall provide Tenant sixty (60) access cards or key fobs for Building and parking, if applicable. 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;

(aa) Landlord, at its sole costs and expense, shall perform the work required to correct the deficiencies identified in those two Disabled Access Surveys prepared by CASP Experts dated December 4, 2023, with the exception of those items listed below:

- Page 7: Concrete door entry landings.
- Page 9: Security counter.
- Page 10: Tactile characters on existing signage.

## **ADDENDUM B To Landlord's Work Letter**

### **TENANT IMPROVEMENTS**

Tenant improvements, to be paid by Tenant as part of Tenant's TI Contribution, shall include:

- (a) Tenant ceilings and lighting;
- (b) Floor finish in the Premises (except elevator lobbies and public corridors on multi-tenant floors and toilet rooms);
- (c) Interior finishes of any kind within the Premises (except elevator lobbies and public corridors on multi-tenant floors and core area toilet rooms);
- (d) Interior partitions, doors and hardware within the Premises;
- (e) Terminal boxes and reheat coils or other HVAC or air distribution devices to or within the Premises;
- (f) Tenant's furniture, fixtures and equipment, including telephones, computers and cabling therefor;
- (g) Distribution of electrical services, plumbing services and sprinklers from the core to the Premises, and domestic hot water heater and associated hot water piping;
- (h) Any and all signs for Tenant and the power therefor;
- (i) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms and extinguishers;
- (j) Additional and/or above standard electrical capacity; and
- (k) Fiber optic access.

**ADDENDUM C To Landlord's Work Letter**

**PRELIMINARY AND FINAL TI COST SUMMARY**

\_\_\_ Preliminary TI Cost Summary  
\_\_\_ Final TI Cost Summary

Lease No. \_\_\_\_\_  
Address \_\_\_\_\_

Cost Category	
Architecture and Engineering Contract	\$
Plan Check Fees & Permits	\$
General Contractor	\$
(Profit)	\$
(Overhead)	\$
Furniture	\$
Other (Specify)	\$
Total TI Costs	\$



## BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

<b>CLUSTER AGENDA REVIEW DATE</b>	6/26/2024	
<b>BOARD MEETING DATE</b>	7/9/2024	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>	
<b>DEPARTMENT(S)</b>	Sheriff's Department	
<b>SUBJECT</b>	Approve and execute sole source Amendment Number Eleven to extend the term of Contract Number 55301 (Contract) with Modaxo Traffic Management USA Inc. for parking citation processing services (Services).	
<b>PROGRAM</b>	Parking Citation Processing Services	
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No We are requesting delegated authority for the Sheriff to execute a subsequent amendment to the Contract to memorialize any per-citation processing cost rate increase for the second year starting July 19, 2025, based on the 12-month average of the Consumer Price Index (CPI) demonstrated in calendar year 2024 and to terminate the Contract within 30 calendar days advance written notice to Contractor.	
<b>SOLE SOURCE CONTRACT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	If Yes, please explain why: This is a sole source amendment pursuant to Board policy 5.100.	
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable	
<b>DEADLINES/ TIME CONSTRAINTS</b>	The current contract expires July 18, 2024.	
<b>COST &amp; FUNDING</b>	Total cost: \$	Funding source: Revenue offset, cost of services is offset by monies generated from parking citation fines and penalties.
	TERMS (if applicable): Two years.	
	Explanation: The contracted Services are delivered to the County at zero Net County Cost.	
<b>PURPOSE OF REQUEST</b>	This Amendment will continue Services in the unincorporated areas of the County while the Department awaits decision from the Board pursuant to the October 17, 2023, Board motion "Moving Parking Enforcement Services from the Department to the Department of Public Works" (Agenda item 10).	
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	On July 14, 2015, the Board approved and delegated authority to the Sheriff to execute the Contract with Contractor. Contractor will continue to be responsible for processing citations, maintaining citation records, sending notices to violators, and sharing data the Department of Motor Vehicles to obtain vehicle ownership information. No issues or concerns.	
<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>	Name, Title, Phone # & Email: <ul style="list-style-type: none"> <li>• Aloett Martin, Administrative Services Manager II, (213) 229-3290, <a href="mailto:a9martin@lasd.org">a9martin@lasd.org</a></li> <li>• Ryan Jorgensen, Sergeant, (213) 972-3900, <a href="mailto:RRjorgen@lasd.org">RRjorgen@lasd.org</a></li> </ul>	

July 9, 2024

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

Dear Supervisors:

**APPROVE SOLE SOURCE AMENDMENT NUMBER ELEVEN TO EXTEND  
CONTRACT NUMBER 55301 WITH MODAXO TRAFFIC MANAGEMENT USA INC.  
FOR CONTINUED PARKING CITATION PROCESSING SERVICES  
(ALL DISTRICTS) (3 VOTES)**

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

**SUBJECT**

The Los Angeles County (County) Sheriff's Department (Department) is seeking Board approval of Sole Source Amendment Number Eleven (Amendment) to Contract Number 55301 (Contract) with Modaxo Traffic Management USA Inc. (Contractor) to extend the term of the Contract for a two-year option period from July 19, 2024, through July 18, 2026.

This Amendment will continue parking citation processing services (Services) in the unincorporated areas of the County, while the Department awaits a decision from the Board pursuant to the October 17, 2023, Board motion "Moving Parking Enforcement Services from the Department to the Department of Public Works."

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve and instruct the Chair of the Board to sign the attached Amendment to the Contract, to extend the Contract for a two-year option period from July 19, 2024, through July 18, 2026.
2. Delegate authority to the Sheriff, or his designee, to execute a subsequent amendment to the Contract to memorialize any per-citation processing cost rate increase for the second year starting July 19, 2025, based on the 12-month average of the Consumer Price Index (CPI) demonstrated in calendar year 2024.
3. Delegate authority to the Sheriff, or his designee, to terminate the Contract for convenience, either in whole or in part, if necessary, with 30 calendar days advance written notice once the County has completed the solicitation process for a replacement contract.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Contract will expire on July 18, 2024. On February 9, 2024, in accordance with Board Policy 5.100, the Department provided the Board with advance notification of its intent to enter into a sole source amendment to extend the Contract for two years through July 18, 2026, to ensure uninterrupted Services. Additionally, the recommended action will allow for direction from the Board, from the March 19, 2024, Board Agenda Item 31, "Report on the Transfer of Parking Enforcement Services," and allow the County to complete the solicitation process for a successor contract.

**BACKGROUND:**

On July 14, 2015, the Board approved the Contract for the provision of Services, with Xerox State & Local Solutions, Inc., with an initial term of July 19, 2015, through July 18, 2018. Under the Contract, the County had the option to extend the term of the Contract for up to two one-year options, and one six-month option through January 18, 2021. The Contract was amended on July 16, 2018, under Amendment Number One to affect the Contractor's name change to Conduent State & Local Solutions, Inc.

Amendment Numbers Two through Nine to the Contract were executed to, among other things, add and/or update County-mandated provisions, exercise the option terms and extend the term of the Contract, and effectuate a five percent voluntary price reduction during the County's 2021 fiscal year.

The Contract was amended on June \_\_, 2024, under Amendment Number Ten to affect the Contractor's acquisition and name change to Modaxo Traffic Management USA Inc.

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

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

On October 17, 2023, the Board adopted a motion (Agenda Item 10), "Moving Parking Enforcement Services from the Sheriff's Department to the Department of Public Works," which among other things, directed the Chief Executive Officer to report back to the Board in writing within 120 days with an implementation plan that should include specific steps for the Department of Public Works to fully execute parking enforcement services no later than July 1, 2024.

During the March 19, 2024, Board hearing, Supervisor Hahn's motion under Agenda Item 31 was approved, seconded by Supervisor Barger, as amended, "to request the Sheriff to provide a verbal and written report back to the Board within 45 days with a proposed business plan for parking enforcement services within the Sheriff's Department." The proposed business plan was presented by Sheriff Luna to the Board for consideration during the May 21, 2024, Board hearing.

#### PROPOSED AMENDMENT/CONTRACT NEGOTIATIONS:

On Monday, May 20, 2024, the Department and the Contractor reached a negotiated agreement pending approval by the Board, which:

1. Extends the Contract for two years from July 19, 2024, through July 18, 2026.
2. Modifies Exhibit B, Pricing Sheet, for the first-year option period from July 19, 2024, through July 18, 2025, as follows to include a 5.1% increase of rates consistent with the 12-month average CPI increase/change from calendar year 2023:

- a. Per-citation processing cost rate from \$1.80 to \$1.89 (5.1%),
  - b. Desktop computing hardware devices rate from \$69.55 to \$73.10 (5.1%),
  - c. Handheld electronic ticket-writer computing devices rate from \$78.33 to \$82.32 (5.1%), and
  - d. Wireless communication connection rate from \$17.25 to \$18.13 (5.1%).
3. Includes language for the second year starting July 19, 2025, that memorializes the per-citation rate cost allowable to the Contractor based on the 12-month average CPI increase/change demonstrated in the calendar year 2024.

### **Implementation of Strategic Plan Goals**

The requested actions support the County Strategic Plan's North Star 2: Foster Vibrant and Resilient Communities; Focus Area Goal C: Public Safety: Enhance the safety of the public and our communities by addressing the risks, danger, harm, and conditions that cause, drive, or can help mitigate unlawful activity and crime and supports law enforcement accountability and transparency; Strategy I. Prevention, Protection, and Security: Support and invest in innovative practices, crime prevention resources, and infrastructure to provide protection and security.

### **FISCAL IMPACT/FINANCING**

The County will not incur any net County cost during the term of this Contract.

The cost for Services is offset by monies generated from parking citation fines and penalties that the Contractor will process for the Department, Internal Services Department (ISD), and Department of Beaches and Harbors (Beaches and Harbors).

Parking citations issued within Los Angeles County unincorporated areas generate gross revenue based on total citations issued. Mandated distribution is made to the State of California in accordance with Assemble Bill 408 and the California Vehicle Code (CVC) (i.e., Collection Fees, Court Fees, Justice Fees, Special Fees, Handicapped Surcharges, and other surcharges). Revenue generated is disseminated amongst ISD, Beaches and Harbors, and the Department to pay separate administrative fees charged by the DMV. The Department's revenue is used to help recover operating costs for the Department's Parking Enforcement Detail Unit.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

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

The ERG has approved the interface with FIS for all electronic payment processing, per the FIS Agreement.

In compliance with Board Policy 6.020, Chief Information Office Board Letter Approval, the Office of the Chief Information Officer (OCIO) reviewed the information technology (IT) components (management, design, development, acquisition, expansion, or purchase of IT systems and/or related services) of this request and recommends approval. The OCIO determined this recommended action(s) does not include any new IT items that would necessitate a formal written CIO Analysis.

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

**IMPACT ON CURRENT SERVICES**

There will be no negative impact on current Department operations and Services. Approval of these actions will ensure uninterrupted Services for the County, pending the Board's direction on the transition of parking enforcement services, and a new solicitation is completed for a successor Contract.

**CONCLUSION**

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

Sincerely,

Reviewed by:

ROBERT G. LUNA  
SHERIFF

PETER LOO  
ACTING CHIEF INFORMATION OFFICER

AV:AM:am  
(Fiscal Administration Bureau (FAB) - Contracts Unit)

c: Board of Supervisors, Justice Deputies  
Edward Yen, Executive Officer, Board of Supervisors  
Fesia Davenport, Chief Executive Officer  
Rene Phillips, Manager, Chief Executive Office (CEO)  
Jocelyn Ventilacion, Principal Analyst, CEO  
Anna Petrosyan, Senior Analyst, CEO  
Michael Xie, Senior Budget Analyst, CEO  
Dawyn R. Harrison, County Counsel  
Elizabeth D. Miller, Chief Legal Advisor, Legal Advisory Unit  
Michele Jackson, Principal Deputy County Counsel, Legal Advisory Unit  
April L. Tardy, Undersheriff  
Holly A. Francisco, Assistant Sheriff, Countywide Operations  
Jill Torres, Assistant Sheriff, CFAO  
Jason A. Skeen, Chief of Staff, Office of the Sheriff  
Yolanda R. Figueroa, Acting Chief, Court Services Division (CSD)  
Conrad Meredith, Division Director, Administrative Services Division (ASD)  
Glen Joe, Assistant Division Director, ASD  
Christopher L. Johnson, Commander, CSD  
Richard F. Martinez, Assistant Division Director, ASD  
Crystal M. Miranda, Commander, CSD  
David E. Culver, Director, Financial Programs Bureau  
Yvonne I. O'Brien, Captain, Civil Management Bureau (CMB)  
Rene A. Garcia, Lieutenant, ASD  
Ryan R. Jorgensen, Sergeant, CMB  
Erica M. Nunes, Sergeant, ASD  
Abby R. Valdez, Administrative Services Manager (ASM) III, Fiscal Administration  
Bureau (FAB), Contracts Unit (CU)  
Kristine D. Corrales, Deputy, ASD  
Aloett Martin, ASM II, FAB, CU  
Sheila D. Evans, ASM I, CMB, Parking Enforcement Detail  
Maria M. Sanchez, ASM I, FAB, CU  
(Contracts - Modaxo Parking Citation Processing Services 07-09-24)

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

This Amendment Number Eleven (Amendment) to Contract Number 55301 (Contract) is entered into by and between County of Los Angeles (County) and Modaxo Traffic Management USA Inc. (Contractor), effective upon execution by the County Board of Supervisors.

- A. WHEREAS, on July 19, 2015, County and Xerox State & Local Solutions, Inc. entered into the Contract for Parking Citation Processing Services; and
- B. WHEREAS, on January 29, 2016, Xerox Corporation, the parent company of Xerox State & Local Solutions, Inc., announced its plan to separate into two companies, Xerox Corporation and Conduent Inc.; and
- C. WHEREAS, following the separation, and effective January 1, 2017, Xerox Corporation commenced operating under the name Conduent, Inc.; and
- D. WHEREAS, on October 2, 2017, County and Contractor entered into Amendment Number One to (1) document the Xerox Corporation separation into two companies, whereby Xerox State & Local Solutions, Inc. became a wholly owned subsidiary of Conduent, Inc.; (2) document the Contractor's corporate name change from Xerox State & Local Solutions, Inc. to Conduent State & Local Solutions, Inc.; and (3) update and add the County-mandated provisions and exhibits; and
- E. WHEREAS, on July 16, 2018, County and Contractor entered into Amendment Number Two to (1) exercise the first one-year option period and extend the Term of the Contract from July 19, 2018, through and including July 18, 2019; and (2) update the County-mandated provisions regarding Assignment and Delegation/Mergers or Acquisitions and Consideration of Hiring GAIN-GROW Participants; and
- F. WHEREAS, on June 18, 2019, County and Contractor entered into Amendment Number Three to (1) exercise the second one-year option period and extend the Term of the Contract from July 19, 2019, through and including July 18, 2020; and (2) add the County-mandated provisions regarding Compliance with Fair Chance Employment Hiring Practices and Compliance with the County Policy of Equity; and
- G. WHEREAS, on June 18, 2020, County and Contractor entered into Amendment Number Four to exercise the six-month option period and extend the Term of the Contract from July 19, 2020, through and including January 18, 2021; and
- H. WHEREAS, on June 9, 2020, the Board of Supervisors adopted a motion to pursue voluntary price reductions from County contractors for products and services rendered during the County's 2021 fiscal year, beginning July 1, 2020, through June 30, 2021, or for the designated period as negotiated by the parties.



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

Additionally, the motion delegates authority to departments to execute contract amendments for cost reductions negotiated under this initiative; and

- I. WHEREAS, on October 14, 2020, County and Contractor entered into Amendment Number Five to (1) effectuate a 5% price reduction in the invoiced amount for Services rendered beginning July 1, 2020, through June 30, 2021, and (2) add the County-mandated provision regarding Prohibition from Participation in Future Solicitation(s); and
- J. WHEREAS, on January 14, 2021, County and Contractor entered into Amendment Number Six to extend the Term of the Contract for one year from January 19, 2021, through and including January 18, 2022, with an option to extend for up to an additional period of twelve months, in any increment; and
- K. WHEREAS, on December 21, 2021, County and Contractor entered into Amendment Number Seven to (1) exercise the twelve-month option period and extend the Term of the Contract from January 19, 2022, through and including January 18, 2023, and (2) update the County-mandated provisions regarding Assignment and Delegation/Mergers or Acquisitions and Consideration of Hiring County Employees Targeted for Layoff or Re-Employment List; and
- L. WHEREAS, on January 10, 2023, County and Contractor entered into Amendment Number Eight to (1) extend the Term of the Contract for one year from January 19, 2023, through and including January 18, 2024, with an option to extend for up to an additional six-month period in any increment, (2) effectuate the upgrade of the electronic ticket-writer devices and printers, (3) upgrade the software application to Conduent's CitySight® Enforcement application and add the associated monthly wireless communication cost, (4) update the County-mandated provision regarding Safely Surrendered Baby Law, Compliance with Fair Chance Employment Hiring Practices, and Compliance with the County Policy of Equity, (5) add the County-mandated provision regarding the COVID-19 Vaccinations of County Contractor Personnel, and (6) update Exhibit B (Pricing Sheet) to add the rates and cost of the extension period; and
- M. WHEREAS, on January 10, 2024, County and Contractor entered into Amendment Number Nine to (1) exercise the final six-month option period and extend the Term of the Contract from January 19, 2024, through and including July 18, 2024, and (2) update the County-mandated provisions regarding Background and Security Investigations, Consideration of Hiring GAIN-GROW Participants, Public Records Act, and Termination for Improper Consideration; and
- N. WHEREAS, on December 28, 2023, Conduent State & Local Solutions, Inc. announced its agreement to sell its Curbside Management and Public Safety Business to Modaxo Traffic Management USA Inc.; and

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

- O. WHEREAS, effective May 1, 2024, Conduent State & Local Solutions, Inc. commenced operating under the name Modaxo Traffic Management USA Inc.; and
- P. WHEREAS, on \_\_\_\_\_, 2024 County and Contractor entered into Amendment Number Ten to (1) document the Contractor's acquisition and name change to Modaxo Traffic Management USA Inc. and (2) add the County-mandated provisions regarding Injury and Illness Prevention Program, and Campaign Contribution Prohibition Following Final Decision in Contract Proceeding; and
- Q. WHEREAS, the Contract currently expires on July 18, 2024; and
- R. WHEREAS, the County and Contractor agree to (1) extend the term of the Contract for two years from July 19, 2024, through and including July 18, 2026; (2) revise Subparagraph 8.1.4(3) to update increase/decrease authority for desktop hardware and handheld electronic ticket-writer computing devices; and (3) update Exhibit B (Pricing Sheet) to add the rates and cost of the two-year option period.

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

- 1. Paragraph 4.0 (Term of Contract) of the Contract is deleted in its entirety and replaced as follows to extend the term of the Contract for a two-year option period from July 19, 2024, through and including July 18, 2026:

**4.0 TERM OF CONTRACT**

- 4.1 The term of this Contract will commence on July 19, 2015, and will continue until and through July 18, 2026, unless sooner extended or terminated as provided herein.
  - 4.2 The County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a Contract term option period.
  - 4.3 Contractor will notify the Department when this Contract is within six months from the expiration of the term of this Contract as provided for hereinabove. Upon occurrence of this event, Contractor will send written notification to County Project Director at the address herein provided in Exhibit E (County's Administration).
- 2. Subparagraph 8.1.4(3) of Subparagraph 8.1 (Change Orders and Amendments) only, is deleted in its entirety and replaced as follows:

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

- 8.1.4(3) any increase or decrease in the number of County-required hardware computing devices, handheld electronic ticket-writer computing devices, and/or ALPR systems, provided such increase or decrease to the originally required number is based on the needs of the County,
3. Exhibit B (Pricing Sheet) of the Contract is deleted in its entirety and replaced with the revised Exhibit B (Pricing Sheet), attached hereto, to add the rates and cost of the two-year option period.
  4. Except as expressly provided in this Amendment, all terms, covenants, and conditions of the Contract will remain the same and in full force and effect.
  5. Contractor represents and warrants that the person executing this Amendment for Contractor is an authorized agent who has actual authority to bind Contractor to each and every item, condition, and obligation of the Amendment and that all requirements of Contractor have been fulfilled to provide such actual authority.

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

**IN WITNESS WHEREOF**, the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment Number Eleven to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, and Contractor has caused this Amendment to be duly executed on its behalf by its authorized officer.

COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
Chair, Board of Supervisors

ATTEST:  
EDWARD YEN, Executive Officer  
of the Board of Supervisors

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

MODAXO TRAFFIC MANAGEMENT USA INC.

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:  
DAWYN R. HARRISON  
County Counsel

By: Approved as to Form  
Michele Jackson  
Principal Deputy County Counsel

**Exhibit B**  
**PRICING SHEET**

[Revised and Restated under Amendment Number 11]

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

**I. PER-CITATION PROCESSING COST**

The following all-inclusive, per-citation processing cost shall be inclusive of any and all Taxes and other fees and shall further take into consideration the difference between handwritten citation processes vs. electronic citation uploads and the requirements set forth in Exhibit A (Statement of Work). The County makes no guarantee as to the actual number of citations which may be processed in any given Contract year.

<b>YEAR 1</b> <b>07/19/2015 – 07/18/2016</b>	<b>YEAR 2</b> <b>07/19/2016 – 07/18/2017</b>	<b>YEAR 3</b> <b>07/19/2017 – 07/18/2018</b>	<b>OPTION YEAR 1</b> <b>07/19/2018 – 07/18/2019</b>
\$1.38	\$1.42	\$1.46	\$1.51
<b>OPTION YEAR 2</b> <b>07/19/2019 – 07/18/2020</b>	<b>6-MONTH OPTION</b> <b>07/19/2020 – 01/18/2021</b>	<b>AMENDMENT 6</b> <b>01/19/2021 – 01/18/2022</b>	<b>AMENDMENT 6 OPTION</b> <b>YEAR EXTENSION</b> <b>01/19/2022 – 01/18/2023</b>
\$1.55	\$1.60	\$1.60	\$1.60
<b>AMENDMENT 8</b> <b>01/19/2023 – 01/18/2024</b>	<b>AMENDMENT 8 OPTION</b> <b>EXTENSION</b> <b>01/19/2024 – 07/18/2024</b>	<b>AMENDMENT 10</b> <b>07/19/2024 – 07/18/2025    07/19/2025 – 07/18/2026*</b>	
\$1.75	\$1.80	\$1.89	TBD*

\*Exhibit B, Pricing Sheet will be updated via an amendment for the second option year starting July 19, 2025, that includes and memorializes any per-citation processing cost allowable to Contractor based on the 12-month average CPI increased/change demonstrated in calendar year 2024.

**II. MONTHLY USAGE COST**

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

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

<b>YEAR 1 07/19/2015 – 07/18/2016 PER DEVICE COST</b>	<b>YEAR 2 07/19/2016 – 07/18/2017 PER DEVICE COST</b>	<b>YEAR 3 07/19/2017 – 07/18/2018 PER DEVICE COST</b>	<b>OPTION YEAR 1 07/19/2018 – 07/18/2019 PER DEVICE COST</b>
\$64.10	\$64.10	\$64.10	\$64.10
<b>OPTION YEAR 2 07/19/2019 – 07/18/2020 PER DEVICE COST</b>	<b>6-MONTH OPTION 07/19/2020 – 01/18/2021 PER DEVICE COST</b>	<b>AMENDMENT 6 01/19/2021 – 01/18/2022 PER DEVICE COST</b>	<b>AMENDMENT 6 OPTION YEAR EXTENSION 01/19/2022 – 01/18/2023 PER DEVICE COST</b>
\$64.10	\$64.10	\$64.10	\$64.10
<b>AMENDMENT 8 01/19/2023 – 01/18/2024 PER DEVICE COST</b>	<b>AMENDMENT 8 OPTION EXTENSION 01/19/2024 – 07/18/2024 PER DEVICE COST</b>	<b>AMENDMENT 10 07/19/2024 – 07/18/2026 PER DEVICE COST</b>	
\$69.55	\$69.55	\$73.10	

Upon the commencement of the Contract, Contractor shall provide ten (10) desktop computing hardware devices for use by the Department. It is anticipated that the County's need for desktop computing hardware devices may vary and fluctuate during the term of the Contract. The County reserves the right to increase or decrease the number of required desktop computing hardware devices based on the needs of the Department during the term of the Contract.

**IIb. Handheld Electronic Ticket-Writer Computing Devices**

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

<b>YEAR 1 07/19/2015 – 07/18/2016 PER DEVICE COST</b>	<b>YEAR 2 07/19/2016 – 07/18/2017 PER DEVICE COST</b>	<b>YEAR 3 07/19/2017 – 07/18/2018 PER DEVICE COST</b>	<b>OPTION YEAR 1 07/19/2018 – 07/18/2019 PER DEVICE COST</b>
\$72.19	\$72.19	\$72.19	\$72.19
<b>OPTION YEAR 2 07/19/2019 – 07/18/2020 PER DEVICE COST</b>	<b>6-MONTH OPTION 07/19/2020 – 01/18/2021 PER DEVICE COST</b>	<b>AMENDMENT 6 01/19/2021 – 01/18/2022 PER DEVICE COST</b>	<b>AMENDMENT 6 OPTION YEAR EXTENSION 01/19/2022 – 01/18/2023 PER DEVICE COST</b>
\$72.19	\$72.19	\$72.19	\$72.19
<b>AMENDMENT 8 01/19/2023 – 01/18/2024 PER DEVICE COST</b>	<b>AMENDMENT 8 OPTION EXTENSION 01/19/2024 – 07/18/2024 PER DEVICE COST</b>	<b>AMENDMENT 10 07/19/2024 – 07/18/2026</b>	
\$78.33	\$78.33	\$82.32	

Upon the commencement of the Contract, Contractor shall provide seventy (70) handheld electronic ticket-writer computing devices for use by the Department. It is anticipated that the County's need for handheld electronic ticket-writer computing devices may vary and fluctuate during the term of the Contract. The County reserves the right to increase or decrease the number of required handheld electronic ticket-writer computing devices based on the needs of the Department during the term of the Contract.

**IIc. Automated License Plate Recognition (ALPR) Systems**

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

<b>YEAR 1 07/19/2015 – 07/18/2016 PER DEVICE COST</b>	<b>YEAR 2 07/19/2016 – 07/18/2017 PER DEVICE COST</b>	<b>YEAR 3 07/19/2017 – 07/18/2018 PER DEVICE COST</b>	<b>OPTION YEAR 1 07/19/2018 – 07/18/2019 PER DEVICE COST</b>
\$827.90	\$827.90	\$827.90	\$827.90
<b>OPTION YEAR 2 07/19/2019 – 07/18/2020 PER DEVICE COST</b>	<b>6-MONTH OPTION 07/19/2020 – 01/18/2021 PER DEVICE COST</b>	<b>AMENDMENT 6 01/19/2021 – 01/18/2022 PER DEVICE COST</b>	<b>AMENDMENT 6 OPTION YEAR EXTENSION 01/19/2022 – 01/18/2023 PER DEVICE COST</b>
\$827.90	\$827.90	\$827.90	\$827.90
<b>AMENDMENT 8 01/19/2023 – 01/18/2024 PER DEVICE COST</b>	<b>AMENDMENT 8 OPTION EXTENSION 01/19/2024 – 07/18/2024 PER DEVICE COST</b>	<b>AMENDMENT 10 07/19/2024 – 07/18/2026 PER DEVICE COST</b>	
*	*	*	

Contractor shall provide five (5) ALPR systems for use by the Department, at the Department's request. The County's need for ALPR systems may vary and fluctuate during the term of the Contract. The County reserves the right to increase or decrease the number of required handheld ALPR systems based on the needs of the Department during the term of the Contract.

\*The Department has not implemented the use of the ALPR system. Should the Department request to implement the ALPR system, an amendment will be executed in accordance with Subparagraph 8.1 (Change Orders and Amendments) of the Contract.

## **II.d Wireless Communication**

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



AMENDMENT 8 01/19/2023 – 01/18/2024 MONTHLY WIRELESS COMMUNICATION PER DEVICE COST	AMENDMENT 8 OPTION EXTENSION 01/19/2024 – 07/18/2024 MONTHLY WIRELESS COMMUNICATION PER DEVICE COST	AMENDMENT 10 07/19/2024 – 07/18/2026 MONTHLY WIRELESS COMMUNICATION PER DEVICE COST
\$17.25	\$17.25	\$18.13

**III. IMPLEMENTATION COSTS**

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

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

**IV. SPECIAL COLLECTIONS FEE**

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

**V. NOTES**

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

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

## SOLE SOURCE CHECKLIST

Department Name: SHERIFF'S

New Sole Source Contract

Sole Source Amendment to Existing Contract

Date Existing Contract First Approved: 7/14/15, eff 7/19/15

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

\_\_\_\_\_  
Chief Executive Office

\_\_\_\_\_  
Date

## BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

<b>CLUSTER AGENDA REVIEW DATE</b>	6/26/2024	
<b>BOARD MEETING DATE</b>	Not Applicable	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1st <input type="checkbox"/> 2nd <input type="checkbox"/> 3rd <input type="checkbox"/> 4th <input type="checkbox"/> 5th	
<b>DEPARTMENT(S)</b>	Department of Health Services (DHS)	
<b>SUBJECT</b>	Advance notification of intent to negotiate a sole source amendment to Agreement No. H-705933 with Safety Net Connect, Inc. (SNC) for the provision of a web-based "eConsult" system and related services (System).	
<b>PROGRAM</b>	Not Applicable	
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>SOLE SOURCE CONTRACT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain why: The System incorporates over 12 years of features and customizations made for DHS, and is used by over 16,000 active providers and 12,000 support staff. Therefore, it is in the best economic interest of the County to extend the Agreement because it would be costly and disruptive to patient care to replace the System.	
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No – Not Applicable	
<b>DEADLINES/ TIME CONSTRAINTS</b>	The Agreement expires on October 28, 2024 with no options to extend. In order to prevent any disruption to services, DHS intends to return to the Board for a short-term extension of up to 2 years, maintaining the current pricing terms in the Agreement.	
<b>COST &amp; FUNDING</b>	Total cost: \$ To Be Determined	Funding source: DHS Fiscal Year 2024-25 Adopted Budget
	TERMS (if applicable): Explanation: The cost will be determined after negotiations with SNC are completed.	
<b>PURPOSE OF REQUEST</b>	To notify the Board of DHS's intention to enter into sole source negotiations with SNC.	
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	In 2011, L.A. Care selected SNC to develop/implement a web-based communication platform to securely share health information, discuss patient care, and improve care coordination, referred to as an "eConsult". The Board then approved a Memorandum of Understanding with L.A. Care, the Community Clinic Association of Los Angeles County, and other community healthcare organizations for DHS to participate in a demonstration project. It was determined that using the System increased access to specialty care, improved health outcomes with earlier specialist intervention, and reduced wait times for specialty appointments. Therefore, on October 29, 2013, the Board approved the sole source Agreement with SNC to expand the System at all DHS and My Health L.A. clinic sites. Further, on September 12, 2017, the Board approved an amendment to extend the term for 5 additional years through October 28, 2022 with an option to extend the term annually for 2 years through October 28, 2024.	
<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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: Health Integration - The System enables primary care physicians and health care professionals to consult with DHS specialists to address the specialty care needs of patients. The System has a communications technology and care management process that addresses gaps in the way primary care providers and specialty care providers communicate to improve the coordination of care and treatment for patients.	
<b>DEPARTMENTAL CONTACTS</b>	Name, Title, Phone # & Email: - Julio Alvarado, Director, Cont. Admin. & Mntr., (213) 288-7819, <a href="mailto:jalvarado@dhs.lacounty.gov">jalvarado@dhs.lacounty.gov</a> - Dr. Stanley Dea, (213) 240-8498, <a href="mailto:sdea@dhs.lacounty.gov">sdea@dhs.lacounty.gov</a> - Kevin Lynch, CIO, (213) 288-8133, <a href="mailto:KLynch@dhs.lacounty.gov">KLynch@dhs.lacounty.gov</a> - Lillian Anjarqolian, Deputy County Counsel, (213) 453-8744, <a href="mailto:LAnjarqolian@counsel.lacounty.gov">LAnjarqolian@counsel.lacounty.gov</a>	



**Health Services**  
LOS ANGELES COUNTY

June 26, 2024

Los Angeles County  
Board of Supervisors

Hilda L. Solis  
First District

Holly J. Mitchell  
Second District

Lindsey P. Horvath  
Third District

Janice Hahn  
Fourth District

Kathryn Barger  
Fifth District

TO: Supervisor Lindsey P. Horvath, Chair  
Supervisor Hilda L. Solis  
Supervisor Holly J. Mitchell  
Supervisor Janice K. Hahn  
Supervisor Kathryn Barger

FROM: Christina R. Ghaly, M.D.   
Director

SUBJECT: **ADVANCE NOTIFICATION OF INTENT TO EXTEND  
SOLE SOURCE AGREEMENT NO. H-705933 WITH  
SAFETY NET CONNECT, INC.**

Christina R. Ghaly, M.D.  
Director

Hal F. Yee, Jr., M.D., Ph.D.  
Chief Deputy Director, Clinical Affairs

Nina J. Park, M.D.  
Chief Deputy Director, Population Health

Elizabeth M. Jacobi, J.D.  
Administrative Deputy

This is to advise the Board of Supervisors (Board) that the Department of Health Services (DHS) intends to enter into sole source negotiations and then request approval to amend Agreement No. H-705933 (Agreement) with Safety Net Connect, Inc. (SNC) for the continued provision of a web-based "eConsult" system and related services (System) to extend the term of the Agreement as detailed below, on a sole source basis.

Board Policy No. 5.100 requires written notice of a department's intent to enter into sole source negotiations for an extension of a Board-approved agreement at least six months prior to the Agreement's expiration date.

**Background**

In 2011, L.A. Care selected SNC to develop and implement a secure, web-based communication platform that allows primary care physicians and specialists to securely share health information, discuss patient care, and improve care coordination, referred to as an "eConsult." Subsequently, the Board approved a Memorandum of Understanding (MOU) with L.A. Care, the Community Clinic Association of Los Angeles County, and other community healthcare organizations for DHS to participate in a demonstration project to use, test, and evaluate the System. It was found that the use of the System increased access to specialty care, improved health outcomes with earlier specialist intervention, and reduced wait times for a specialty appointment. As a result of the successful demonstration project, on October 29, 2013, the Board approved the sole source Agreement No. H-705933 with SNC to expand the System at all DHS and My Health L.A. clinic sites, including clinics operated by other Los Angeles County (LA County) departments and health care organizations. On

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*"To advance the health of our patients and our communities by providing extraordinary care"*



September 12, 2017, the Board approved Amendment No. 2 to extend the term for five additional years, from October 29, 2017, to October 28, 2022, and increase the maximum agreement sum to \$12,636,058, with an option to further extend the Agreement term annually thereafter for two years from October 29, 2022 to October 28, 2024, with an annual increase of \$995,328 for each optional renewal period. In addition, the Board delegated authority to DHS to increase the maximum Agreement sum by no more than ten percent of the maximum contract sum of the five-year extension term for a potential increase of \$517,664 to fund additional unanticipated work.

### **Justification**

The System enables primary care physicians and other health care professionals to consult with DHS specialists to address the specialty care needs of patients served by all DHS facilities, community partner clinics, other LA County departments, and health care organizations. The System includes a communications technology and care management process that addresses gaps in the way primary care providers (PCPs) and specialty care providers communicate to improve the coordination of care and treatment for patients. Since "go-live" in July 2012, over 2 million "eConsults" have been submitted to DHS. On average, DHS specialists review 18,000 "eConsults" per month.

The System, which incorporates over 12 years of features and customizations made specifically for DHS, is used by both providers and support staff to manage patient care. There are currently over 16,000 active providers and 12,000 support staff using the System. It is used by DHS' central schedulers in the Office of Patient Access to schedule 9,000 appointments per month. The System workflow designed and implemented at LA County remains unique in modern American healthcare in giving PCPs an opportunity to learn from each "eConsult," while also facilitating appropriate specialty care—the right care, at the right time, at the right place. Finally, the System interfaces with DHS' electronic health record system, (commonly referred to as ORCHID), for the exchange of data, which allows DHS to access extensive reports built exclusively for DHS' regulatory and performance improvement efforts.

It is in the best economic interest of LA County to extend the Agreement. Replacing the System, even assuming a potential vendor would agree to the level of customization required by DHS, including training all its users, would be costly and disruptive to patient care. In an environment where access to specialty care is particularly important, DHS' resources are best deployed for patient care, rather than addressing technological issues. Finally, the cost of the System has not increased during the term of the Agreement, and DHS expects to negotiate the extension of the Agreement to maintain current pricing, notwithstanding the increase in costs across the technology sector. With rising costs in the IT industry, including for labor and supplies, IT vendors at all levels have increased prices for customers. However, in the case of SNC, DHS has successfully negotiated to maintain pricing for many years and intends to do so for these extensions.

DHS intends to negotiate the extension of the Agreement in two parts. To prevent any disruption to services, DHS intends to return to the Board for a short-term extension of up to two years, maintaining the current pricing terms in the Agreement. This is to allow for the full impact of the changes to Medi-Cal to be considered in pricing for the extension. Pricing for the System is based in part on volume of "eConsults." With the sunset of the My Health LA Program, which ended on January 31, 2024, the migration of many of the affected patients to Medi-Cal has changed the landscape and use of the System. DHS anticipates community partner clinics will continue to refer residually uninsured patients and continue to use the System in such cases. As the Medi-Cal transition matures, DHS will continue to monitor changes in volume. Therefore, DHS will return to the Board again, sometime in the next two (2) years, for approval of a longer-term extension. This will allow LA County to determine pricing for the extension when appropriate and with all necessary information.

### **Conclusion**

DHS has determined that SNC is uniquely positioned to continue providing primary care physicians and other health care professionals tools to consult with DHS specialists to address the specialty care needs of patients served by all DHS facilities, community partner clinics, other LA County departments, and health care organizations. DHS will commence negotiations for the Agreement extension no earlier than four weeks from the date of this notification unless otherwise instructed by the Board. Thereafter, DHS will negotiate the longer-term extension, sometime in the next two years, unless requested otherwise by the Board.

If you have any questions, you may contact me or your staff may contact Dr. Stanley Dea, eConsult Project Director, by email at [sdea@dhs.lacounty.gov](mailto:sdea@dhs.lacounty.gov).

CRG:sd

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